



Reprinted
April 11, 2003

ENGROSSED HOUSE BILL No. 2008

DIGEST OF HB 2008 (Updated April 10, 2003 7:07 PM - DI 44)

Citations Affected: IC 4-3; IC 4-4; IC 4-12; IC 4-23; IC 6-1.1; IC 6-2.5; IC 6-3.1; IC 6-6; IC 8-10; IC 36-7; noncode.

Synopsis: Economic development matters. Changes the membership of the Indiana economic development council. Requires certain members of the twenty-first century research and technology fund board to have experience in the life sciences. Creates the emerging technology grant fund and program. Specifies the purposes for which the rural development council may spend appropriations and creates an advisory board to make recommendations concerning those expenditures. Authorizes the designation of tax allocation projects in distressed counties. Creates a grant office within the department of commerce to work with federal agencies, state agencies, colleges and universities, and private sector entities to develop and receive research and development grants. Establishes a property tax deduction for manufacturers who purchase depreciable personal property used to manufacture recycled components composed of at least 15% coal
(Continued next page)

Effective: January 1, 2003 (retroactive); upon passage; July 1, 2003; January 1, 2004.

Crawford, Cochran, Hasler, Lytle, Bosma

(SENATE SPONSORS — BORST, SIMPSON, FORD, BRODEN)

January 23, 2003, read first time and referred to Committee on Rules and Legislative Procedures.

February 20, 2003, reassigned to Committee on Ways and Means.

February 25, 2003, amended, reported — Do Pass.

March 3, 2003, read second time, ordered engrossed.

March 4, 2003, engrossed. Read third time, recommitted to Committee of One, amended; passed. Yeas 90, nays 9.

March 5, 2003, re-engrossed.

SENATE ACTION

March 13, 2003, read first time and referred to Committee on Finance.

April 7, 2003, amended, reported favorably — Do Pass.

April 10, 2003, read second time, amended, ordered engrossed.

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combustion waste generated in Indiana. Establishes an income tax credit for manufacturers who manufacture recycled components consisting of at least 15% coal combustion waste generated in Indiana. Provides that a person is not required to register as a retail merchant or to collect or remit the state sales or use tax in Indiana if the sole contact with Indiana is a contract with a call center in Indiana that provides telephone call services to the person. Exempts sales of certain energy efficient appliances from the state gross retail tax for sales occurring after June 30, 2003, and before January 1, 2008. Establishes a property tax deduction for 100% of the assessed value of aircraft owned or operated by certain air carriers or scheduled air taxi operators that have an Indiana corporate headquarters. Provides that those aircraft are subject to the aircraft excise tax. Provides tax credits for the production of biodiesel and the production and retail sale of blended biodiesel. Provides a tax credit for the production of ethanol in Indiana. Requires the public employees' retirement fund (PERF) and the teachers' retirement fund (TRF) to apply for a grant from a private foundation or other entity to develop a fellowship program to assist PERF and TRF in increasing venture capital investment opportunities in Indiana technology and advanced manufacturing companies. Extends the expiration date for the research expense tax credit. Specifies that a pass through entity is eligible for the venture capital investment tax credit for investments made in qualified Indiana businesses. Eliminates certain requirements that a business must meet in order to be certified as a qualified Indiana business. Sets forth procedures for the department of commerce to certify that a taxpayer is entitled to a venture capital investment tax credit. Provides that if a taxpayer carries over any credit amount to the succeeding year, the amount carried over does not count toward the \$10,000,000 in maximum allowable credits for the succeeding year. Authorizes the Indiana port commission to construct and finance: (1) maritime and nonmaritime port projects throughout Indiana for the transfer of goods and passengers between all modes of transportation; and (2) nonport projects to promote economic growth and development throughout Indiana. Specifies the powers of the commission with respect to these projects, including the conditions under which the commission may issue bonds. Creates a government efficiency commission. Makes appropriations for various purposes.

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April 11, 2003

First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 2008

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

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

- 1 SECTION 1. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) The articles of
3 incorporation or bylaws of the corporation, as appropriate, must
4 provide that:
5 (1) the exclusive purpose of the corporation is to contribute to the
6 strengthening of the economy of the state by:
7 (A) coordinating the activities of all parties having a role in the
8 state's economic development through evaluating, overseeing,
9 and appraising those activities on an ongoing basis;
10 (B) overseeing the implementation of the state's economic
11 development plan and monitoring the updates of that plan; and
12 (C) educating and assisting all parties involved in improving
13 the long range vitality of the state's economy;
14 (2) the board ~~must include~~:
15 (A) ~~the governor~~;
16 (B) ~~the lieutenant governor~~;
17 (C) ~~the chief operating officer of the corporation~~;

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- 1 (D) the chief operating officer of the corporation for Indiana's
2 international future; and
- 3 (E) additional persons appointed by the governor, who are
4 actively engaged in Indiana in private enterprise, organized
5 labor, state or local governmental agencies, and education, and
6 who represent the diverse economic and regional interests
7 throughout Indiana; is composed of the following twenty-one
8 (21) members, none of whom may be members of the
9 general assembly:
- 10 (A) Three (3) persons appointed by the governor who must
11 be employed in or retired from the private or nonprofit
12 sector but may not represent organized labor.
13 Appointments made under this subdivision are also subject
14 to the requirements of subsection (a)(3).
- 15 (B) Three (3) persons appointed by the lieutenant governor
16 who must be employed in or retired from the private or
17 nonprofit sector but may not represent organized labor.
18 Appointments made under this subdivision are also subject
19 to the requirements of subsection (a)(3).
- 20 (C) Two (2) persons appointed by the speaker of the house
21 of representatives who must be employed in or retired
22 from the private or nonprofit sector. One (1) of these
23 appointees must represent organized labor and the other
24 appointee may not represent organized labor.
- 25 (D) Two (2) persons appointed by the minority leader of
26 the house of representatives who must be employed in or
27 retired from the private or nonprofit sector. One (1) of
28 these appointees must represent organized labor and the
29 other appointee may not represent organized labor.
- 30 (E) Two (2) persons appointed by the president pro
31 tempore of the senate who must be employed in or retired
32 from the private or nonprofit sector. One (1) of these
33 appointees must represent organized labor and the other
34 appointee may not represent organized labor.
- 35 (F) Two (2) persons appointed by the minority leader of
36 the senate who must be employed in or retired from the
37 private or nonprofit sector. One (1) of these appointees
38 must represent organized labor and the other appointee
39 may not represent organized labor.
- 40 (G) One (1) person appointed by the president of Indiana
41 University who must be employed in or retired from the
42 private or nonprofit sector or academia, but may not

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- represent organized labor.
- (H) One (1) person appointed by the president of Purdue University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (I) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (J) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (K) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (L) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (M) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.**
- (3) The governor and lieutenant governor shall coordinate their appointments under subsection (a)(2)(A) and (a)(2)(B) so that those appointments include at least one (1) representative from each of the following industry sectors:**
 - (A) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.**
 - (B) Information technology, such as informatics, certified network administration, software development, or fiber optics.**
 - (C) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.**
 - (D) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.**

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(E) Public utilities (as defined in IC 8-1-2-1).

(4) The terms of office of the members of the corporation are as follows:

(A) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the senate serve for terms of four (4) years.

(B) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

(5) The governor may designate a member of the board appointed by the governor under subsection (a)(2)(A) of this section to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

(6) Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

(7) Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

(8) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a)(9) and subsection(a)(10).

~~(3) the governor shall serve as chairman of the board of the corporation; and the lieutenant governor shall serve as the chief executive officer of the corporation;~~

~~(4) (9) the governor shall appoint as vice chairman of the board a member of the board engaged in private enterprise; the board shall elect an executive director of the corporation;~~

~~(5) (10) the lieutenant governor executive director of the corporation shall be responsible as chief executive officer for overseeing implementation of the state's economic development plan as articulated by the corporation board and shall oversee the activities of the corporation's chief operating officer corporation;~~

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1 ~~(6)~~ the governor may appoint an executive committee composed
 2 of members of the board (size and structure of the executive
 3 committee shall be set by the articles and bylaws of the
 4 corporation);

5 ~~(7)~~ **(11)** the corporation may receive funds from any source and
 6 may expend funds for any activities necessary, convenient, or
 7 expedient to carry out its purposes;

8 ~~(8)~~ **(12)** any amendments to the articles of incorporation or bylaws
 9 of the corporation must be approved by the ~~governor; board;~~

10 ~~(9)~~ **(13)** the corporation shall submit an annual report to the
 11 governor, **lieutenant governor** and to the Indiana general
 12 assembly on or before the first day of November for each year;

13 ~~(10)~~ **(14)** the corporation shall conduct an annual public hearing
 14 to receive comment from interested parties regarding the annual
 15 report, and notice of the hearing shall be given at least fourteen
 16 (14) days prior to the hearing in accordance with
 17 IC 5-14-1.5-5(b); and

18 ~~(11)~~ **(15)** the corporation is subject to an annual audit by the state
 19 board of accounts, and the corporation shall bear the full costs of
 20 this audit.

21 **(b) The members of the corporation are entitled to a salary per**
 22 **diem for attending meetings equal to the per diem provided by law**
 23 **for members of the general assembly. The members of the**
 24 **corporation shall receive reimbursement for actual and necessary**
 25 **expenses on the same basis as state employees.**

26 **(c) Employees of the corporation are not employees of the state.**

27 **(d) The corporation may, without the approval of the attorney**
 28 **general or any other state officer, employ bond counsel, other legal**
 29 **counsel, technical experts, and other officers, agents, and**
 30 **employees, permanent or temporary, the corporation considers**
 31 **necessary to carry out the efficient operation of the corporation.**

32 ~~(b)~~ **(e) The corporation is granted all powers necessary or**
 33 **appropriate to carry out and effectuate the corporation's public**
 34 **and corporate purposes under this chapter.** The corporation may
 35 perform other acts and things necessary, convenient, or expedient to
 36 carry out the purposes identified in this section, and it has all rights,
 37 powers, and privileges granted to corporations by IC 23-17 and by
 38 common law.

39 SECTION 2. IC 4-4-5.1-3, AS ADDED BY P.L.190-1999,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2003]: Sec. 3. (a) The Indiana twenty-first century research
 42 and technology fund is established to provide grants or loans to support



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1 proposals for economic development in one (1) or more of the
2 following areas:

3 (1) To increase the capacity of Indiana institutions of higher
4 education, Indiana businesses, and Indiana nonprofit corporations
5 and organizations to compete successfully for federal or private
6 research and development funding.

7 (2) To stimulate the transfer of research and technology into
8 marketable products.

9 (3) To assist with diversifying Indiana's economy by focusing
10 investment in biomedical research and biotechnology, information
11 technology, and other high technology industry clusters requiring
12 high skill, high wage employees.

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

15 (b) The fund shall be administered by the budget agency. The fund
16 consists of appropriations from the general assembly and gifts and
17 grants to the fund. The budget agency shall review each
18 recommendation. The budget agency, after review by the budget
19 committee, may approve, deny, or modify grants and loans
20 recommended by the board. Money in the fund may not be used to
21 provide a recurring source of revenue for the normal operating
22 expenditures of any project.

23 (c) The treasurer of state shall invest the money in the fund not
24 currently needed to meet the obligations of the fund in the same
25 manner as other public funds may be invested.

26 (d) The money in the fund at the end of a state fiscal year does not
27 revert to the state general fund but remains in the fund to be used
28 exclusively for the purposes of this chapter.

29 **(e) Twenty million dollars (\$20,000,000) is annually**
30 **appropriated to the fund from the state general fund for the**
31 **purposes of this chapter during each state fiscal year beginning**
32 **after June 30, 2005, and ending before July 1, 2013.**

33 SECTION 3. IC 4-4-5.1-6, AS AMENDED BY P.L.291-2001,
34 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2003]: Sec. 6. (a) The Indiana twenty-first century research
36 and technology fund board is established. The board consists of the
37 following:

38 (1) The lieutenant governor, who shall serve as chairperson of the
39 board.

40 (2) Two (2) representatives from separate Indiana public research
41 institutions of higher education to be appointed by the governor.

42 (3) A representative of an Indiana private research institution of

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- 1 higher education to be appointed by the governor.
 2 (4) A representative from a high technology business to be
 3 appointed by the governor.
 4 (5) A representative from a business with high research and
 5 development expenditures in Indiana **in the life sciences** to be
 6 appointed by the governor.
 7 (6) A representative from the venture or growth capital industry
 8 to be appointed by the governor.
 9 (7) One (1) individual who has expertise in economic
 10 development to be appointed by the governor.
 11 (8) One (1) individual **who:**
 12 (A) has expertise in ~~academic research, technology transfer, or~~
 13 collaborative relationships between the public and private
 14 sectors **that have resulted in the commercialization of**
 15 **research in the life sciences; or**
 16 (B) **has established or expanded a commercial enterprise**
 17 **based on the commercialization of research in the life**
 18 **sciences;**
 19 to be appointed by the governor.
 20 (9) A representative from a high technology business to be
 21 appointed by the speaker of the house of representatives.
 22 (10) A representative from a high technology business to be
 23 appointed by the president pro tempore of the senate.
 24 A board member appointed by the governor, the speaker of the house
 25 of representatives, or the president pro tempore of the senate serves a
 26 term of two (2) years.
 27 (b) A board member with a conflict of interest with respect to an
 28 application for a grant or loan from the fund shall abstain from any
 29 discussion, consideration, or vote on the application.
 30 (c) When making appointments under subsection (a), the governor
 31 shall consider the geographic areas of the state represented on the
 32 board.
 33 SECTION 4. IC 4-4-5.2 IS ADDED TO THE INDIANA CODE AS
 34 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2003]:
 36 **Chapter 5.2. Emerging Technology Grant Fund**
 37 **Sec. 1. As used in this chapter, "board" refers to the Indiana**
 38 **twenty-first century research and technology fund board**
 39 **established by IC 4-4-5.1-6.**
 40 **Sec. 2. As used in this chapter, "fund" means the emerging**
 41 **technology grant fund established by section 5 of this chapter.**
 42 **Sec. 3. As used in this chapter, "small business" means a**

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1 business that satisfies all the following:

- 2 (1) The business is independently owned and operated.
 3 (2) The business's principal office is located in Indiana.
 4 (3) The business satisfies either of the following:

5 (A) The business has:

- 6 (i) not more than one hundred (100) employees; and
 7 (ii) average annual gross receipts of not more than ten
 8 million dollars (\$10,000,000) for the two (2) calendar
 9 years preceding the calendar year during which the
 10 business applies for a grant under this chapter.

11 (B) If the business is a manufacturing business, the
 12 business does not have more than one hundred (100)
 13 employees.

14 Sec. 4. As used in this chapter, "small technology based
 15 business" means a small business engaged in any of the following:

- 16 (1) Life sciences.
 17 (2) Information technology.
 18 (3) Advanced manufacturing.
 19 (4) Logistics.

20 Sec. 5. (a) The emerging technology grant fund is established to
 21 provide grants to:

- 22 (1) small technology based businesses; and
 23 (2) other businesses, to the extent permitted by section 9 of
 24 this chapter;

25 to match federal grants or other grants or financial assistance that
 26 are to be used to accelerate commercialization of emerging
 27 technologies.

28 (b) The fund consists of appropriations from the general
 29 assembly and gifts and grants to the fund.

30 (c) The treasurer of state shall invest the money in the fund not
 31 currently needed to meet the obligations of the fund in the same
 32 manner as other public funds may be invested.

33 (d) The money in the fund at the end of a state fiscal year does
 34 not revert to the state general fund but remains in the fund to be
 35 used exclusively for purposes of this chapter.

36 (e) Five million dollars (\$5,000,000) is annually appropriated to
 37 the fund from the state general fund for the purposes of this
 38 chapter during each state fiscal year beginning after June 30, 2005,
 39 and ending before July 1, 2013.

40 Sec. 6. The purpose of the grant program is to do the following:

- 41 (1) Assist Indiana businesses to compete nationally for
 42 research and development awards from the federal

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1 government and other sources.

2 (2) Provide matching grants that focus on small technology
3 based businesses in industry sectors vital to Indiana's
4 economic growth.

5 Sec. 7. (a) The board shall administer the grant program under
6 this chapter.

7 (b) The board shall award grants to support projects that
8 leverage private sector, federal, and state resources to create new
9 commercial products or services that will enhance economic
10 growth and job creation in Indiana.

11 (c) The board may award grants only to businesses that also
12 receive grants or other forms of financial assistance from other
13 sources.

14 (d) In awarding grants, the board shall give preference to
15 proposals from businesses that include other Indiana based
16 organizations.

17 (e) The board shall consider the following when making grants
18 under this chapter:

19 (1) Whether the grant will increase the viability of the
20 applicant's project.

21 (2) Whether the grant will attract additional money for
22 research, development, and commercialization from the
23 federal government and other sources.

24 (3) Whether the grant will assist in accelerating the
25 introduction of technology based products in the market.

26 (4) Whether the grant will produce additional technology
27 based jobs in Indiana.

28 (5) Other factors the board considers relevant.

29 (f) An applicant for a grant under this chapter must be in the
30 process of applying for, have applied for, or have received a grant
31 or other form of financial assistance for the proposed project. If
32 the applicant has already received a grant or other form of
33 financial assistance for the proposed project, the start date of that
34 grant or assistance must be after June 30, 2003.

35 (g) Any federal program or other program providing grants or
36 other forms of financial assistance can serve as the basis for a grant
37 under this chapter if all the following are satisfied:

38 (1) The applicant's proposal under the federal program or
39 other program is a response to a nationally competitive
40 solicitation.

41 (2) The federal program or other program provides money to
42 develop, revise, or commercialize a new technology.

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(3) The federal program or other program accepts matching funds.

(4) The applicant's proposal under the federal program or other program includes the state as a potential funding source.

Sec. 8. Before July 1 of each year, the board shall establish and publish guidelines determining the following:

(1) Priority industries and technological areas for grants under this chapter.

(2) Matching levels for the different priorities established under subdivision (1). The matching level may not be more than one dollar (\$1) for each dollar received by an applicant under a federal program or from other sources that provide grants or other forms of financial assistance.

(3) The maximum dollar amount that may be awarded for a proposal. The maximum dollar amount may not exceed one hundred fifty thousand dollars (\$150,000) for each business for each proposal.

Sec. 9. The board shall adopt guidelines and a process to determine on a case by case basis the award of grants under this chapter to technology based businesses that are not small businesses. The guidelines for awards under this section must provide for fulfilling the purposes of this chapter.

SECTION 5. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) Money appropriated to the council by the general assembly may be used for the following purposes:

(1) To create, assess, and assist a pilot project to enhance the economic and community development in a rural area.

(2) To establish a local revolving loan fund for an industrial, a commercial, an agricultural, or a tourist venture.

(3) To provide a loan for an economic development project in a rural area.

(4) To provide technical assistance to a rural organization.

(5) To assist in the development and creation of a rural cooperative.

(6) To address rural workforce development challenges.

(7) To assist in addressing telecommunications needs in a rural area.

(8) To carry out the responsibilities of the rural development advisory board.

(b) The council may not expend money appropriated to the

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1 council by the general assembly for a purpose described in
 2 subsection (a) unless the rural development administration
 3 advisory board established by section 5 of this chapter has
 4 recommended the expenditure.

5 SECTION 6. IC 4-4-9.5-5 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2003]: **Sec. 5. (a) The rural development administration advisory
 8 board is established to make recommendations concerning
 9 expenditures described in section 4 of this chapter.**

10 **(b) The advisory board shall meet at least four (4) times per
 11 year and shall also meet at the call of the executive director of the
 12 rural development council.**

13 **(c) The advisory board consists of the following members:**

14 **(1) The executive director of the Indiana rural development
 15 council, who serves as an ex officio member and as the
 16 chairperson of the advisory board.**

17 **(2) Two (2) members of the senate, who may not be members
 18 of the same political party, and who are appointed by the
 19 president pro tempore of the senate.**

20 **(3) Two (2) members of the house of representatives, who may
 21 not be members of the same political party, and who are
 22 appointed by the speaker of the house of representatives.**

23 **(4) A representative of the commissioner of agriculture, to be
 24 appointed by the governor.**

25 **(5) A representative of the department of commerce, to be
 26 appointed by the governor.**

27 **(6) A representative of the department of workforce
 28 development, to be appointed by the governor.**

29 **(7) Two (2) persons with knowledge and experience in state
 30 and regional economic needs, to be appointed by the
 31 governor.**

32 **(8) A representative of a local rural economic development
 33 organization, to be appointed by the governor.**

34 **(9) A representative of a small town or rural community, to be
 35 appointed by the governor.**

36 **(10) A representative of the rural development council, to be
 37 appointed by the governor.**

38 **(11) A representative of rural education, to be appointed by
 39 the governor.**

40 **(12) A representative of the league of regional conservation
 41 and development districts, to be appointed by the governor.**

42 **(13) A person currently enrolled in rural secondary education,**

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1 to be appointed by the governor.

2 (d) The members of the advisory board listed in subsection
3 (c)(1) through (c)(3) are nonvoting members.

4 (e) The term of office of a legislative member of the advisory
5 board is four (4) years. However, a legislative member of the
6 advisory board ceases to be a member if the member:

7 (1) is no longer a member of the chamber from which the
8 member was appointed; or

9 (2) is removed from the advisory board by the appointing
10 authority who appointed the legislator.

11 (f) The term of office of a voting member of the advisory board
12 is four (4) years. However, these members serve at the pleasure of
13 the governor and may be removed for any reason.

14 (g) If a vacancy exists on the advisory board, the appointing
15 authority who appointed the former member whose position has
16 become vacant shall appoint an individual to fill the vacancy for
17 the balance of the unexpired term.

18 (h) Six (6) voting members of the advisory board constitute a
19 quorum for the transaction of business at a meeting of the advisory
20 board. The affirmative vote of at least six (6) voting members is
21 necessary for the advisory board to take action.

22 (i) Each member of the advisory board who is not a state
23 employee is entitled to the minimum salary per diem provided by
24 IC 4-10-11-2.1(b). The member is also entitled to reimbursement
25 for traveling expenses as provided under IC 4-13-1-4 and other
26 expenses actually incurred in connection with the member's duties
27 as provided in the state policies and procedures established by the
28 Indiana department of administration and approved by the budget
29 agency.

30 (j) Each member of the advisory board who is a state employee
31 but who is not a member of the general assembly is entitled to
32 reimbursement for traveling expenses as provided under
33 IC 4-13-1-4 and other expenses actually incurred in connection
34 with the member's duties as provided in the state policies and
35 procedures established by the Indiana department of
36 administration and approved by the budget agency.

37 (k) Each member of the advisory board who is a member of the
38 general assembly is entitled to receive the same per diem, mileage,
39 and travel allowances paid to legislative members of interim study
40 committees established by the legislative council. Per diem,
41 mileage, and travel allowances paid under this subsection shall be
42 paid from appropriations made to the legislative council or the

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legislative services agency.

SECTION 7. IC 4-4-10.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The definitions in this chapter apply throughout this chapter, ~~and~~ IC 4-4-11, ~~and~~ **IC 4-4-31.**

SECTION 8. IC 4-4-10.9-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 5.5. "Covered taxes" refers to any of the following:**

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or the use tax imposed under IC 6-2.5-3-2.**
- (2) The adjusted gross income tax imposed under IC 6-3-2-1.**

SECTION 9. IC 4-4-10.9-6.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6.1. "Distressed area" means a county in which:**

- (1) the average annualized unemployment rate in each of the two (2) calendar years immediately preceding the current calendar year exceeded the statewide average annualized unemployment rate for each of the same calendar years by at least two percent (2%); or**
- (2) the average annualized unemployment rate in the immediately preceding calendar year was at least double the statewide average annualized unemployment rate for the same period;**

as determined by the department of workforce development and published in the report required by IC 4-4-31-1.

SECTION 10. IC 4-4-10.9-6.2, AS AMENDED BY P.L.4-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6.2. (a) "Educational facility project" includes:**

- (1) the acquisition of land, site improvements, infrastructure improvements, buildings, or structures, the rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment, furnishings, or facilities (or any combination of these):**
 - (A) comprising or being functionally related and subordinate to any aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies, zoological societies, and independent elementary, secondary, or postsecondary schools (or any combination of these) that engages in the cultural, intellectual, scientific, educational, or artistic enrichment of the people of**

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- 1 the state the development or expansion of which serves the
- 2 purposes set forth in IC 4-4-11-2;
- 3 (B) is not used or to be used primarily for sectarian instruction
- 4 or study or as a place for devotional activities; and
- 5 (C) is not used or to be used primarily in connection with any
- 6 part of the program of a school or department of divinity for
- 7 any religious denomination; or
- 8 (2) funding (including reimbursement or refinancing) by a
- 9 nonprofit organization described in subsection (b) of:
- 10 (A) real property and improvements;
- 11 (B) personal property; or
- 12 (C) noncapital costs to fund a judgment, a settlement, or other
- 13 cost or liability. ~~other than an ordinary and recurring operating~~
- 14 ~~cost or expenditure.~~
- 15 (b) For purposes of subsection (a)(2), a nonprofit organization must
- 16 be:

- 17 (1) qualified as tax exempt under Section 501(c)(3) of the Internal
- 18 Revenue Code; and
- 19 (2) have headquarters or a primary educational or exhibit facility
- 20 located on property owned by or titled in the name of the state of
- 21 Indiana or an agency, a commission, or an instrumentality of the
- 22 state of Indiana that serves the purposes set forth in IC 4-4-11-2.

23 SECTION 11. IC 4-4-31 IS ADDED TO THE INDIANA CODE AS
 24 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2003]:

26 **Chapter 31. Funding of Industrial Development Projects in**
 27 **Distressed Counties**

28 **Sec. 1. After June 30 and before July 15 of each year, the**
 29 **department of workforce development shall provide the authority**
 30 **with a list of the counties that qualify as distressed areas as of the**
 31 **date of the report. A copy of the list also shall be distributed to the**
 32 **department of commerce for use under IC 4-4-20.**

33 **Sec. 2. (a) The authority may adopt a resolution designating an**
 34 **industrial development project as a tax allocation project if the**
 35 **industrial development project is located in an area that is**
 36 **designated in the latest report issued under section 1 of this chapter**
 37 **as a distressed area. The authority shall designate in the resolution**
 38 **the boundaries of the tax allocation project area. The resolution**
 39 **designating a tax allocation project must provide for:**

- 40 (1) allocation of covered taxes attributable to a taxable event
- 41 or covered taxes earned in the tax allocation project area to
- 42 an industrial development project area fund established for

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1 the industrial development project;
 2 (2) use of money in the industrial development project area
 3 fund solely for payments related to bonds, loans, or leases
 4 issued under this article to pay for the costs of the project;
 5 and
 6 (3) termination of the industrial development project area
 7 fund upon payment of all obligations described in subdivision
 8 (2).
 9 (b) A resolution adopted under this section may not apply to an
 10 industrial development project that will result in the loss of
 11 employment in any part of Indiana.
 12 (c) The authority shall incorporate the resolution adopted under
 13 this section into the financing agreement entered into between the
 14 developer of the industrial development project and the authority.
 15 **Sec. 3. Subject to the approval of the budget agency under**
 16 **section 4 of this chapter, a resolution adopted under section 2 of**
 17 **this chapter authorizes the allocation of the following covered taxes**
 18 **(in excess of the base allocation amount) to the industrial**
 19 **development project area fund for an industrial development**
 20 **project:**
 21 (1) Covered taxes incurred by a developer as a consequence of
 22 the development of the industrial development project,
 23 including gross retail taxes collectible by a retail merchant on
 24 goods or services provided to the developer for the industrial
 25 development project.
 26 (2) Covered taxes that:
 27 (A) are incurred by an individual or entity that leases,
 28 controls, uses, or operates in; and
 29 (B) are attributable to a taxable event related to or earned
 30 through lease, control, use, or operations in;
 31 facilities developed through an industrial development
 32 project, including gross retail taxes collectible by a retail
 33 merchant on goods or services provided to the individual or
 34 entity.
 35 (3) Covered taxes that:
 36 (A) are incurred by an individual or entity that is a
 37 partner, shareholder, or member of an entity that leases,
 38 controls, uses, or operates in; and
 39 (B) are attributable to a taxable event related to or earned
 40 through lease, control, use, or operations in;
 41 facilities developed through an industrial development
 42 project.

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(4) Four percent (4%) of covered taxes on wages or other compensation earned by persons employed or providing services at facilities financed through an industrial development project, including services related to the construction, reconstruction, improvement, or repair of the facilities.

Sec. 4. (a) The authority shall provide the department of state revenue, the auditor of state, and the budget agency with a copy of any resolution adopted under section 2 of this chapter and the related financing agreement.

(b) A resolution adopted under section 2 of this chapter is subject to the approval of the budget agency. The budget agency shall notify the authority, the department of state revenue, and the auditor of state of its decision concerning the resolution.

(c) Upon receipt of notification that the budget agency has approved the resolution:

(1) the auditor of state shall establish an industrial development project area fund for the industrial development project;

(2) the department of state revenue shall compute the base allocation amount for the industrial development project area;

(3) the department of state revenue shall annually deposit the covered taxes subject to the resolution (to the extent that the amount exceeds the base allocation amount) in the industrial development project area fund for the industrial development project; and

(4) the auditor of state shall make payments from the industrial development project area fund in accordance with the resolution and the financing agreement for the industrial development project.

Sec. 5. The department of state revenue shall estimate the base allocation amount from the data available to the department and any other data supplied by the authority. The base allocation amount is equal to the amount of covered taxes deposited from taxable events occurring, or from wages or other compensation earned, in the tax allocation project area in the calendar year immediately preceding the calendar year in which the resolution is adopted under section 2 of this chapter.

Sec. 6. An industrial development project area fund established under section 4 of this chapter shall be treated as a trust fund. Money in an industrial development project area fund is annually

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1 appropriated for purposes of the industrial development project
 2 for which it was created and may be used only for the purposes
 3 specified in the resolution and financing agreement for the
 4 industrial development project. Money in the industrial
 5 development project area fund at the end of a state fiscal year does
 6 not revert to the state general fund. However, unencumbered
 7 money remaining in an industrial development project area fund
 8 upon payment of all obligations for which the fund was created
 9 reverts to the state general fund.

10 **Sec. 7.** The department of state revenue may adopt rules under
 11 IC 4-22-2 and prescribe forms to carry out its responsibilities
 12 under this chapter, including the establishment of requirements
 13 concerning the filing of informational returns necessary to identify
 14 tax receipts that are to be deposited in an industrial development
 15 project area fund.

16 SECTION 12. IC 4-4-32 IS ADDED TO THE INDIANA CODE AS
 17 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 18 1, 2003]:

19 **Chapter 32. Grant Office**

20 **Sec. 1.** As used in this chapter, "office" means the grant office
 21 established by section 3 of this chapter.

22 **Sec. 2.** As used in this chapter, "department" means the
 23 department of commerce established by IC 4-4-3-2.

24 **Sec. 3.** The grant office is established within the department to
 25 assist state agencies, public and private colleges and universities,
 26 private sector profit and nonprofit companies, and other entities
 27 within the state in researching and developing grants and funding
 28 sources from:

- 29 (1) the federal government;
- 30 (2) private foundations; or
- 31 (3) any other source of funding.

32 **Sec. 4.** The office shall search all sources of research and
 33 development grants to identify available research or development
 34 grants and funds.

35 **Sec. 5.** The office shall establish and maintain a list of all:

- 36 (1) Indiana state and local governmental entities;
- 37 (2) public and private colleges and universities; and
- 38 (3) private sector profit and nonprofit entities;

39 that might benefit from federal or private foundation research and
 40 development money.

41 **Sec. 6.** The office may assist possible recipients in preparing
 42 applications and all other documentation to aggressively seek

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1 **funding for Indiana entities listed in section 5 of this chapter.**

2 **Sec. 7. The office may accept appropriations made by the**
3 **general assembly, gifts, and donations from any other source to**
4 **further the activities of the office.**

5 SECTION 13. IC 4-12-10-3, AS ADDED BY P.L.26-2001,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2003]: Sec. 3. (a) The Indiana economic development
8 partnership fund is established to provide grants for economic
9 development initiatives that support the following:

10 (1) The establishment of regional technology **and**
11 **entrepreneurship** centers for the creation of high technology
12 companies and for the support of workforce development.

13 (2) The providing of leadership and technical support necessary
14 for the centers' start-up operations and long term success.

15 (3) The expansion of the Purdue Technical Assistance Program
16 **to other higher education institutions** in ten (10) geographic
17 regions of Indiana.

18 (4) The creation of a rural/community economic development
19 regional outreach program by Purdue University.

20 (5) The expansion of workforce development for high technology
21 business development through the centers.

22 (b) The fund shall be administered by the budget agency. The fund
23 consists of appropriations from the general assembly and gifts and
24 grants to the fund.

25 (c) The treasurer of state shall invest the money in the fund not
26 currently needed to meet the obligations of the fund in the same
27 manner as other public funds may be invested.

28 (d) The money in the fund at the end of a state fiscal year does not
29 revert to the state general fund but remains in the fund to be used
30 exclusively for the purposes of this chapter.

31 **(e) Five million dollars (\$5,000,000) is annually appropriated to**
32 **the fund from the state general fund for the purposes of this**
33 **chapter during each state fiscal year beginning after June 30, 2005,**
34 **and ending before July 1, 2013.**

35 SECTION 14. IC 4-12-10-4, AS ADDED BY P.L.26-2001,
36 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2003]: Sec. 4. (a) The budget agency, after review by the
38 budget committee, shall **enter into an agreement with the**
39 **department of commerce** to do the following:

40 (1) Review, prioritize, and approve or disapprove proposals for
41 centers.

42 (2) Create detailed application procedures and selection criteria

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- 1 for center proposals. These criteria may include the following:
- 2 (A) Geographical proximity to and partnership agreement with
- 3 an Indiana public or private university.
- 4 (B) Proposed local contributions to the center.
- 5 (C) Minimum standards and features for the physical facilities
- 6 of a center, including telecommunications infrastructure.
- 7 (D) The minimum support services, both technical and
- 8 financial, that must be provided by the centers.
- 9 (E) Guidelines for selecting entities that may participate in the
- 10 center.
- 11 (3) Develop performance measures and reporting requirements
- 12 for the centers.
- 13 (4) Monitor the effectiveness of each center and report its findings
- 14 to the governor, **the budget agency**, and the budget committee
- 15 before October 1 of each even-numbered year.
- 16 ~~(5) Contract with Purdue University for any staff support~~
- 17 ~~necessary for the budget agency to carry out this chapter.~~
- 18 ~~(6) (5) Approve a regional technology center only if the center~~
- 19 ~~agrees to do all of the following:~~
- 20 (A) Nurture the development and expansion of high
- 21 technology ventures that have the potential to become high
- 22 growth businesses.
- 23 (B) Increase high technology employment in Indiana.
- 24 (C) Stimulate the flow of new venture capital necessary to
- 25 support the growth of high technology businesses in Indiana.
- 26 (D) Expand workforce education and training for highly
- 27 skilled, high technology jobs.
- 28 (E) Affiliate with an Indiana public or private university and
- 29 be located in close proximity to a university campus.
- 30 (F) Be a party to a written agreement among:
- 31 (i) the affiliated university;
- 32 (ii) the city or town in which the proposed center is located,
- 33 or the county in which the proposed center is located if the
- 34 center is not located in a city or town;
- 35 (iii) Purdue University, for technical and personnel training
- 36 support; and
- 37 (iv) any other affiliated entities;
- 38 that outlines the responsibilities of each party.
- 39 (G) Establish a debt free physical structure designed to
- 40 accommodate research and technology ventures.
- 41 (H) Provide support services, including business planning,
- 42 management recruitment, legal services, securing of seed

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1 capital marketing, and mentor identification.

2 (I) Establish a commitment of local resources that is at least
3 equal to the money provided from the fund for the physical
4 facilities of the center.

5 (b) The ~~budget agency~~ **department of commerce** may not approve
6 more than five (5) regional technology centers in any biennium.

7 **(c) The budget agency may contract with Purdue University:**

8 **(1) for any support staff necessary for the budget agency to**
9 **provide grants under section 3(a)(3) and 3(a)(4) of this**
10 **chapter; and**

11 **(2) to provide services under section 7 of this chapter.**

12 SECTION 15. IC 4-12-10-6, AS ADDED BY P.L.26-2001,
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2003]: Sec. 6. (a) If a center is approved by the ~~budget agency,~~
15 **department of commerce**, the budget agency shall allocate from
16 available appropriations the money authorized to:

17 (1) subsidize construction or rehabilitation of the physical
18 facilities; and

19 (2) cover operating costs, not to exceed two hundred fifty
20 thousand dollars (\$250,000) each year, until the center is
21 self-sustaining or has identified another source of operating
22 money or the amount appropriated for this purpose is exhausted.

23 (b) Operating costs may not be supported by the fund for any center
24 for more than four (4) years.

25 SECTION 16. IC 4-23-5.5-17 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2003]: **Sec. 17. (a) As used in this section,**
28 **"facility" has the meaning set forth in IC 6-3.1-28-3.**

29 **(b) A person that wants to claim the tax credit under IC 6-3.1-28**
30 **must submit the business plan for the facility to the board.**

31 **(c) If the board finds that the facility will be economically viable,**
32 **the board shall issue a certificate to the person stating that the**
33 **facility is a qualified facility for purposes of IC 6-3.1-28.**

34 SECTION 17. IC 6-1.1-12.2 IS ADDED TO THE INDIANA CODE
35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2003 (RETROACTIVE)]:

37 **Chapter 12.2. Deduction for Aircraft**

38 **Sec. 1. This chapter applies only to the following:**

39 **(1) Aircraft that:**

40 **(A) have a seating capacity of not more than ninety (90)**
41 **passengers;**

42 **(B) are used in the air transportation of passengers or**

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1 passengers and property; and

2 (C) are owned or operated by a person that is:

3 (i) an air carrier certificated under Federal Air
4 Regulation Part 121; or

5 (ii) a scheduled air taxi operator certified under Federal
6 Air Regulation Part 135.

7 (2) Aircraft that:

8 (A) are used to transport only property, regardless of
9 whether the aircraft is operated as a common carrier for
10 compensation; and

11 (B) are owned or operated by a person that is:

12 (i) an air carrier certificated under Federal Air
13 Regulation Part 121; or

14 (ii) a scheduled air taxi operator certified under Federal
15 Air Regulation Part 135.

16 Sec. 2. As used in this chapter, "abatement property" refers to
17 aircraft described in section 1 of this chapter.

18 Sec. 3. As used in this chapter, "aircraft" has the meaning set
19 forth in 49 U.S.C. 40102.

20 Sec. 4. As used in this chapter, "air transportation" means
21 transportation of passengers or property by aircraft as a common
22 carrier for compensation.

23 Sec. 5. As used in this chapter, "business entity" refers to a
24 corporation (as defined in IC 6-3-1-10) or partnership (as defined
25 in IC 6-3-1-19).

26 Sec. 6. As used in this chapter, "Indiana corporate
27 headquarters" means a physical presence in Indiana of a domestic
28 business entity that results in Indiana being the regular or
29 principal place of business of its chief executive, operating, and
30 financial officers.

31 Sec. 7. As used in this chapter, "subsidiary" means a business
32 entity in which another business entity with an Indiana corporate
33 headquarters has at least an eighty percent (80%) ownership
34 interest.

35 Sec. 8. As used in this chapter, "taxpayer" means a business
36 entity that:

37 (1) has an Indiana corporate headquarters; or

38 (2) is a subsidiary of a business entity with an Indiana
39 corporate headquarters;

40 and that is liable under IC 6-1.1-2-4, as applied under IC 6-1.1-3 or
41 IC 6-1.1-8, for ad valorem property taxes on abatement property.

42 Sec. 9. A taxpayer is entitled to a deduction from the assessed

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1 value of abatement property in each year in which the abatement
2 property is subject to taxation for ad valorem property taxes.

3 **Sec. 10.** The amount of the deduction is equal to one hundred
4 percent (100%) of the assessed value of the abatement property.

5 **Sec. 11.** The deduction includes ad valorem property taxes
6 calculated using aircraft ground times.

7 **Sec. 12.** To qualify for the deduction, the taxpayer must claim
8 the deduction, in the manner prescribed by the department of local
9 government finance, on the taxpayer's personal property tax
10 return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return
11 filed within the time allowed under this article) for the abatement
12 property to which the deduction applies.

13 SECTION 18. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2004]:

16 **Chapter 44. Deduction for Purchases of Investment Property by**
17 **Manufacturers of Recycled Components**

18 **Sec. 1.** As used in this chapter, "coal combustion product"
19 means the byproducts resulting from the combustion of coal in a
20 facility located in Indiana, including a fluidized bed boiler. The
21 term includes boiler slag, bottom ash, fly ash, and scrubber sludge.

22 **Sec. 2.** As used in this chapter, "investment property" means
23 depreciable personal property that a manufacturer purchases and
24 uses to manufacture recycled components.

25 **Sec. 3. (a)** As used in this chapter, "manufacturer" means a
26 taxpayer that:

27 (1) obtains and uses coal combustion products for the
28 manufacturing of recycled components; and

29 (2) is at least one (1) of the following:

30 (A) A new business.

31 (B) An existing business that, during the taxable year in
32 which the taxpayer claims a deduction under this chapter,
33 expands the business's manufacturing process to
34 manufacture recycled components.

35 (C) An existing business that:

36 (i) manufactures recycled components; and

37 (ii) during the taxable year in which the taxpayer claims
38 a deduction under this chapter, increases purchases of
39 coal combustion products by the amount determined in
40 subsection (b).

41 (b) To be within the definition set forth in subsection (a), a
42 taxpayer described in subsection (a)(2)(C) must increase the

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1 taxpayer's purchases of coal combustion products by the amount
2 determined in STEP THREE of the following STEPS:

3 STEP ONE: Determine the amount of the taxpayer's
4 purchases of coal combustion products for each of the three
5 (3) taxable years immediately preceding the taxable year in
6 which the taxpayer claims a deduction under this chapter.

7 STEP TWO: Determine the largest amount determined under
8 STEP ONE.

9 STEP THREE: Determine the product of:

10 (A) the STEP TWO amount; multiplied by

11 (B) one-tenth (0.1).

12 Sec. 4. As used in this chapter, a unit of materials, goods, or
13 other tangible personal property is a "recycled component" if coal
14 combustion products constitute at least fifteen percent (15%) by
15 weight of the substances of which the unit is composed. Recycled
16 components include masonry construction products (including
17 portland cement based mortar), normal and lightweight concrete,
18 blocks, bricks, pavers, pipes, prestressed concrete products, filter
19 media, and other products approved by the Center for Coal
20 Technology Research established under IC 4-4-30.

21 Sec. 5. (a) A manufacturer is entitled to a deduction from the
22 assessed valuation of the investment property in the first year that
23 the investment property is subject to assessment under this article.

24 (b) The amount of a deduction described in subsection (a) equals
25 the product of:

26 (1) the assessed value of the investment property; multiplied
27 by

28 (2) fifteen hundredths (0.15).

29 Sec. 6. (a) To obtain a deduction under this chapter, a
30 manufacturer must file an application on forms prescribed by the
31 department of local government finance with the auditor of the
32 county in which the investment property is located. A person that
33 timely files a personal property return under IC 6-1.1-3-7(a) for
34 the year in which the investment property is installed must file the
35 application between March 1 and May 15 of that year. A person
36 that obtains a filing extension under IC 6-1.1-3-7(b) for the year in
37 which the investment property is installed must file the application
38 between March 1 and the extended due date for that year.

39 (b) The deduction application required by this section must
40 contain the following information:

41 (1) The name of the owner of the investment property.

42 (2) A description of the investment property.

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1 **(3) Proof of purchase of the investment property and proof of**
 2 **the date the investment property was installed.**

3 **(4) The amount of the deduction claimed.**

4 **Sec. 7. A taxpayer that obtains a credit under IC 6-3.1-25.2 may**
 5 **not obtain a deduction under this chapter in a taxable year.**

6 SECTION 19. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: **Sec. 39. (a) This section applies to retail**
 9 **transactions that occur after June 30, 2003, and before January 1,**
 10 **2008.**

11 **(b) Sales of the following electrical appliances are exempt from**
 12 **the state gross retail tax if the electrical appliances meet or exceed**
 13 **the applicable Energy Star efficiency standards developed by the**
 14 **United States Environmental Protection Agency and the United**
 15 **States Department of Energy:**

16 **(1) A clothes washer.**

17 **(2) A refrigerator.**

18 **(3) A dishwasher.**

19 **(4) A room air conditioner.**

20 **(c) The department may adopt rules under IC 4-22-2 to**
 21 **implement this section.**

22 **(d) This section expires January 1, 2008.**

23 SECTION 20. IC 6-2.5-8-12 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2003]: **Sec. 12. (a) Notwithstanding any other provision of this**
 26 **article, the following do not cause a person that has contracted**
 27 **with a call center operator for a telephone service to have a duty to**
 28 **register as a retail merchant or to collect or remit the state gross**
 29 **retail or use tax imposed by this article:**

30 **(1) The ownership or leasing by the person of tangible or**
 31 **intangible property that is:**

32 **(A) located at the Indiana premises of the call center**
 33 **operator;**

34 **(B) used to provide or assist directly with the provision of**
 35 **a telephone service as described in subsection (c); and**

36 **(C) not held for sale, shipment, or distribution in response**
 37 **to orders received as a result of a telephone service**
 38 **provided by the call center operator.**

39 **(2) The activities of any kind performed by or on behalf of the**
 40 **person at the Indiana premises of the call center operator.**

41 **(3) The activities of any kind performed by the call center**
 42 **operator in Indiana for or on behalf of the person.**

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1 **(b) Tangible or intangible property that is:**

- 2 **(1) owned or leased by a person that has contracted with a call**
 3 **center operator for a telephone service;**
 4 **(2) located at the premises of the call center operator;**
 5 **(3) used to provide or assist directly with the provision of a**
 6 **telephone service as described in subsection (c); and**
 7 **(4) not held for sale, shipment, or distribution in response to**
 8 **orders received as a result of a telephone service provided by**
 9 **the call center operator;**

10 **shall not be considered to be, or to create, an office, a place of**
 11 **distribution, a sales location, a sample location, a warehouse, a**
 12 **storage place, or other place of business maintained, occupied, or**
 13 **used in any way by the person. For purposes of this section, a call**
 14 **center operator with which a person has contracted for a telephone**
 15 **service shall not be considered to be in any way a representative,**
 16 **an agent, a salesman, a canvasser, or a solicitor for the person.**

17 **(c) For purposes of this section, a telephone service includes**
 18 **soliciting orders by telephone, accepting orders by telephone, and**
 19 **making and receiving any other telephone calls.**

20 SECTION 21. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss),
 21 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2003]: Sec. 6. Notwithstanding the other provisions of this
 23 chapter, a taxpayer is not entitled to a credit for Indiana qualified
 24 research expense incurred after December 31, ~~2004~~. **2010**.
 25 Notwithstanding Section 41 of the Internal Revenue Code, the
 26 termination date in Section 41(h) of the Internal Revenue Code does
 27 not apply to a taxpayer who is eligible for the credit under this chapter
 28 for the taxable year in which the Indiana qualified research expense is
 29 incurred.

30 SECTION 22. IC 6-3.1-24-5, AS ADDED BY P.L.192-2002(ss),
 31 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 5. As used
 33 in this chapter, "taxpayer" means an individual or entity, **including a**
 34 **pass through entity**, that has any state tax liability.

35 SECTION 23. IC 6-3.1-24-6, AS ADDED BY P.L.192-2002(ss),
 36 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 6. A
 38 taxpayer that:

- 39 **(1) provides qualified investment capital to a qualified Indiana**
 40 **business; and**
 41 **(2) fulfills the requirements of the department of commerce**
 42 **under section 12.5 of this chapter;**



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1 is entitled to a credit against the person's state tax liability in a taxable
2 year equal to the amount specified in section 10 of this chapter.

3 SECTION 24. IC 6-3.1-24-7, AS ADDED BY P.L.192-2002(ss),
4 SECTION 119, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 7. (a) The
6 department of commerce shall certify that a business is a qualified
7 Indiana business if the department determines that the business:

8 ~~(1)~~ is a high growth company that:

9 (A) is entering a new product or process area;

10 ~~(B)~~ has a substantial number of employees in jobs:

11 (i) requiring postsecondary education or its equivalent; or

12 (ii) that are in occupational codes classified as high skill by
13 the Bureau of Labor Statistics, United States Department of
14 Labor; and

15 ~~(C)~~ has a substantial number of employees that earn at least
16 one hundred fifty percent (150%) of Indiana per capita
17 personal income;

18 ~~(2)~~ (1) has its headquarters in Indiana;

19 ~~(3)~~ (2) is primarily focused on **commercialization of** research
20 and development, technology transfers, or the application of new
21 technology, or is determined by the department of commerce to
22 have significant potential to:

23 (A) bring substantial capital into Indiana;

24 (B) create jobs;

25 (C) diversify the business base of Indiana; or

26 (D) significantly promote the purposes of this chapter in any
27 other way;

28 ~~(4)~~ (3) has had average annual revenues of less than ten million
29 dollars (\$10,000,000) in the two (2) years preceding the year in
30 which the business received qualified investment capital from a
31 taxpayer claiming a credit under this chapter;

32 ~~(5)~~ (4) has:

33 (A) at least fifty percent (50%) of its employees residing in
34 Indiana; **and or**

35 (B) at least seventy-five percent (75%) of its assets located in
36 Indiana; and

37 ~~(6)~~ (5) is not engaged in a business involving:

38 (A) real estate;

39 (B) real estate development;

40 (C) insurance;

41 (D) professional services provided by an accountant, a lawyer,
42 or a physician;

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1 (E) retail sales, except when the primary purpose of the
 2 business is the development or support of electronic commerce
 3 using the Internet; or

4 (F) oil and gas exploration.

5 (b) A business shall apply to be certified as a qualified Indiana
 6 business on a form prescribed by the department **of commerce**.

7 (c) If a business is certified as a qualified Indiana business under
 8 this section, the department **of commerce** shall provide a copy of the
 9 certification to the investors in the qualified Indiana business for
 10 inclusion in tax filings.

11 (d) The department **of commerce** may impose an application fee of
 12 not more than two hundred dollars (\$200).

13 SECTION 25. IC 6-3.1-24-9, AS ADDED BY P.L.192-2002(ss),
 14 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 9. (a) The
 16 total amount of tax credits that may be allowed under this chapter in a
 17 particular calendar year **for qualified investment capital provided**
 18 **during that calendar year** may not exceed ten million dollars
 19 (\$10,000,000). **The department of commerce may not certify a**
 20 **proposed investment plan under section 12.5 of this chapter if the**
 21 **proposed investment would result in the total amount of the tax**
 22 **credits certified for the calendar year exceeding ten million dollars**
 23 **(\$10,000,000). An amount of an unused credit carried over from a**
 24 **previous calendar year may not be considered in determining the**
 25 **amount of proposed investments that the department of commerce**
 26 **may certify under this chapter.**

27 (b) Notwithstanding the other provisions of this chapter, a taxpayer
 28 is not entitled to a credit for providing qualified investment capital to
 29 a qualified Indiana business after December 31, 2008. **However, this**
 30 **subsection may not be construed to prevent a taxpayer from**
 31 **carrying over to a taxable year beginning after December 31, 2008,**
 32 **an unused tax credit attributable to an investment occurring before**
 33 **January 1, 2009.**

34 SECTION 26. IC 6-3.1-24-12, AS ADDED BY P.L.192-2002(ss),
 35 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 12. If the
 37 amount of the credit determined under section 10 of this chapter for a
 38 taxpayer in a taxable year exceeds the taxpayer's state tax liability for
 39 that taxable year, the taxpayer may carry the excess over to the
 40 **taxpayer's** following taxable years. The amount of the credit carryover
 41 from a taxable year shall be reduced to the extent that the carryover is
 42 used by the taxpayer to obtain a credit under this chapter for any

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1 subsequent taxable year. A taxpayer is not entitled to a carryback or a
2 refund of any unused credit amount.

3 SECTION 27. IC 6-3.1-24-12.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 12.5. (a)**
6 **A taxpayer wishing to obtain a credit under this chapter must**
7 **apply to the department of commerce for a certification that the**
8 **taxpayer's proposed investment plan would qualify for a credit**
9 **under this chapter.**

10 **(b) The application required under subsection (a) must include:**

- 11 **(1) the name and address of the taxpayer;**
12 **(2) the name and address of each proposed recipient of the**
13 **taxpayer's proposed investment;**
14 **(3) the amount of the proposed investment;**
15 **(4) a copy of the certification issued under section 7 of this**
16 **chapter that the proposed recipient is a qualified Indiana**
17 **business; and**
18 **(5) any other information required by the department of**
19 **commerce.**

20 **(c) If the department of commerce determines that:**

- 21 **(1) the proposed investment would qualify the taxpayer for a**
22 **credit under this chapter; and**
23 **(2) the amount of the proposed investment would not result in**
24 **the total amount of tax credits certified for the calendar year**
25 **exceeding ten million dollars (\$10,000,000);**

26 **the department of commerce shall certify the taxpayer's proposed**
27 **investment plan.**

28 **(d) To receive a credit under this chapter, the taxpayer must**
29 **provide qualified investment capital to a qualified Indiana business**
30 **according to the taxpayer's certified investment plan within two (2)**
31 **years after the date on which the department of commerce certifies**
32 **the investment plan.**

33 **(e) Upon making the investment required under subsection (d),**
34 **the taxpayer shall provide proof of the investment to the**
35 **department of commerce.**

36 **(f) Upon receiving proof of a taxpayer's investment under**
37 **subsection (e), the department of commerce shall issue the taxpayer**
38 **a certificate indicating that the taxpayer has fulfilled the**
39 **requirements of the department of commerce and that the**
40 **taxpayer is entitled to a credit under this chapter.**

41 **(g) A taxpayer forfeits the right to a tax credit attributable to an**
42 **investment certified under subsection (c) if the taxpayer fails to**

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1 **make the proposed investment within the period required under**
 2 **subsection (d).**

3 SECTION 28. IC 6-3.1-24-13, AS ADDED BY P.L.192-2002(ss),
 4 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 13. (a) To
 6 receive the credit provided by this chapter, a taxpayer must claim the
 7 credit on the taxpayer's state tax return or returns in the manner
 8 prescribed by the department. The taxpayer shall submit to the
 9 department, **along with the taxpayer's state tax return or returns,**
 10 **proof that the taxpayer provided qualified investment capital to a**
 11 **qualified Indiana business a copy of the certificate issued by the**
 12 **department of commerce to the taxpayer under section 12.5(f) of**
 13 **this chapter** and all information that the department determines is
 14 necessary for the calculation of the credit provided by this chapter.

15 (b) The department shall record the time of filing of each return
 16 claiming a credit under section 6 of this chapter and shall, except as
 17 provided in subsection (c), grant the credit to the taxpayer, if the
 18 taxpayer otherwise qualifies for a tax credit under this chapter, in the
 19 chronological order in which the return is filed in the calendar year.

20 (c) If the total credits approved under this section equal the
 21 maximum amount allowable in a calendar year, a return claiming the
 22 credit filed later in that calendar year may not be approved.

23 SECTION 29. IC 6-3.1-25.2 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2004]:

26 **Chapter 25.2. Coal Combustion Product Tax Credit**

27 **Sec. 1. As used in this chapter, "coal combustion product"**
 28 **means the byproducts resulting from the combustion of coal in a**
 29 **facility located in Indiana, including a fluidized bed boiler. The**
 30 **term includes boiler slag, bottom ash, fly ash, and scrubber sludge.**

31 **Sec. 2. (a) As used in this chapter, "manufacturer" means a**
 32 **taxpayer that:**

33 **(1) obtains and uses coal combustion products for the**
 34 **manufacturing of recycled components; and**

35 **(2) is one (1) of the following:**

36 **(A) A new business.**

37 **(B) An existing business that, during a taxable year in**
 38 **which the taxpayer claims a credit under this chapter,**
 39 **begins manufacturing recycled components.**

40 **(C) An existing business that:**

41 **(i) manufactures recycled components; and**

42 **(ii) during a taxable year in which the taxpayer claims a**

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1 credit under this chapter, increases acquisitions of coal
2 combustion products by the amount determined in
3 subsection (b).

4 (b) A manufacturer described in subsection (a)(2)(C) must
5 increase the manufacturer's acquisitions of coal combustion
6 products by the amount determined in STEP THREE of the
7 following STEPS:

8 STEP ONE: Determine the total amount of coal combustion
9 products obtained by the manufacturer for each of the three
10 (3) taxable years immediately preceding the taxable year in
11 which the manufacturer claims a credit under this chapter.

12 STEP TWO: Determine the largest amount determined under
13 STEP ONE.

14 STEP THREE: Determine the product of:

15 (A) the STEP TWO amount; multiplied by

16 (B) one-tenth (0.1).

17 Sec. 3. As used in this chapter, a unit of materials, goods, or
18 other tangible personal property is a "recycled component" if coal
19 combustion products constitute at least fifteen percent (15%) by
20 weight of the substances of which the unit is composed. Recycled
21 components include masonry construction products (including
22 portland cement based mortar), normal and lightweight concrete,
23 blocks, bricks, pavers, pipes, prestressed concrete products, filter
24 media, and other products approved by the Center for Coal
25 Technology Research established under IC 4-4-30.

26 Sec. 4. As used in this chapter, "state tax liability" means a
27 taxpayer's total tax liability incurred under IC 6-3-1 through
28 IC 6-3-7 (the adjusted gross income tax), as computed after the
29 application of all credits that under IC 6-3.1-1-2 are to be applied
30 before the credit provided by this chapter.

31 Sec. 5. (a) A manufacturer is entitled to a credit against the
32 manufacturer's state tax liability as follows:

33 (1) In the case of a manufacturer described under section
34 2(a)(2)(A) or 2(a)(2)(B) of this chapter, the amount of the
35 credit is equal to:

36 (A) the number of tons of coal combustion products
37 obtained and used by the manufacturer in the taxable
38 year; multiplied by

39 (B) two dollars (\$2).

40 (2) In the case of a manufacturer described under section
41 2(a)(2)(C) of this chapter, the amount of the credit is equal to:

42 (A) the difference between:

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1 (i) the number of tons of coal combustion products
2 obtained and used by the manufacturer in the taxable
3 year; and

4 (ii) the amount determined in STEP TWO of section 2(b)
5 of this chapter; multiplied by

6 (B) two dollars (\$2).

7 (b) The total amount of credits allowed under this chapter may
8 not exceed a total of two million dollars (\$2,000,000) for all
9 taxpayers per state fiscal year.

10 (c) To receive the credit provided by this chapter, a taxpayer
11 must claim the credit on the taxpayer's state tax return or returns
12 in the manner prescribed by the department.

13 (d) The department shall record the time of filing of each return
14 claiming a credit under this section and, except as provided in
15 subsection (e), shall grant the credit to the taxpayer, if the taxpayer
16 otherwise qualifies for a tax credit under this chapter, in the
17 chronological order in which the return is filed in the state fiscal
18 year.

19 (e) If the total credits approved under this section equal the
20 maximum amount allowable in the state fiscal year, a return
21 claiming the credit filed later in that same state fiscal year may not
22 be approved. However, if an applicant for which a credit has been
23 approved fails to file the information required by section 9 of this
24 chapter, an amount equal to the credit previously allowed or set
25 aside for the applicant may be allowed to the next eligible applicant
26 or applicants until the total amount has been allowed. In addition,
27 the department may, if the applicant so requests, approve a credit
28 application, in whole or in part, with respect to the next succeeding
29 state fiscal year.

30 Sec. 6. (a) If a manufacturer that claims a credit under this
31 chapter is a pass through entity (as defined in IC 6-3.1-11.5-8.5)
32 that does not have state tax liability for a taxable year against
33 which the credit may be applied, a shareholder, partner, or
34 member of the pass through entity is entitled to a credit equal to:

35 (1) the credit determined for the pass through entity for the
36 taxable year; multiplied by

37 (2) the percentage of the pass through entity's distributive
38 income to which the shareholder, partner, or member is
39 entitled.

40 (b) If the amount determined under subsection (a) exceeds the
41 state tax liability of the shareholder, partner, or member, the
42 shareholder, partner, or member may not carry over the excess to

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1 following taxable years.

2 **Sec. 7.** A manufacturer with a facility located in Indiana may
3 claim a credit under this chapter in each of ten (10) consecutive
4 taxable years, beginning with the taxable year in which the
5 manufacturer first claims the credit under this chapter.

6 **Sec. 8. (a)** If the amount determined under section 5 of this
7 chapter for a taxable year exceeds the manufacturer's state tax
8 liability for the taxable year, the manufacturer may not carry over
9 the excess to following taxable years.

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

12 **Sec. 9.** To obtain a credit under this chapter, the manufacturer
13 must file with the department information that the department
14 determines is necessary for the calculation of the credit provided
15 under this chapter. The department shall keep a list that includes:

16 (1) the name of each manufacturer that receives a credit
17 under this chapter and a deduction under IC 6-1.1-44; and

18 (2) the amount of each credit under this chapter for the
19 manufacturer in the taxable year;

20 and provide the list annually to the Center for Coal Technology
21 Research established under IC 4-4-30.

22 **Sec. 10.** A taxpayer that obtains a deduction under IC 6-1.1-44
23 may not obtain a credit under this chapter for the same taxable
24 year.

25 SECTION 30. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE
26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2004]:

28 **Chapter 27. Blended Biodiesel Tax Credits**

29 **Sec. 1.** As used in this chapter, "biodiesel" means a renewable,
30 biodegradable, mono alkyl ester combustible liquid fuel derived
31 from agricultural plant oils or animal fats that meets American
32 Society for Testing and Materials specification D6751-02 for
33 biodiesel fuel (B100) blend stock distillate fuels.

34 **Sec. 2.** As used in this chapter, "blended biodiesel" refers to a
35 blend of biodiesel with petroleum diesel so that the percentage of
36 biodiesel in the blend is at least two percent (2%) (B2 or greater).
37 The term does not include biodiesel (B100).

38 **Sec. 3.** As used in this chapter, "dealer" has the meaning set
39 forth in IC 6-6-1.1-103.

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

41 (1) a corporation that is exempt from the adjusted gross
42 income tax under IC 6-3-2-2.8(2);

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- 1 (2) a partnership;
 2 (3) a limited liability company; or
 3 (4) a limited liability partnership.
- 4 **Sec. 5.** As used in this chapter, "service station" means a retail
 5 outlet where a dealer sells a motor fuel through a metered pump.
- 6 **Sec. 6.** As used in this chapter, "state tax liability" means a
 7 taxpayer's total tax liability that is incurred under:
 8 (1) IC 6-2.5 (the state gross retail and use tax);
 9 (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
 10 (3) IC 6-5.5 (the financial institutions tax); and
 11 (4) IC 27-1-18-2 (the insurance premiums tax);
 12 as computed after the application of the credits that under
 13 IC 6-3.1-1-2 are to be applied before the credit provided by this
 14 chapter.
- 15 **Sec. 7.** As used in this chapter, "taxpayer" means an individual
 16 or entity that has any state tax liability.
- 17 **Sec. 8.** (a) A taxpayer that produces biodiesel at a facility
 18 located in Indiana is entitled to a credit against the taxpayer's state
 19 tax liability equal to the product of:
 20 (1) one dollar (\$1); multiplied by
 21 (2) the number of gallons of biodiesel:
 22 (A) produced at the Indiana facility during 2004 and 2005;
 23 and
 24 (B) used to produce blended biodiesel.
- 25 (b) The credit provided by this section shall be reduced by any
 26 credit or subsidy that the taxpayer is entitled to receive from the
 27 federal government for the production of biodiesel by the taxpayer.
- 28 (c) The total amount of credits allowed under this section may
 29 not exceed one million dollars (\$1,000,000) for all taxpayers and all
 30 taxable years.
- 31 **Sec. 9.** (a) A taxpayer that produces blended biodiesel at a
 32 facility located in Indiana is entitled to a credit against the
 33 taxpayer's state tax liability equal to the product of:
 34 (1) two cents (\$0.02); multiplied by
 35 (2) the number of gallons of blended biodiesel:
 36 (A) produced at the Indiana facility; and
 37 (B) blended with biodiesel produced at a facility located in
 38 Indiana.
- 39 (b) The credit provided by this section shall be reduced by any
 40 credit or subsidy that the taxpayer is entitled to receive from the
 41 federal government for the production of blended biodiesel by the
 42 taxpayer.



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1 (c) The total amount of credits allowed under this section may
2 not exceed one million dollars (\$1,000,000) for all taxpayers and all
3 taxable years.

4 Sec. 10. (a) A taxpayer that:

5 (1) is a dealer; and

6 (2) operates a service station in Indiana at which blended
7 biodiesel is sold and dispensed through a metered pump in a
8 taxable year;

9 is entitled to a credit against the taxpayer's state tax liability.

10 (b) The amount of the credit allowed under this section is the
11 product of:

12 (1) one cent (\$0.01); multiplied by

13 (2) the total number of gallons of blended biodiesel sold and
14 dispensed through all the metered pumps located at a service
15 station described in subsection (a)(2).

16 (c) The credit allowed under this section must be computed
17 separately for each service station operated by the taxpayer that
18 meets the requirements of subsection (a)(2).

19 (d) The total amount of credits allowed under this section may
20 not exceed one million dollars (\$1,000,000) for all taxpayers and all
21 taxable years.

22 Sec. 11. If a pass through entity is entitled to a credit under this
23 chapter but does not have state tax liability against which the tax
24 credit may be applied, a shareholder, partner, or member of the
25 pass through entity is entitled to a tax credit equal to:

26 (1) the tax credit determined for the pass through entity for
27 the taxable year; multiplied by

28 (2) the percentage of the pass through entity's distributive
29 income to which the shareholder, partner, or member is
30 entitled.

31 Sec. 12. (a) If the amount of the credit determined under this
32 chapter for a taxpayer in a taxable year exceeds the taxpayer's
33 state tax liability for that taxable year, the taxpayer may carry
34 over the excess to the following taxable years. The amount of the
35 credit carryover from a taxable year shall be reduced to the extent
36 that the carryover is used by the taxpayer to obtain a credit under
37 this chapter for any subsequent taxable year.

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

40 Sec. 13. To receive the credit provided by this chapter, a
41 taxpayer must claim the credit on the taxpayer's state tax return
42 or returns in the manner prescribed by the department. The

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1 taxpayer shall submit to the department proof of all information
2 that the department determines is necessary for the calculation of
3 the credit provided by this chapter.

4 SECTION 31. IC 6-3.1-28 IS ADDED TO THE INDIANA CODE
5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2004]:

7 **Chapter 28. Ethanol Production Tax Credit**

8 **Sec. 1.** As used in this chapter, "board" refers to the Indiana
9 recycling and energy development board created by IC 4-23-5.5-2.

10 **Sec. 2.** As used in this chapter, "ethanol" means agriculturally
11 derived ethyl alcohol.

12 **Sec. 3.** As used in this chapter, "facility" refers to a facility for
13 the production of ethanol that satisfies all the following:

- 14 (1) The facility is located in Indiana.
15 (2) The facility has a capacity to produce at least forty million
16 (40,000,000) gallons of ethanol a year.
17 (3) The facility:
18 (A) was constructed after December 31, 2003; or
19 (B) after December 31, 2003, increased its ethanol
20 production capacity by at least forty million (40,000,000)
21 gallons a year.

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

- 23 (1) a corporation that is exempt from the adjusted gross
24 income tax under IC 6-3-2-2.8(2);
25 (2) a partnership;
26 (3) a limited liability company; or
27 (4) a limited liability partnership.

28 **Sec. 5.** As used in this chapter, "state tax liability" means a
29 taxpayer's total tax liability that is incurred under:

- 30 (1) IC 6-2.5 (the state gross retail and use tax);
31 (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
32 (3) IC 6-5.5 (the financial institutions tax); and
33 (4) IC 27-1-18-2 (the insurance premiums tax);

34 as computed after the application of the credits that under
35 IC 6-3.1-1-2 are to be applied before the credit provided by this
36 chapter.

37 **Sec. 6.** As used in this chapter, "taxpayer" means an individual
38 or entity that has any state tax liability.

39 **Sec. 7.** Subject to section 11 of this chapter, a taxpayer that
40 produces ethanol at a facility is entitled to a credit against the
41 taxpayer's state tax liability equal to the product of:

- 42 (1) twelve and one-half cents (\$.125); multiplied by

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1 (2) the number of gallons of ethanol produced at the Indiana
2 facility.

3 **Sec. 8. If a pass through entity is entitled to a credit under this**
4 **chapter but does not have state tax liability against which the tax**
5 **credit may be applied, a shareholder, partner, or member of the**
6 **pass through entity is entitled to a tax credit equal to:**

7 (1) the tax credit determined for the pass through entity for
8 the taxable year; multiplied by

9 (2) the percentage of the pass through entity's distributive
10 income to which the shareholder, partner, or member is
11 entitled.

12 **Sec. 9. (a) If the amount of the credit determined under this**
13 **chapter for a taxpayer in a taxable year exceeds the taxpayer's**
14 **state tax liability for that taxable year, the taxpayer may carry**
15 **over the excess to the following taxable years. The amount of the**
16 **credit carryover from a taxable year shall be reduced to the extent**
17 **that the carryover is used by the taxpayer to obtain a credit under**
18 **this chapter for any subsequent taxable year.**

19 **(b) A taxpayer is not entitled to a carryback or refund of any**
20 **unused credit.**

21 **Sec. 10. To receive the credit provided by this chapter, a**
22 **taxpayer must do the following:**

23 (1) Claim the credit on the taxpayer's state tax return or
24 returns in the manner prescribed by the department.

25 (2) Provide a copy of the board's certificate finding that the
26 facility is a qualified facility under IC 4-23-5.5-17.

27 (3) Submit to the department proof of all information that the
28 department determines is necessary for the calculation of the
29 credit provided by this chapter.

30 **Sec. 11. (a) The total amount of credits allowed a taxpayer**
31 **under this chapter may not exceed a total of five million dollars**
32 **(\$5,000,000) for all taxable years.**

33 **(b) The total amount of credits allowed under this chapter may**
34 **not exceed ten million dollars (\$10,000,000) for all taxpayers and**
35 **all taxable years.**

36 SECTION 32. IC 6-6-6.5-9 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) The
38 provisions of this chapter pertaining to registration and taxation shall
39 not apply to any of the following:

40 (1) An aircraft owned by and used exclusively in the service of:

41 (i) the United States government;

42 (ii) a state (except Indiana), territory, or possession of the

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- 1 United States;
 2 (iii) the District of Columbia; or
 3 (iv) a political subdivision of an entity listed in clause (i), (ii),
 4 or (iii).
- 5 (2) An aircraft owned by a resident of another state and registered
 6 in accordance with the laws of that state. However, the aircraft
 7 shall not be exempt under this subdivision if a nonresident
 8 establishes a base for the aircraft inside this state and the base is
 9 used for a period of sixty (60) days or more.
- 10 (3) An aircraft which this state is prohibited from taxing under
 11 this chapter by the Constitution or the laws of the United States.
- 12 (4) An aircraft owned or operated by a person who is either an air
 13 carrier certificated under Federal Air Regulation Part 121 or a
 14 scheduled air taxi operator certified under Federal Air Regulation
 15 Part 135, unless such person is a corporation incorporated under
 16 the laws of the state of Indiana, ~~or~~ an individual who is a resident
 17 of Indiana, **or a corporation with Indiana corporate**
 18 **headquarters (as defined in IC 6-1.1-12.2-6).**
- 19 (5) An aircraft which has been scrapped, dismantled, or
 20 destroyed, and for which the airworthiness certificate and federal
 21 certificate of registration have been surrendered to the Federal
 22 Aviation Administration by the owner.
- 23 (6) An aircraft owned by a resident of this state that is not a dealer
 24 and that is not based in this state at any time, if the owner files the
 25 required form not later than thirty-one (31) days after the date of
 26 purchase; and furnishes the department with evidence,
 27 satisfactory to the department, verifying where the aircraft is
 28 based during the year.
- 29 (7) An aircraft owned by a dealer for not more than five (5) days
 30 if the ownership is part of an ultimate sale or transfer of an
 31 aircraft that will not be based in this state at any time. However,
 32 the dealer described in this subdivision is required to file a report
 33 of the transaction within thirty-one (31) days after the ultimate
 34 sale or transfer of ownership of the aircraft. The report is not
 35 required to identify the seller or purchaser but must list the
 36 aircraft's origin, destination, N number, date of each transaction,
 37 and ultimate sales price.
- 38 (8) An aircraft owned by a registered nonprofit museum, if the
 39 owner furnishes the department with evidence satisfactory to the
 40 department not later than thirty-one (31) days after the purchase
 41 date. The aircraft must be reported for registration, but the
 42 department shall issue the registration without charge.

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1 (b) The provisions of this chapter pertaining to taxation shall not
 2 apply to an aircraft owned by and used exclusively in the service of
 3 Indiana or a political subdivision of Indiana or any university or college
 4 supported in part by state funds. That aircraft must be reported for
 5 registration, but the department will issue the registration without
 6 charge.

7 SECTION 33. IC 8-10-1-1 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. In order to promote
 9 the agricultural, industrial and commercial development of the state,
 10 and to provide for the general welfare by the construction and
 11 operation, in cooperation with the federal government, or otherwise, of
 12 a modern port ~~on Lake Michigan and/or the Ohio River, and/or the~~
 13 ~~Wabash River,~~ **system** with terminal facilities to accommodate water,
 14 rail, truck, ~~and~~ air-borne, **and other forms of** transportation, the
 15 Indiana Port Commission is hereby authorized and empowered to
 16 construct, maintain and operate, in cooperation with the federal
 17 government, or otherwise, at such ~~location on Lake Michigan and/or~~
 18 ~~the Ohio River, and/or the Wabash River,~~ **locations** as shall be
 19 approved by the governor, **projects, including without limitation**
 20 public ports with terminal facilities and traffic exchange points
 21 **throughout Indiana** for all forms of transportation, giving particular
 22 attention to the benefits which may accrue to the state and its citizens
 23 from ~~the St. Lawrence Seaway,~~ **all forms of transportation,** and to
 24 issue ~~port~~ revenue bonds of the state payable solely from revenues, to
 25 pay the cost of such projects. **The commission's powers are not**
 26 **limited to ports and may be exercised throughout Indiana for**
 27 **projects that enhance, foster, aid, provide, or promote economic**
 28 **development, public-private partnerships, and other industrial,**
 29 **commercial, business, and transportation purposes.**

30 SECTION 34. IC 8-10-1-2 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. As used in this
 32 chapter, the following words and terms shall have the following
 33 meanings, unless the context shall indicate another or different
 34 meaning or intent:

35 (a) The word "commission" shall mean the Indiana Port
 36 Commission created by section 3 of this chapter, or, if said commission
 37 shall be abolished, the board, body or commission succeeding to the
 38 principal functions thereof, or to whom the powers given by this
 39 chapter to the commission shall be given by law.

40 (b) The word "port" shall include **any combination of:**

41 (1) any place or places on Lake Michigan, the Ohio River, ~~and~~ the
 42 Wabash River, **or other water bodies,** natural or artificial, in

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which water-borne vessels capable of carrying articles of commerce over navigable bodies of water may be loaded, unloaded or accommodated; **and**

(2) nonmaritime port and traffic exchange points throughout Indiana for the transfer of goods and passengers between all modes of transportation.

(c) The words "port word "project" shall include:

(1) any facilities, adjuncts, and appurtenances necessary or useful to operate a modern port, whether or not permanently situated at the port, including:

(A) the dredging of approaches thereto, and including, among other things, but not limited to to a port; and

(B) breakwaters, inner harbors, outer harbors, channels, canals, turning basins, docks, wharves, piers, quays, slips, loading, unloading, handling and storage equipment, warehouses, refrigerating plants and equipment, elevators for the handling and storage of grain, coal and other bulk commodities, terminal buildings or facilities, railroad equipment and trackage, roadways, airplane landing fields, parking lots, garages, automotive equipment, tugs, ferries, maintenance and construction vessels, communication systems, sewers, drains, works for the treatment of sewage, garbage and wastes, and the furnishing of utility service necessary to serve the property under the jurisdiction or control of the commission, and other buildings and facilities which the commission may deem necessary for the operation of the port; and

(2) any other project located in Indiana, other than at a port, that the commission finds will enhance, foster, aid, provide, or promote economic development, public-private partnerships, and other industrial, commercial, business, and transportation purposes.

(d) The word "cost" as applied to a port or port project shall embrace means:

(1) the cost of construction;

(2) the cost of acquisition of all land, rights-of-way, property, rights, easements and interests, including lands under water and riparian rights acquired by the commission for such construction;

(3) the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved;

(4) the cost of relocating public roads;

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- 1 **(5) the cost of land or easements therefor, for roads;**
- 2 **(6) the cost of all machinery and equipment;**
- 3 **(7) financing charges;**
- 4 **(8) interest prior to and during construction and for not exceeding**
- 5 **two (2) years after the estimated date of completion of**
- 6 **construction;**
- 7 **(9) the cost of engineering and legal expenses, plans,**
- 8 **specifications, surveys, and estimates of cost, traffic and**
- 9 **revenues;**
- 10 **(10) other expenses necessary or incident to determining the**
- 11 **feasibility or practicability of constructing any such project;**
- 12 **(11) administrative expense; and such**
- 13 **(12) other expenses as may be necessary or incident to the**
- 14 **acquisition or construction of the project, the financing of such**
- 15 **the acquisition or construction, and the placing of the project in**
- 16 **operation, including the amount authorized in the resolution**
- 17 **of the port commission providing for the issuance of port**
- 18 **commission revenue bonds to be paid into any special funds**
- 19 **from the proceeds of the bonds.**

20 **(e) Any obligation, cost, or expense incurred by any**
 21 **governmental agency or person for surveys, borings, the**
 22 **preparation of plans and specifications, and other engineering**
 23 **services, or any other cost described in this section that is incurred**
 24 **in connection with the acquisition or construction of a project may**
 25 **be regarded as part of the cost of the project and may be**
 26 **reimbursed out of the proceeds of port commission revenue bonds**
 27 **as authorized by this chapter.**

28 ~~(e)~~ **(f)** The word "owner" shall include all individuals,
 29 copartnerships, associations or corporations having any title or interest
 30 in any property, rights, easements and other interests authorized to be
 31 acquired by this chapter.

32 ~~(f)~~ **(g)** The word "revenues" shall mean all fees, tolls, rentals, gifts,
 33 grants, moneys and all other funds coming into the possession or under
 34 the control of the commission by virtue of the terms and provisions of
 35 this chapter, but shall not include real property or personal property
 36 other than money, nor the proceeds from the sale of bonds issued under
 37 provisions of this chapter.

38 ~~(g)~~ **(h)** The word "public roads" shall include all public highways,
 39 roads, and streets in the state, whether maintained by the state, county,
 40 city, township or other political subdivision.

41 SECTION 35. IC 8-10-1-3 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a)** There is hereby

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1 created a commission to be known as the "Indiana port commission"
 2 and by that name the commission may sue and be sued, and plead and
 3 be impleaded. The commission hereby created is a body both corporate
 4 and politic in the state of Indiana, and the exercise by the commission
 5 of the powers conferred by this chapter in the construction, operation
 6 and maintenance of a port ~~or~~ project shall be deemed and held to be
 7 essential governmental functions of the state, but the commission shall
 8 not however be immune from liability by reason thereof.

9 **(b)** The commission shall consist of seven (7) members, appointed
 10 by the governor, no more than four (4) of whom shall be members of
 11 the same political party. The members shall be residents of the state,
 12 and shall have been qualified electors therein for a period of at least
 13 five (5) years next preceding their appointment. The members of the
 14 commission first appointed shall continue in office for terms expiring,
 15 in the case of two (2) members, on July 1, 1962, and in the case of
 16 three (3) members, on July 1, 1963, July 1, 1964, and July 1, 1965, and
 17 the first two (2) members appointed after January 1, 1975, shall
 18 continue in office for terms expiring July 1, 1977, for one (1) member
 19 and July 1, 1979, for the other member, respectively, and until their
 20 respective successors shall be duly appointed and qualified. The term
 21 of any member of the commission first appointed shall be designated
 22 by the governor. The successor of each such member shall be
 23 appointed for a term of four (4) years, except that any person appointed
 24 to fill a vacancy shall be appointed to serve only for the unexpired
 25 term, and a member of the commission shall be eligible for
 26 reappointment. The governor may at any time remove any member of
 27 the commission for misfeasance, nonfeasance, or malfeasance in office.
 28 The members of the commission shall, within ten (10) days after their
 29 appointment, meet and qualify by subscribing an oath to discharge
 30 honestly and faithfully the duties of their office as members of such
 31 commission. The commission shall thereafter elect one (1) of the
 32 members as chairman and another as vice-chairman, and shall appoint
 33 a secretary-treasurer who need not be a member of the commission.
 34 Four (4) members of the commission shall constitute a quorum and the
 35 affirmative vote of four (4) members shall be necessary for any official
 36 action taken by the commission. No vacancy in the membership of the
 37 commission shall impair the rights of a quorum to exercise all the
 38 rights and perform all the duties of the commission.

39 **(c)** Before the issuance of any ~~port~~ revenue bonds under the
 40 provisions of this chapter, each appointed member of the commission
 41 shall give a surety bond to the state in the penal sum of twenty-five
 42 thousand dollars (\$25,000) and the secretary-treasurer shall give a

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1 surety bond to the state in the penal sum of fifty thousand dollars
 2 (\$50,000). Each such surety bond ~~to~~ **must** be conditioned upon the
 3 faithful performance of the duties of the office, to be executed by a
 4 surety company authorized to transact business in the state as surety
 5 and to be approved by the governor and filed in the office of the
 6 secretary of state.

7 (d) Each appointed member of the commission shall receive an
 8 annual salary of seven thousand, five hundred dollars (\$7,500), payable
 9 in monthly instalments. However, no members of such commission as
 10 appointed hereunder shall receive any salary except a per diem as fixed
 11 and approved by the budget director until said commission is able to
 12 carry on the full operations as intended by this chapter, and the budget
 13 director, subject to the approval of the governor of the state of Indiana,
 14 shall determine when said salaries for said commission members shall
 15 commence. ~~The governor shall, however, appoint said members as~~
 16 ~~herein provided within a period of sixty (60) days following the~~
 17 ~~effective date of this chapter.~~

18 (e) Each member shall be reimbursed for ~~his~~ **the member's** actual
 19 expenses necessarily incurred in the performance of ~~his~~ **the member's**
 20 duties.

21 (f) All expenses incurred in carrying out the provisions of this
 22 chapter shall be payable solely from funds provided under the authority
 23 of this chapter and no liability or obligation shall be incurred by the
 24 commission hereunder beyond the extent to which moneys shall have
 25 been provided under the authority of this chapter.

26 SECTION 36. IC 8-10-1-4 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. ~~Port~~ Revenue bonds
 28 issued under the provisions of this chapter shall not be deemed to
 29 constitute a debt of the state or of any political subdivision thereof or
 30 a pledge of the faith and credit of the state or of any such political
 31 subdivision, but such bonds shall be payable solely from the funds
 32 pledged for their payment as authorized in this chapter, unless such
 33 bonds are refunded by refunding bonds, issued under the provisions of
 34 this chapter, which refunding bonds shall be payable solely from funds
 35 pledged for their payment as authorized herein. All such revenue bonds
 36 shall contain on the face thereof a statement to the effect that the bonds,
 37 as to both principal and interest, are not an obligation of the state of
 38 Indiana, or of any political subdivision thereof, but are payable solely
 39 from revenues pledged for their payment. All expenses incurred in
 40 carrying out the provisions of this chapter shall be payable solely from
 41 funds provided under the authority of this chapter and nothing in this
 42 chapter contained shall be construed to authorize the commission to



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1 incur indebtedness or liability on behalf of or payable by the state or
2 any political subdivision thereof.

3 SECTION 37. IC 8-10-1-4.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2003]: **Sec. 4.5. Except as specifically authorized by the general
6 assembly, the commission may not pledge, in any form, to:**

7 **(1) seek funding from the state in the event of any default in
8 the payment of revenue bonds; or**

9 **(2) specify, in any form, in an agreement related to revenue
10 bonds that money appropriated by the general assembly may
11 or shall be deposited in a debt service fund or reserve fund for
12 the revenue bonds.**

13 SECTION 38. IC 8-10-1-5 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The Indiana port
15 commission may:

16 (1) prepare sketches, plans, and descriptive material relating to
17 ~~such~~ ports or ~~port~~ projects, as in its discretion may seem feasible,
18 to compile data and prepare literature as to the necessity or
19 advisability thereof, and to do other acts and things it considers
20 necessary to promote ~~such public port or port~~ **the ports or**
21 projects and deems to be in the public interest;

22 (2) carry on, in its discretion, negotiations and enter into
23 agreements and contracts with the federal government or agencies
24 of the federal government or an authority established under
25 IC 36-7-23 for the building and construction of public ports
26 including terminal facilities, to be located within Indiana, on Lake
27 Michigan, the Ohio River, the Wabash River, or in waters
28 adjacent to Indiana;

29 (3) locate and acquire a suitable ~~site~~ **sites** for ~~such public port or~~
30 ~~port~~ **ports or** projects;

31 (4) construct, develop, maintain, and operate the same in
32 cooperation with the federal government, any agency of the
33 federal government, a corporation established under IC 36-7-23,
34 or otherwise, in such a manner and on such terms as will, in the
35 discretion of the commission, best serve the commercial,
36 industrial, and agricultural interests of the state;

37 (5) provide adequate port and terminal facilities to accommodate
38 water, rail, truck, ~~and~~ airborne, **and other forms of**
39 transportation; and

40 (6) provide a traffic exchange point for all forms of transportation,
41 giving particular attention to the benefits which may accrue to the
42 state and its citizens by the opening of the St. Lawrence Seaway

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and river transportation.
(b) The title to all property included in any port or project shall be taken in the name of, and shall be in, the state of Indiana.

SECTION 39. IC 8-10-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission is authorized and empowered **to do the following:**

- (1) To adopt bylaws for the regulation of its affairs and the conduct of its business.
- (2) To adopt an official seal which shall not be the seal of the state of Indiana.
- (3) To maintain a principal office and sub-offices at such place or places within the state as it may designate.
- (4) To sue and be sued, and to plead and be impleaded in its own name. However, actions at law against the commission shall be brought in the circuit court of the county in which the principal office of the commission is located or in the circuit court of the county in which the cause of action arose, if the county is located within the state. All summonses and legal notices of every kind shall be served on the commission by leaving a copy thereof at the principal office of the commission with the person in charge thereof or with the secretary of the commission. However, no such action shall be deemed commenced until a copy of the summons and complaint, cross complaint, petition, bill, or pleading is served upon the attorney general of Indiana.
- (5) To acquire, lease, construct, maintain, repair, police, and operate a port or port project as provided in this chapter, and to establish rules and regulations for the use of ~~such the~~ port or port project, and other property subject to the jurisdiction and control of the commission.
- (6) To issue ~~port both taxable and tax exempt~~ revenue bonds of the state, payable solely from revenues, as herein provided, for the purpose of paying all or any part of the cost of a port or port project.
- (7) To acquire, lease, and operate tug boats, locomotives, and any and every kind of motive power and conveyances or appliances necessary or proper to carry passengers, goods, wares, merchandise, or articles of commerce in, on, or around the port or port project.
- (8) To fix and revise from time to time and to collect fees, rentals, tolls, and other charges for the use of any port or port project.
- (9) To acquire, obtain option on, hold, and dispose of real and personal property in the exercise of its powers and the

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1 performance of its duties under this chapter.

2 (10) To designate the location and establish, limit, and control
3 points of ingress to and egress from ~~the a port property:~~ **or**
4 **project.**

5 (11) To lease to others for development or operation such portions
6 of any port or port project, on such terms and conditions as the
7 commission shall deem advisable.

8 (12) To make and enter into all contracts, undertakings, and
9 agreements necessary or incidental to the performance of its
10 duties and the execution of its powers under this chapter. When
11 the cost of any such contract for construction, or for the purchase
12 of equipment, materials, or supplies, involves an expenditure of
13 more than twenty-five thousand dollars (\$25,000), the
14 commission shall make a written contract with the lowest and best
15 bidder after advertisement for not less than two (2) consecutive
16 weeks in a newspaper of general circulation in ~~Marion County,~~
17 ~~Indiana,~~ **the county where the construction will occur** and in
18 such other publications as the commission shall determine. The
19 notice shall state the general character of the work and the general
20 character of the materials to be furnished, the place where plans
21 and specifications therefor may be examined, and the time and
22 place of receiving bids. Each bid shall contain the full name of
23 every person or company interested in it and shall be
24 accompanied by a sufficient bond or certified check on a solvent
25 bank that if the bid is accepted a contract will be entered into and
26 the performance of its proposal secured. The commission may
27 reject any and all bids. A bond with good and sufficient surety as
28 shall be approved by the commission, shall be required of all
29 contractors in an amount equal to at least fifty percent (50%) of
30 the contract price conditioned upon the faithful performance of
31 the contract.

32 **(13) To construct, assemble, or otherwise build, own, lease,**
33 **operate, manage, or otherwise control any project throughout**
34 **Indiana for the purpose of promoting economic growth and**
35 **development throughout Indiana, retaining existing**
36 **employment within Indiana, and attracting new employment**
37 **opportunities within Indiana.**

38 ~~(13)~~ (14) To employ an executive director or manager, consulting
39 engineers, superintendents, and such other engineers, construction
40 and accounting experts, attorneys, and other employees and
41 agents as may be necessary in its judgment, and to fix their
42 compensation, but no compensation of any employee of the

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1 commission shall exceed the compensation of the highest paid
 2 officer or employee of the state. However, the employment of an
 3 attorney shall be subject to such approval of the attorney general
 4 as may be required by law.
 5 ~~(14)~~ (15) To receive and accept from any federal agency grants
 6 for or in aid of the construction of any port or port project, and to
 7 receive and accept aid or contributions from any source of either
 8 money, property, labor, or other things of value, to be held, used,
 9 and applied only for the purposes for which such grants and
 10 contributions may be made.
 11 ~~(15)~~ (16) To provide coverage for its employees under the
 12 provisions of IC 22-3-2 through IC 22-3-6, and IC 22-4.
 13 ~~(16)~~ (17) To do all acts and things necessary or proper to carry out
 14 the powers expressly granted in this chapter. ~~and~~
 15 ~~(17)~~ (18) To hold, use, administer, and expend such sum or sums
 16 as may herein or hereafter be appropriated or transferred to the
 17 commission.

18 SECTION 40. IC 8-10-1-8 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If the commission
 20 shall find it necessary to change the location of any portion of any
 21 public road, **highway**, railroad, or public utility facility, it shall cause
 22 the same to be reconstructed at such location as the division of
 23 government having jurisdiction over such road, highway, railroad or
 24 public utility facility shall deem most favorable and of substantially the
 25 same type and in as good condition as the original road, highway, or
 26 railroad or public utility facility. The cost of such reconstruction,
 27 relocation, or removal and any damage incurred in changing the
 28 location of any such road, highway, railroad, or public utility facility,
 29 shall be ascertained and paid by the commission as a part of the cost of
 30 ~~such the~~ port or port project. The commission shall have authority to
 31 petition the circuit court of the county wherein is situated any public
 32 road or part thereof, affected by the location therein of any port or port
 33 project, for the vacation or relocation of such road or any part thereof
 34 with the same force and effect as statutes in effect on March 2, 1961,
 35 to the inhabitants of any municipality or governmental subdivision of
 36 the state. The proceedings upon such petition, whether it be for the
 37 appointment of appraisers or otherwise, shall be the same as provided
 38 by statutes in effect on March 2, 1961, for similar proceedings upon
 39 such petitions. In addition to the foregoing powers, the commission and
 40 its authorized agents and employees, after proper notice, may enter
 41 upon any lands, waters, and premises in the state for the purpose of
 42 making surveys, soundings, drillings, and examinations as are

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1 necessary or proper for the purposes of this chapter, and such entry
 2 shall not be deemed a trespass, nor shall an entry for such purpose be
 3 deemed an entry under any condemnation proceedings which may be
 4 then pending; provided, that before entering upon the premises of any
 5 railroad, notice shall be given to the superintendent of such railroad
 6 involved at least five (5) days in advance of such entry, and provided,
 7 that no survey, sounding, drilling, and examination shall be made
 8 between the rails, or so close to a railroad track, as would render said
 9 track unusable. The commission shall make reimbursement for any
 10 actual damage resulting to such lands, waters, and premises and to
 11 private property located in, on, along, over, or under such lands, waters
 12 and premises, as a result of such activities. The state of Indiana, subject
 13 to the approval of the governor, hereby consents to the use of lands
 14 owned by it, including lands lying under water and riparian rights,
 15 which are necessary or proper for the construction or operation of any
 16 port or ~~port~~ project, provided adequate compensation is made for such
 17 use. The commission shall also have power to make reasonable
 18 regulations for the installation, construction, maintenance, repair,
 19 renewal, relocation, and removal of tracks, pipes, mains, conduits,
 20 cables, wires, towers, poles, and other equipment and appliances
 21 (referred to in this section as "public utility facilities") of any public
 22 utility in, on, along, over, or under any port or ~~port~~ project. Whenever
 23 the commission shall determine that it is necessary that any such public
 24 utility facilities which are, on or after March 2, 1961, located in, on,
 25 along, over, or under any ~~such~~ port or ~~port~~ project should be relocated
 26 or should be removed from ~~such the~~ port or ~~port~~ project, the public
 27 utility owning or operating such facilities shall relocate or remove the
 28 same in accordance with the order of the commission. ~~provided;~~
 29 However, ~~that~~ the cost and expenses of such relocation or removal,
 30 including the cost of installing such facilities in a new location or new
 31 locations, and the cost of any lands, or any rights or interests in lands,
 32 and any other rights, acquired to accomplish such relocation or
 33 removal, shall be ascertained and paid by the commission as a part of
 34 the cost of ~~such the~~ port or ~~port~~ project, excepting, however, cases in
 35 which such equipment or facilities are located within the limits of
 36 highways or public thoroughfares being constructed, reconstructed, or
 37 improved under the provisions of this chapter. In case of any such
 38 relocation or removal of facilities, the public utility owning or
 39 operating the same, its successors or assigns, may maintain and operate
 40 such facilities, with the necessary appurtenances, in the new location
 41 or new locations, for as long a period, and upon the same terms and
 42 conditions, as it had the right to maintain and operate such facilities in

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1 their former location or locations subject, however, to the state's right
2 of regulation under its police powers.

3 SECTION 41. IC 8-10-1-9 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) The commission
5 shall have power to adopt such by-laws, rules and regulations as it may
6 deem advisable for the control and regulation of any port or ~~port~~ project
7 or traffic on any port or ~~port~~ project, for the protection of and
8 preservation of property under its jurisdiction and control, and for the
9 maintenance and preservation of good order within the property under
10 its control, and such by-laws, rules and regulations shall be published
11 in a newspaper of general circulation in Marion County, Indiana, and
12 in such other manner as the commission shall prescribe; however, such
13 rules and regulations shall provide that public officers shall be afforded
14 ready access, while in performance of their official duty, to all property
15 under the jurisdiction or control of the commission without the
16 payment of tolls.

17 (b) Such rules and regulations adopted under this section shall be
18 adopted under IC 4-22-2.

19 (c) A person who violates a rule or regulation of the commission
20 commits a Class C infraction.

21 SECTION 42. IC 8-10-1-10 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. **(a)** The commission
23 is hereby authorized and empowered to acquire by purchase whenever
24 it shall deem such purchase expedient, any land, property, rights,
25 right-of-ways, franchises, easements and other interests in lands,
26 including lands under water and riparian rights, as it may deem
27 necessary or convenient for the construction and operation of any port
28 or ~~port~~ project, upon such terms and at such price as may be considered
29 by it to be reasonable and can be agreed upon between the commission
30 and the owner thereof, and to take title thereto in the name of the state.

31 **(b)** The commission is hereby further authorized and empowered to
32 sell, transfer and convey any such land or any interest therein so
33 acquired, or any portion thereof, when the same shall no longer be
34 needed for such purposes. ~~and it~~ **The commission** is further authorized
35 and empowered to transfer and convey any such lands or interest
36 therein as may be necessary or convenient for the construction and
37 operation of any port or ~~port~~ project, or as otherwise required under the
38 provisions of this chapter. ~~Provided, That However,~~ no such sale shall
39 be made without **first obtaining** the approval of the Governor, ~~first~~
40 ~~obtained~~ and **a sale may not be made** at ~~not~~ less than the appraised
41 value established by three **(3)** independent appraisers appointed by the
42 Governor. The commission shall be authorized to restrict the use of any

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1 land so sold by it and provide for a reversion to the commission in the
 2 event the land shall not be used for the purpose represented by the
 3 purchaser, and such restrictions and reversions shall be set out in
 4 appropriate covenants in the deeds of conveyance, which deeds shall
 5 be subject to the approval of the Governor.

6 (c) The commission shall also be authorized to lease, or grant
 7 options to lease, to others for development any portion of the land
 8 owned by the commission, on such terms as the commission shall
 9 determine to be advantageous. All such leases or options to lease which
 10 leases cover a period of more than four (4) years shall be subject to the
 11 approval of the Governor. Leases of lands under the jurisdiction or
 12 control of the commission shall be made only for such uses and
 13 purposes as are calculated to contribute to the growth and development
 14 of ~~the port and ports~~, terminal facilities, **and projects** under the
 15 jurisdiction or control of the commission. In the event the commission
 16 shall lease to others a building or structure financed by the issuance of
 17 revenue bonds the rental shall be in an amount at least sufficient to pay
 18 the interest on and principal of the amount of such bonds representing
 19 the cost of such building or structure to the extent such interest and
 20 principal is payable during the term of the lease, as well as to pay the
 21 cost of maintenance, repair and insurance for such building and a
 22 reasonable portion of the commission's administrative expense incurred
 23 during the term of the lease which is allocable to such building or
 24 structure.

25 (d) **No tenant, lessee, licensee, owner of real estate located within**
 26 **a port or project, or other person or entity has any right, claim,**
 27 **title, or interest in any real estate, personal property, or common**
 28 **property owned by the commission, a port, a project, or the state,**
 29 **unless a written agreement entered into by the commission**
 30 **expressly provides:**

31 (1) **the exact nature and extent of the right, claim, title, or**
 32 **interest;**

33 (2) **all the conditions under which the right, claim, title, or**
 34 **interest is granted; and**

35 (3) **a legal or complete description of the specific property.**

36 SECTION 43. IC 8-10-1-11 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. The commission is
 38 hereby authorized and empowered to acquire by appropriation, under
 39 the provisions of the eminent domain law of the state, any land,
 40 including lands under water and riparian rights, property, rights,
 41 rights-of-way, franchises, easements, or other property necessary or
 42 proper for the construction or the efficient operation of any port or ~~port~~



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1 project. The commission shall also be empowered to exercise such
2 powers of eminent domain as may be conferred upon the commission
3 by an act of Congress of the United States now in force, or which may
4 hereafter be enacted. Title to the property condemned shall be taken in
5 the name of the state of Indiana. Nothing herein shall authorize the
6 commission to take or disturb property or facilities constituting all or
7 part of any presently existing or operating public port and nothing
8 herein shall authorize the commission to take or disturb property or
9 facilities belonging to any public utility or to a common carrier engaged
10 in interstate commerce, which property or facilities are required for the
11 proper and convenient operation of such public utility or common
12 carrier, unless provision is made for the restoration, relocation or
13 duplication of such property or facilities elsewhere at the sole cost of
14 the commission excepting however, cases in which such equipment or
15 facilities are located within the limits of existing highways or public
16 thoroughfares.

17 SECTION 44. IC 8-10-1-12 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) A special and
19 distinct revolving fund is hereby created, to be known as the Indiana
20 port fund. Expenditures from said fund shall be made only for the
21 acquisition of land including lands under water and riparian rights, or
22 options for the purchase of such land for a port **or project** site, and
23 incidental expenses incurred in connection with such acquisition, and
24 for studies in connection with the port **or project**, and including
25 administrative expenses of the commission. Said fund shall be held in
26 the name of the Indiana port commission, shall be administered by the
27 commission, and all expenditures therefrom shall be made by the
28 commission, subject, however, to the approval by governor and the
29 state budget committee of all expenditures of moneys advanced to said
30 fund by the state of Indiana. Requests for such approval shall be made
31 in such form as shall be prescribed by the budget committee, but
32 expenditures for acquisition of land including lands under water and
33 riparian rights, or options for the purchase of such land, shall be
34 specifically requested and approved as to the land to be acquired and
35 the amount to be expended. No transfers from said fund to any other
36 fund of the state shall be made except pursuant to legislative action. All
37 unexpended funds appropriated to the Indiana board of public harbors
38 and terminals by Acts 1957, c.286, s.6, are hereby transferred to and
39 made a part of the Indiana port fund created by this section, and shall
40 be expended for the purpose and in the manner provided by this
41 chapter, subject only to the restrictions contained in this chapter and no
42 others; provided, however, that not to exceed one hundred thousand

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1 dollars (\$100,000) shall be expended for any purpose other than the
2 acquisition of land, including lands under water and riparian rights, or
3 options for the purchase of such land for a port **or project** site, and
4 incidental expenses incurred in connection with such acquisition.

5 (b) Upon the sale of **port** revenue bonds for any port **or project**, the
6 funds expended from the Indiana port fund in connection with the
7 development of such **port or project** and any obligation or expense
8 incurred by the commission for surveys, preparation of plans and
9 specifications, and other engineering or other services in connection
10 with development of such **port or project** shall be reimbursed to the
11 state general fund from the proceeds of such bonds.

12 SECTION 45. IC 8-10-1-13 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) The commission
14 is hereby authorized to provide by resolution, at one **(1)** time or from
15 time to time, for the issuance of **port** revenue bonds of the state for the
16 purpose of paying all or any part of the cost of a port **or project**. The
17 principal of and the interest on such bonds shall be payable solely from
18 the revenues specifically pledged to the payment thereof. The bonds of
19 each issue shall be dated, shall bear interest at any rate, shall mature at
20 such time or times not exceeding fifty (50) years from the date thereof,
21 as may be determined by the commission, and may be made
22 redeemable before maturity, at the option of the commission, at such
23 price or prices and under such terms and conditions as may be fixed by
24 the commission in the authorizing resolution.

25 (b) The commission shall determine the form of the bonds,
26 including any interest coupons to be attached thereto, and shall fix the
27 denomination or denominations of the bonds and the place or places of
28 payment of principal and interest which may be at any bank or trust
29 company within or without the state.

30 (c) The bonds shall be signed in the name of the commission, by its
31 chairman or vice chairman or by the facsimile signature of such
32 chairman or vice chairman, and the official seal of the commission, or
33 facsimile thereof, shall be affixed thereto and attested by the
34 secretary-treasurer of the commission, and any coupons attached
35 thereto shall bear the facsimile signature of the chairman of the
36 commission. In case any officer whose signature or a facsimile of
37 whose signature shall appear on any bonds or coupons shall cease to be
38 such officer before the delivery of such bonds, such signature or such
39 facsimile shall nevertheless be valid and sufficient for all purposes the
40 same as if he had remained in office until such delivery.

41 (d) All bonds issued under this chapter shall have and are hereby
42 declared to have all the qualities and incidents of negotiable

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1 instruments under the negotiable instruments law of the state of
2 Indiana.

3 (e) The bonds may be issued in coupon or in registered form, or
4 both, as the commission may determine, and provision may be made
5 for the registration of any coupon bonds as to principal alone and also
6 as to both principal and interest, and for the reconversion into coupon
7 bonds of any bonds registered as to both principal and interest.

8 (f) The bonds shall be sold at public sale in accordance with
9 IC 4-1-5, **except as provided in IC 8-10-4.**

10 (g) **No action to contest the validity of any bonds issued by the**
11 **commission under this chapter shall be commenced more than**
12 **thirty (30) days following the adoption of the resolution approving**
13 **the bonds as provided in this chapter.**

14 SECTION 46. IC 8-10-1-14 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. The proceeds of the
16 bonds of each issue shall be used solely for the payment of the cost of
17 the port **or** project for which such bonds shall have been issued, and
18 shall be disbursed in such manner and under such restrictions, if any,
19 as the commission may provide in the resolution authorizing the
20 issuance of such bonds or in the trust agreement mentioned in this
21 chapter securing the same. If the proceeds of the bonds of any issue, by
22 error of estimates or otherwise, shall be less than such cost, additional
23 bonds may in like manner be issued to provide the amount of such
24 deficit, and, unless otherwise provided in the resolution authorizing the
25 issuance of such bonds or in the trust agreement securing the same,
26 shall be deemed to be of the same issue and shall be entitled to
27 payment from that same fund without preference or priority of the
28 bonds first issued. If the proceeds of the bonds of any issue shall
29 exceed the cost of the port **or** project for which the same shall have
30 been issued, the surplus shall be deposited to the credit of the sinking
31 fund for such bonds. Prior to the preparation of definitive bonds, the
32 commission may, under like restrictions, issue interim receipts or
33 temporary bonds, with or without coupons, exchangeable for definitive
34 bonds when such bonds shall have been executed and are available for
35 delivery. The commission may also provide for the replacement of any
36 bonds which shall become mutilated or shall be destroyed or lost.
37 **Bonds and any other instruments or the security for the bonds and**
38 **other instruments that are authorized by this chapter** may be issued
39 under the provisions of this chapter without obtaining the consent of
40 any officer, department, division, commission, board, bureau, or
41 agency of the state, and without any other proceedings or the happening
42 of any other conditions or things than those proceedings, conditions, or



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1 things which are specifically required by this chapter.

2 SECTION 47. IC 8-10-1-15 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission is
 4 hereby authorized to provide by resolution for the issuance of ~~port~~
 5 ~~revenue~~ refunding bonds of the state payable solely from revenues for
 6 the purpose of refunding any bonds then outstanding which shall have
 7 been issued under the provisions of **section 13** of this chapter,
 8 including the payment of any redemption premium thereon and any
 9 interest accrued or to accrue to the date of redemption of such bonds,
 10 and, if deemed advisable by the commission, for the additional purpose
 11 of constructing improvements, extensions, or enlargements of the port
 12 **or** project in connection with which the bonds to be refunded shall
 13 have been issued. The issuance of such bonds, the maturities and other
 14 details thereof, the rights of the holders thereof and the rights, duties,
 15 and obligations of the commission in respect of the same, shall be
 16 governed by the provisions of this chapter insofar as the same may be
 17 applicable.

18 SECTION 48. IC 8-10-1-16 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. In the discretion of
 20 the commission any bonds issued under the provisions of this act may
 21 be secured by a trust agreement by and between the commission and a
 22 corporate trustee, which may be any trust company or bank having the
 23 powers of a trust company within the state. Any resolution adopted by
 24 the commission providing for the issuance of **revenue** bonds and any
 25 trust agreement pursuant to which such bonds are issued may pledge
 26 or assign all or any portion of the revenues received or to be received
 27 by the commission except such part as may be necessary to pay the cost
 28 of the commission's administrative expenses, operation, maintenance,
 29 and repair and to provide reserves therefor and depreciation reserves
 30 required by any bond resolution adopted or trust agreement executed
 31 by the commission, but the commission shall not convey or mortgage
 32 any port ~~port or~~ project or any part thereof. In authorizing the issuance
 33 of bonds for any particular port **or** project, ~~undertaken in connection~~
 34 ~~with the development of the port~~, the commission may limit the amount
 35 of such bonds that may be issued as a first lien and charge against the
 36 revenues pledged to the payment of such bonds or the commission may
 37 authorize the issuance from time to time thereafter of additional bonds
 38 secured by the same lien to provide funds for the completion of the port
 39 **or** project on account of which the original bonds were issued, or to
 40 provide funds to pay the cost of additional ~~port~~ projects undertaken in
 41 connection with the development of the port **or project**, or for both
 42 such purposes. Such additional bonds shall be issued on such terms and

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1 conditions as may be provided in the bond resolution or resolutions
 2 adopted by the commission and in the trust agreement or any
 3 agreement supplemental thereto and may be secured equally and
 4 ratably without preference, priority or distinction with the original issue
 5 of bonds or may be made junior thereto. Any pledge or assignment
 6 made by the commission pursuant hereto shall be valid and binding
 7 from the time that the pledge or assignment is made and the revenues
 8 so pledged and thereafter received by the commission shall
 9 immediately be subject to the lien of such pledge or assignment without
 10 physical delivery thereof or further act. The lien of such pledge or
 11 assignment shall be valid and binding against all parties having claims
 12 of any kind in tort, contract or otherwise against the commission
 13 irrespective of whether such parties have notice thereof. Neither the
 14 resolution nor any trust agreement by which a pledge is created or
 15 assignment made need be filed or recorded except in the records of the
 16 commission. Any such trust agreement or any resolution providing for
 17 the issuance of such bonds may contain such provisions for protecting
 18 and enforcing the rights and remedies of the bondholders as may be
 19 reasonable and proper and not in violation of law, including, but not
 20 limited to, covenants setting forth the duties of the commission in
 21 relation to the acquisition of property and the construction,
 22 improvement, maintenance, repair, operation, and insurance of the port
 23 or project in connection with which such bonds shall have been
 24 authorized, the rates of fees, tolls, rentals, or other charges, to be
 25 collected for the use of the project, and the custody, safeguarding, and
 26 application of all moneys, and provisions for the employment of
 27 consulting engineers in connection with the construction or operation
 28 of such project. It shall be lawful for any bank or trust company
 29 incorporated under the laws of the state which may act as depository of
 30 the proceeds of bonds or other funds of the commission, to furnish such
 31 indemnifying bonds or to pledge such securities as may be required by
 32 the commission. Any such trust agreement may set forth the rights and
 33 remedies of the bondholders and of the trustee, and may restrict the
 34 individual right of action by bondholders as is customary in trust
 35 agreements or trust indentures securing bonds or debentures of private
 36 corporations. In addition to the foregoing, any such trust agreement
 37 may contain such other provisions as the commission may deem
 38 reasonable and proper for the security of the bondholders. All expenses
 39 incurred in carrying out the provisions of any such trust agreement may
 40 be treated as a part of the cost of the operation of the port or project.

41 SECTION 49. IC 8-10-1-17 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. The commission

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1 shall be authorized to fix, review, charge, and collect fees, tolls, rentals,
 2 and other charges for the use of the ~~port, port project, ports, projects,~~
 3 terminal facilities, and lands under the jurisdiction or control of the
 4 commission or services rendered by the commission, and the aggregate
 5 thereof shall provide revenues at least sufficient to pay the cost of
 6 operation, maintenance and repair of the port **or project** and terminal
 7 facilities, including the administration expenses of the commission, and
 8 in case revenue bonds are issued, sufficient to pay the interest on and
 9 principal of the bonds in accordance with their terms, and also
 10 sufficient to establish and maintain reserves created for all such
 11 purposes and for depreciation purposes. The fixing and collection of
 12 such fees, tolls, rentals and other charges and the expenditure of the
 13 revenues derived therefrom shall not be subject to the supervision or
 14 regulation by any other officer, commission, board, bureau, or agency
 15 of the state. After such bonds have been fully paid and discharged and
 16 all obligations under any trust agreement securing the same have been
 17 performed or satisfied, any remaining surplus net revenues and all
 18 surplus net revenues thereafter derived from the operation of ~~such the~~
 19 **port or project** shall be paid into the state general fund.

20 SECTION 50. IC 8-10-1-19 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. Any holder of
 22 bonds issued under the provisions of this chapter or any of the coupons
 23 appertaining thereto, and the trustee under any trust agreement, except
 24 to the extent the rights given in this chapter may be restricted by the
 25 authorizing resolution or trust agreement, may, either at law or in
 26 equity, by suit, action, mandamus, or other proceedings, protect and
 27 enforce any and all rights under the statutes of the state or granted
 28 under this chapter or under such trust agreement, or the resolution
 29 authorizing the issuance of such bonds, and may enforce and compel
 30 the performance of all duties required by this chapter or by such trust
 31 agreement or resolution to be performed by the commission or by any
 32 officer thereof, including the fixing, charging, and collecting of fees,
 33 tolls, rentals, or other charges for the use of the port or ~~port~~ project.

34 SECTION 51. IC 8-10-1-20 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 20. Each port or ~~port~~
 36 project, as defined in section 2 of this chapter, when constructed and
 37 **opened to traffic placed in operation** shall be maintained and kept in
 38 good condition and repair by the commission. Each such project shall
 39 also be policed and operated by such force of police, tolltakers, and
 40 other operating employees as the commission may in its discretion
 41 employ. All public or private property damaged or destroyed in
 42 carrying out the powers granted by this chapter shall be restored or

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1 repaired and placed in its original condition as nearly as practicable or
 2 adequate compensation made therefor out of funds provided under the
 3 authority of this chapter.

4 SECTION 52. IC 8-10-1-21 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. All counties, cities,
 6 towns, townships and other political subdivisions and all public
 7 agencies and commissions of the state, notwithstanding any contrary
 8 provision of law, are hereby authorized and empowered to lease, lend,
 9 grant or convey to the commission at its request upon such terms and
 10 conditions as the proper authorities of such counties, cities, towns,
 11 townships, other political subdivisions or public agencies, and
 12 commissions of the state may deem reasonable and fair and without the
 13 necessity for an advertisement, order of court or other action or
 14 formality, other than the regular and formal action of the authorities
 15 concerned, any real **or personal** property owned by any such
 16 municipality or governmental subdivision which may be necessary or
 17 convenient to the effectuation of the authorized purposes of the
 18 commission.

19 SECTION 53. IC 8-10-1-22 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. (a) The commission
 21 shall cause an audit of its books and accounts to be made at least once
 22 each year by certified public accountants and the cost thereof may be
 23 treated as a part of the cost of construction or of operations of the
 24 ~~project: commission's ports and projects.~~ The accounts, books, and
 25 records of the Indiana port commission shall be audited annually by the
 26 state board of accounts, and the cost of such audit may be treated as a
 27 part of the cost of construction or of operations of the ~~port project:~~
 28 ~~commission's ports and projects.~~

29 (b) **The commission shall, following the close of each fiscal year,**
 30 **submit an annual report of its activities for the preceding year to**
 31 **the governor. Each member of the general assembly shall receive**
 32 **a copy of the report by making a request for it to the chairman of**
 33 **the commission. Each report shall set forth a complete operating**
 34 **and financial statement for the commission during the fiscal year**
 35 **it covers.**

36 SECTION 54. IC 8-10-1-25 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 25. Revenue bonds
 38 issued by the commission under the provisions of this chapter shall
 39 constitute legal investments for any private trust funds, and the funds
 40 of any banks, trust companies, insurance companies, building and loan
 41 associations, credit unions, banks of discount and deposit, savings
 42 banks, loan and trust, and safe deposit companies, rural loan and



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1 savings associations, guaranty loan and savings associations, mortgage
 2 guaranty companies, small loan companies, and industrial loan and
 3 investment companies, and any other financial institutions organized
 4 under Indiana statutes. **The bonds are also made securities that may**
 5 **be deposited with and received by all public officers and bodies of**
 6 **this state or any agency or political subdivision of this state and all**
 7 **municipalities and public commissions for any purpose for which**
 8 **the deposit of bonds or other obligations of this state is now or may**
 9 **be later authorized by law.**

10 SECTION 55. IC 8-10-1-27 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The exercise of
 12 the powers granted by this chapter will be in all respects for the benefit
 13 of the people of the state, for the increase of their commerce and
 14 prosperity, and for the improvement of their health and living
 15 conditions.

16 (b) As the operation and maintenance of a port **or** project by the
 17 commission will constitute the performance of essential governmental
 18 functions, the commission shall not be required to pay any taxes or
 19 assessments upon any port **or** project or any property acquired or used
 20 by the commission under the provisions of this chapter or upon the
 21 income therefrom. The bonds issued by the commission, the interest
 22 thereon, the proceeds received by a holder from the sale of such bonds
 23 to the extent of the holder's cost of acquisition, or proceeds received
 24 upon redemption prior to maturity or proceeds received at maturity, and
 25 the receipt of such interest and proceeds shall be exempt from taxation
 26 in the state of Indiana for all purposes except the financial institutions
 27 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
 28 IC 6-4.1.

29 (c) Notwithstanding any other statute, a lessee's leasehold estate in
 30 land that is part of a port and that is owned by the state or the
 31 commission is exempt from property taxation. **However, an exemption**
 32 **under this subsection is not available for land not located at a port.**

33 SECTION 56. IC 8-10-1-30 IS ADDED TO THE INDIANA CODE
 34 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2003]: **Sec. 30. The state hereby pledges and agrees with the**
 36 **holders of any bonds issued under this chapter that the state will**
 37 **not limit or alter the rights vested in the commission to fulfill the**
 38 **terms of any agreements made with the holders or in any way**
 39 **impair the rights or remedies of the holders until the bonds,**
 40 **together with the interest, with interest on any unpaid installments**
 41 **of interest, and all costs and expenses in connection with any action**
 42 **or proceeding by or on behalf of the holders, are fully met and**

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1 **discharged. The commission is authorized to include this pledge**
2 **and agreement of the state in any agreement with the holders of the**
3 **bonds.**

4 SECTION 57. IC 8-10-2-2 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) In addition to the
6 powers conferred upon the Indiana port commission by other
7 provisions of this article, the commission, whenever it finds that the
8 economic welfare of the state would thereby be benefited, by additional
9 employment opportunities, or by additional diversification of industry
10 within the state, or by increased income or prosperity to the state and
11 its residents, or for any other reason, shall have the power to acquire,
12 construct, maintain, repair, police, and lease to others such facilities for
13 manufacturing, storage, or processing of goods, or for the carrying on
14 of commercial, business, or recreational activities as the commission
15 further finds will increase the ~~water-borne~~ traffic into or out of the ~~port~~
16 **project**. Any such facilities and the site thereof shall not be exempt
17 from property taxation, and the lessee in any lease thereof shall agree
18 to pay all property taxes levied on such facilities and the site thereof.

19 (b) In exercising the powers granted in this section, the commission
20 shall have all the powers granted to it by this article, in connection with
21 a ~~port~~ project, and the term "~~port~~" "project", as used in IC 8-10-1, shall
22 be deemed to include facilities, adjuncts, and appurtenances of the
23 character referred to in this section.

24 (c) It is further declared that the acquisition, construction,
25 maintenance, repair, policing of, and leasing to others of such facilities
26 under the conditions set forth in this section is a public purpose.

27 (d) Nothing in this section shall authorize the Indiana port
28 commission to take, condemn, or disturb any property right or interest
29 in property, existing on March 10, 1967, including permits and
30 authorities to fill and reclaim submerged lands, or any facilities
31 constituting all or part of any operating property or any private or
32 public port. The Indiana port commission shall make reimbursement
33 for any actual damage to any public or private facilities, including but
34 not limited to breakwaters, water intakes, wharves, piers, boat docks,
35 warehouses, and pipeline equipment resulting from the exercise by it
36 of any powers granted to it by this section.

37 SECTION 58. IC 8-10-4-1 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) As used in this
39 chapter, "self-liquidating ~~port~~ project" shall mean a ~~port~~ project for
40 which a lease or leases have been executed providing for payment of
41 rental in an amount at least sufficient to pay the interest and principal
42 of such bonds to be issued to finance the cost of such ~~port~~ project and

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1 further providing for the payment by the lessee or lessees of all costs
2 of maintenance, repair, and insurance of such port project.

3 (b) Other words and terms used in this chapter shall have the same
4 meaning as in other provisions of this article, unless otherwise
5 specifically provided.

6 SECTION 59. IC 8-10-4-2 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. In addition to the
8 powers conferred upon the Indiana port commission by other
9 provisions of this article, the commission, in connection with any
10 self-liquidating port project, shall have the following powers
11 notwithstanding any other provision of this article to the contrary:

12 (a) The revenue bonds issued by the commission to finance the
13 cost of such self-liquidating port project may be issued without
14 regard to any maximum interest rate limitation in this article or
15 any other law.

16 (b) The revenue bonds issued by the commission to finance the
17 cost of such self-liquidating port project may be sold in such
18 manner, either at public or private sale, as the commission may
19 determine, and the provisions of IC 4-1-5 shall not be applicable
20 to such sale.

21 SECTION 60. IC 8-10-4-3 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. Any lease of a port
23 project may provide that the lessee, as its reasonable portion of the
24 commission's administrative expense incurred during the term of the
25 lease which the lessee is required to pay by IC 8-10-1-10, shall pay to
26 the commission for the use of the harbor, the public docking facilities
27 and public wharves and piers, all harbor, dockage, and wharfage
28 charges established by the commission.

29 SECTION 61. IC 8-10-4-4 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The cost of any port
31 project may include, instead of the cost of the acquisition of the land
32 constituting the site of such port project, the value of such land as
33 determined by the commission. The proceeds of any revenue bonds
34 representing the value of such land shall be deposited in the Indiana
35 port fund.

36 SECTION 62. IC 8-10-4-5 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. The commission may
38 contract for the use of any license, process or device, whether patented
39 or not, which the commission finds is necessary for the operation of
40 any port project, and may permit the use thereof by any lessee on such
41 terms and conditions as the commission may determine. The cost of
42 such license, process or device may be included as part of the cost of

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SECTION 63. IC 36-7-32-23, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 23. (a) Each redevelopment commission that establishes a certified technology park under this chapter shall establish a certified technology park fund to receive:

- (1) property tax proceeds allocated under section 17 of this chapter; and
- (2) money distributed to the redevelopment commission under section 22 of this chapter.

(b) Money deposited in the certified technology park fund may be used by the redevelopment commission only for one (1) or more of the following purposes:

- (1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities.
- (2) Operation of public facilities described in ~~sections~~ **section 9(2) and 9(3)** of this chapter.
- (3) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and that are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the certified technology park.
- (4) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (3).
- (5) Payment of the principal of and interest on bonds issued by the unit to pay for public facilities in or serving the certified technology park.
- (6) Payment of premiums on the redemption before maturity of bonds described in subdivision (3).
- (7) Payment of amounts due under leases payable from money deposited in the fund.
- (8) Reimbursement to the unit for expenditures made by it for public facilities in or serving the certified technology park.
- (9) Payment of expenses incurred by the redevelopment commission for public facilities that are in the certified technology park or serving the certified technology park.

(c) The certified technology park fund may not be used for operating expenses of the redevelopment commission.

SECTION 64. [EFFECTIVE JULY 1, 2003] **(a) The department of state revenue may adopt rules in the manner provided for the**

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adoption of emergency rules under IC 4-22-2-37.1 to carry out its responsibilities under IC 4-4-31, as added by this act. A rule adopted under this SECTION expires on the latest of the following:

- (1) The date specified by the department of state revenue in a rule.
- (2) The date the department of state revenue adopts a temporary or permanent rule to replace another rule adopted under this SECTION.
- (3) July 1, 2005.

(b) This SECTION expires July 2, 2005.

SECTION 65. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] (a) The following statutes, all as amended by this act, apply to taxable years beginning after December 31, 2003:

- (1) IC 6-3.1-24-5.
- (2) IC 6-3.1-24-6.
- (3) IC 6-3.1-24-7.
- (4) IC 6-3.1-24-9.
- (5) IC 6-3.1-24-12.
- (6) IC 6-3.1-24-13.

(b) IC 6-3.1-24-12.5, as added by this act, applies to taxable years beginning after December 31, 2003.

SECTION 66. [EFFECTIVE JANUARY 1, 2004] IC 6-6-6.5-9, as amended by this act, applies to aircraft excise taxes and registration fees imposed under IC 6-6-6.5 after December 31, 2003.

SECTION 67. [EFFECTIVE JULY 1, 2003] (a) For purposes of this SECTION, "boards" refers to the board of trustees of the Indiana state teachers' retirement fund and the board of trustees of the public employees' retirement fund.

(b) In order to seek and enhance investment opportunities under IC 5-10.2-2-2.5, IC 5-10.3-5-3, and IC 21-6.1-3-9, the boards shall seek funding from:

- (1) a private foundation;
- (2) the federal government;
- (3) an institution of higher education; or
- (4) any other entity;

to develop a fellowship program to work with the boards to enhance venture capital investment opportunities in Indiana technology and advanced manufacturing companies.

(c) The investment opportunities must be designed to enhance investment in companies in Indiana and must be designed to:

- (1) enhance the venture capital community;

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- 1 (2) train future venture capitalists; and
- 2 (3) support the development of high potential, startup, and
- 3 early stage companies in the areas of technology and
- 4 advanced manufacturing.
- 5 (d) The fellowship program must be designed to last for two (2)
- 6 years.
- 7 (e) An applicant for the fellowship must:
- 8 (1) be a resident of Indiana;
- 9 (2) hold a graduate degree, preferably with a business or
- 10 technical major; and
- 11 (3) have at least three (3) years of practical experience.
- 12 (f) The department of commerce shall assist the boards in
- 13 developing and administering the grant. The boards shall create a
- 14 committee, including:
- 15 (1) one (1) individual appointed by the board of trustees of the
- 16 public employees' retirement fund;
- 17 (2) one (1) individual appointed by the teachers' retirement
- 18 fund; and
- 19 (3) three (3) individuals appointed by the department of
- 20 commerce.
- 21 (g) The committee established in subsection (f) shall:
- 22 (1) review the grant application before it is submitted;
- 23 (2) review applicants for the fellowship program;
- 24 (3) set the stipend for participants in the program; and
- 25 (4) determine where the fellows will be placed in order to best
- 26 obtain the type of information the board will need to make
- 27 investment decisions that further the purposes of this
- 28 SECTION.
- 29 (h) This SECTION expires July 1, 2007.
- 30 SECTION 68. [EFFECTIVE JANUARY 1, 2003
- 31 (RETROACTIVE)] IC 6-1.1-12.2, as added by this act, applies only
- 32 to assessment dates after January 1, 2003, and ad valorem
- 33 property taxes due and payable after January 1, 2004.
- 34 SECTION 69. [EFFECTIVE JANUARY 1, 2004] IC 6-1.1-44, as
- 35 added by this act, applies to property taxes first due and payable
- 36 after December 31, 2004.
- 37 SECTION 70. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-25.2, as
- 38 added by this act, applies to taxable years beginning after
- 39 December 31, 2003.
- 40 SECTION 71. [EFFECTIVE JANUARY 1, 2004] (a) IC 6-3.1-28,
- 41 as added by this act, applies to taxable years beginning after
- 42 December 31, 2003.

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1 (b) Subject to carryovers authorized by IC 6-3.1-27-14, as added
 2 by this act, IC 6-3.1-27, as added by this act, applies to taxable
 3 years beginning after December 31, 2003, and ending before
 4 January 1, 2006.

5 SECTION 72. [EFFECTIVE UPON PASSAGE] (a) As used in this
 6 SECTION, "commission" means the government efficiency
 7 commission established by subsection (b).

8 (b) The government efficiency commission is established to
 9 develop specific recommendations on the best practices to
 10 streamline, improve, and consolidate procedures of state
 11 government for dealings:

- 12 (1) among departments;
- 13 (2) with individuals;
- 14 (3) with businesses; and
- 15 (4) with other levels of government.

16 (c) The commission shall investigate ways to achieve
 17 government efficiency and lower costs for taxpayers using
 18 technology and current best practices that are cost justified. The
 19 recommendations of the commission should be designed to achieve
 20 the following:

- 21 (1) Reduce duplication and overlap of governmental
 22 departments.
- 23 (2) Provide one stop shopping for consumers of governmental
 24 services.
- 25 (3) Provide procedures that are user friendly for citizens and
 26 businesses.
- 27 (4) Increase the efficiency of state government operations.

28 (d) The commission shall be composed of the following eleven
 29 (11) members:

- 30 (1) A representative of the state board of accounts.
- 31 (2) A designee of the lieutenant governor.
- 32 (3) A designee of the secretary of state.
- 33 (4) Four (4) persons appointed by the speaker of the house of
 34 representatives, not more than two (2) of whom may be of the
 35 same political party.
- 36 (5) Four (4) persons appointed by the president pro tempore
 37 of the senate, not more than two (2) of whom may be of the
 38 same political party.

39 (e) The commission shall present a report including specific
 40 recommendations to the legislative council not later than December
 41 1, 2003.

42 (f) The chairperson shall be appointed by the chairman of the

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1 legislative council.

2 (g) Each member of the commission who is not a state employee
3 is entitled to the minimum salary per diem provided by
4 IC 4-10-11-2.1(b). Each member is also entitled to reimbursement
5 for traveling expenses as provided under IC 4-13-1-4 and other
6 expenses actually incurred in connection with the member's duties
7 as provided in the state policies and procedures established by the
8 Indiana department of administration and approved by the budget
9 agency.

10 (h) Each member of the commission who is a state employee but
11 is not a member of the general assembly is entitled to
12 reimbursement for traveling expenses as provided under
13 IC 4-13-1-4 and other expenses actually incurred in connection
14 with the member's duties as provided in the state policies and
15 procedures established by the Indiana department of
16 administration and approved by the budget agency.

17 (i) Each member of the commission who is a member of the
18 general assembly is entitled to receive the same per diem, mileage,
19 and travel allowances paid to the legislative members of interim
20 study committees established by the legislative council.

21 (j) The following individuals shall provide staff for the
22 commission:

- 23 (1) The chief information officer of the state.
- 24 (2) A deputy budget director designated by the budget
25 director.
- 26 (3) A deputy commissioner of the Indiana department of
27 administration designated by the commissioner of the
28 department.
- 29 (4) A deputy director of the state personnel department
30 designated by the director of the department.

31 (k) Per diem, mileage, and travel allowances for the commission
32 shall be paid from appropriations made to the budget agency.

33 (l) The affirmative votes of a majority of the members appointed
34 to the commission are required for the commission to take action
35 on any measure, including final reports.

36 (m) This SECTION expires January 1, 2004.

37 SECTION 73. [EFFECTIVE JULY 1, 2003] (a) The following
38 definitions apply throughout this SECTION:

- 39 (1) "Biennium" means the period beginning July 1, 2003, and
40 ending June 30, 2005.
- 41 (2) "FY 2003-2004" means the period beginning July 1, 2003,
42 and ending June 30, 2004.



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- 1 **(3) "FY 2004-2005" means the period beginning July 1, 2004,**
2 **and ending June 30, 2005.**
- 3 **(b) There is appropriated to the budget agency the following**
4 **sums from the build Indiana fund for the purposes of the 21st**
5 **century research and technology fund in the following periods:**
6 **(1) For FY 2003-2004, five million dollars (\$5,000,000).**
7 **(2) For FY 2004-2005, twenty million dollars (\$20,000,000).**
- 8 **(c) There is appropriated to the budget agency the following**
9 **sums from the build Indiana fund for the purpose of improving**
10 **high speed data access and communications capability statewide by**
11 **linking fiber optic infrastructure to eleven (11) areas around the**
12 **state (I-Light Fiber Optic System) in the following periods:**
13 **(1) For FY 2003-2004, ten million dollars (\$10,000,000).**
14 **(2) For FY 2004-2005, five million dollars (\$5,000,000).**
- 15 **(d) There is appropriated to the budget agency the following**
16 **sums from the build Indiana fund for the purposes of the emerging**
17 **technology grant fund in the following periods:**
18 **(1) For FY 2003-2004, five million dollars (\$5,000,000).**
19 **(2) For FY 2004-2005, five million dollars (\$5,000,000).**
- 20 **(e) There is appropriated to the budget agency the following**
21 **sums from the build Indiana fund for the purposes of the Indiana**
22 **economic development partnership fund in the following periods:**
23 **(1) For FY 2003-2004, five million dollars (\$5,000,000).**
24 **(2) For FY 2004-2005, five million dollars (\$5,000,000).**
- 25 **(f) There is appropriated to the commissioner of agriculture the**
26 **following sums from the build Indiana fund for the purposes of the**
27 **value added research fund in the following periods:**
28 **(1) For FY 2003-2004, five hundred thousand dollars**
29 **(\$500,000).**
30 **(2) For FY 2004-2005, five hundred thousand dollars**
31 **(\$500,000).**
- 32 **(g) There is appropriated to the Indiana rural development**
33 **council the following sums from the build Indiana fund for the**
34 **purposes described in IC 4-4-9.5-2, IC 4-4-9.5-3, and IC 4-4-9.5-4**
35 **in the following periods:**
36 **(1) For FY 2003-2004, one million dollars (\$1,000,000).**
37 **(2) For FY 2004-2005, one million dollars (\$1,000,000).**
- 38 **(h) There is appropriated to the budget agency one hundred**
39 **thousand dollars (\$100,000) from the build Indiana fund for the**
40 **operation and purposes of the government efficiency commission**
41 **established by this act in FY 2003-2004.**
- 42 **(i) There is appropriated to the budget agency the following**

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1 sums from the build Indiana fund for use by the governing bodies
 2 of the public employees' retirement fund and the teachers'
 3 retirement fund for consulting services to supplement or provide
 4 matching funds for a grant from a private foundation for funding
 5 to develop a fellowship program to increase venture capital
 6 investment opportunities in Indiana technology and advanced
 7 manufacturing companies in the following periods:

8 (1) For FY 2003-2004, two hundred thousand dollars
 9 (\$200,000).

10 (2) For FY 2004-2005, two hundred thousand dollars
 11 (\$200,000).

12 (j) There is appropriated to the department of commerce one
 13 million dollars (\$1,000,000) from the build Indiana fund for its use
 14 in publicizing the corporate tax restructuring in Indiana to
 15 businesses and industries in other states in the biennium.

16 (k) There is appropriated to the department of commerce the
 17 following sums from the build Indiana fund for the purposes
 18 described in IC 4-4-32 in the following periods:

19 (1) For FY 2003-2004, fifty thousand dollars (\$50,000).

20 (2) For FY 2004-2005, fifty thousand dollars (\$50,000).

21 (l) As used in this subsection, "county economic development
 22 office" means an entity established by a county, either individually
 23 or jointly with one (1) or more cities or towns located in the county,
 24 whose primary purpose is:

25 (1) the promotion of industrial or business development in
 26 Indiana;

27 (2) the retention or expansion of Indiana businesses located in
 28 Indiana; or

29 (3) the development of entrepreneurial activities in Indiana.

30 The term does not include an economic development commission
 31 established under IC 36-7-12, a redevelopment commission
 32 established under IC 36-7, a regional planning commission, or an
 33 urban enterprise association. There is appropriated to the
 34 department of commerce two million three hundred thousand
 35 dollars (\$2,300,000) from the build Indiana fund to provide grants
 36 to each county that qualifies for a grant under this subsection in
 37 FY 2003-2004. Upon the written request by the county fiscal body
 38 of a county that has established a county economic development
 39 office, the department of commerce shall distribute a grant to the
 40 county of twenty-five thousand dollars (\$25,000) for use by the
 41 county's economic development office.

42 (m) There is appropriated to the governor two hundred fifty



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1 thousand dollars (\$250,000) from the build Indiana fund for the
2 governor's use to create and operate a nonprofit corporation to
3 establish a public-private partnership to assist in guiding the
4 economic development mission of the state for the biennium.

5 (n) All money appropriated from the build Indiana fund under
6 this SECTION is nonreverting and does not revert to the state
7 general fund or to the build Indiana fund but remains available for
8 the programs for which the money is appropriated in subsequent
9 state fiscal years.

10 (o) The budget agency may transfer an amount not to exceed ten
11 percent (10%) of the appropriations made in this SECTION among
12 the 21st century research and technology fund, the emerging
13 technology grant fund, and the economic development partnership
14 fund each year to maximize the use of the funds appropriated.

15 SECTION 74. [EFFECTIVE JANUARY 1, 2004] Not later than
16 April 1, 2004, the board of directors of the Indiana economic
17 development council shall amend its bylaws in accordance with
18 IC 4-3-14-4, as amended by this act.

19 SECTION 75. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 2008, 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:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 2008 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 11.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 2008 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE January 1, 2004]: Sec. 4. (a) The articles of incorporation or bylaws of the corporation, as appropriate, must provide that:

(1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by:

(A) coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;

(B) overseeing the implementation of the state's economic development plan and monitoring the updates of that plan; and

(C) educating and assisting all parties involved in improving the long range vitality of the state's economy;

(2) the board must include:

(A) the governor;

(B) the lieutenant governor;

(C) the chief operating officer of the corporation;

(D) the chief operating officer of the corporation for Indiana's international future; and

(E) additional persons appointed by the governor, who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana; is composed of the

following twenty-one (21) members, none of whom may be members of the general assembly:

(A) Three (3) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor.

Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

(B) Three (3) persons appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor.

Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

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(C) Two (2) persons appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(D) Two (2) persons appointed by the minority leader of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(E) Two (2) persons appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(F) Two (2) persons appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(G) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(H) One (1) person appointed by the president of Purdue University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(I) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(J) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(K) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(L) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the

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private or nonprofit sector or academia, but may not represent organized labor.

(M) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(3) The governor and lieutenant governor shall coordinate their appointments under subsection (a)(2)(A) and (a)(2)(B) so that those appointments include at least one (1) representative from each of the following industry sectors:

(A) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.

(B) Information technology, such as informatics, certified network administration, software development, or fiber optics.

(C) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.

(D) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.

(E) Public utilities (as defined in IC 8-1-2-1).

(4) The terms of office of the members of the corporation are as follows:

(A) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the senate serve for terms of four (4) years.

(B) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

(5) The governor may designate a member of the board appointed by the governor under subsection (a)(2)(A) of this section to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

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(6) Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

(7) Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

(8) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a)(9) and subsection(a)(10).

~~(3) the governor shall serve as chairman of the board of the corporation; and the lieutenant governor shall serve as the chief executive officer of the corporation;~~

~~(4) (9) the governor shall appoint as vice chairman of the board a member of the board engaged in private enterprise; the board shall elect an executive director of the corporation;~~

~~(5) (10) the lieutenant governor executive director of the corporation shall be responsible as chief executive officer for overseeing implementation of the state's economic development plan as articulated by the corporation board and shall oversee the activities of the corporation's chief operating officer corporation;~~

~~(6) the governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);~~

~~(7) (11) the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;~~

~~(8) (12) any amendments to the articles of incorporation or bylaws of the corporation must be approved by the governor; board;~~

~~(9) (13) the corporation shall submit an annual report to the governor, lieutenant governor and to the Indiana general assembly on or before the first day of November for each year;~~

~~(10) (14) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and~~

~~(11) (15) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of~~

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this audit.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

(c) Employees of the corporation are not employees of the state.

(d) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(b) (e) The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter. The corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law."

Page 50, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-3-22, AS ADDED BY P.L.192-2002(ss), SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. (a) Except to the extent that it conflicts with a statute, 50 IAC 4.2 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001), **except that the rate of total valuation percentage to apply to a taxpayer in a taxing district under 50 IAC 4.2-4-9 is the following:**

(1) Twenty-five percent (25%) on an assessment date in 2004 for property taxes first due and payable in 2005.

(2) Twenty percent (20%) on an assessment date in 2005 for property taxes first due and payable in 2006 and on an assessment date each year thereafter through payable 2010.

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been

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terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

SECTION 29. IC 6-1.1-8-44, AS ADDED BY P.L.192-2002(ss), SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 44.(a) Except to the extent that it conflicts with a statute, 50 IAC 5.1 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 5.1 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as in effect January 1, 2001), **except that the rate of total valuation percentage to apply to a taxpayer in a taxing district under 50 IAC 5.1-6-9 is the following:**

(1) Twenty-five percent (25%) on an assessment date in 2004 for property taxes first due and payable in 2005.

(2) Twenty percent (20%) on an assessment date in 2005 for property taxes first due and payable in 2006 and on an assessment date each year thereafter through payable 2010.

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 5.2 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 5.1 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

SECTION 30. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss), SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for Indiana qualified research expense incurred after December 31, ~~2004~~—**2010**. Notwithstanding Section 41 of the Internal Revenue Code, the termination date in Section 41(h) of the Internal Revenue Code does not apply to a taxpayer who is eligible for the credit under this chapter for the taxable year in which the Indiana qualified research expense is incurred."

Page 52, between lines 20 and 21, begin a new paragraph and insert:
"SECTION 32. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 26. Indiana Growth Scholars Tax Credit

Sec. 1. As used in this chapter, "eligible taxpayer" means an

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individual who satisfies the following requirements:

- (1) The individual participated in the Indiana growth scholars program established under IC 20-12-20.3.
- (2) The individual received provisional tax credits under the program described in subdivision (1).
- (3) The individual graduated from a certified degree program (as defined in IC 20-12-20.3-1).
- (4) The individual is employed in Indiana.

Sec. 2. As used in this chapter, "state income tax liability" means an individual's adjusted gross income tax liability under IC 6-3.

Sec. 3. (a) Beginning with the eligible taxpayer's first taxable year that begins after the date that the eligible taxpayer graduated from a certified degree program, an eligible taxpayer is entitled to a refundable credit against the eligible taxpayer's state income tax liability. The amount of the tax credit is equal to the amount of the provisional credit awarded to the eligible taxpayer in the academic year that corresponds to the number of taxable years following the eligible taxpayer's graduation as follows:

Taxable year following graduation	Academic year in the program
1st	1st
2nd	2nd
3rd	3rd
4th	4th

(b) If the amount of the credit under this chapter exceeds the eligible taxpayer's state tax liability for the taxable year, the excess shall be refunded to the eligible taxpayer.

Sec. 4. To obtain the credit provided by this chapter, an eligible taxpayer must file with the department information proving the amount of the provisional tax credits awarded to the eligible taxpayer as a student participating in the Indiana growth scholars program and any other information required by the department."

Page 75, between lines 22 and 23, begin a new paragraph and insert:
 "SECTION 65. IC 20-12-20.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.3. Indiana Growth Scholars Program

Sec. 1. As used in this chapter, "certified degree program" has the meaning set forth in IC 22-4.1-7-1.

Sec. 2. As used in this chapter, "commission" refers to the student assistance commission established by IC 20-12-21-4.



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Sec. 3. As used in this chapter, "eligible employer" means an employer that provides employment to an eligible student in targeted employment (as defined in IC 22-4.1-7-6) through the internship component of a certified degree program under IC 22-4.1-7. The term includes the following:

- (1) A person (as defined in IC 6-3-1-14) acting as a sole proprietor.
- (2) A corporation (as defined in IC 6-3-1-10).
- (3) A partnership (as defined in IC 6-3-1-19).

Sec. 4. As used in this chapter, "eligible student" means a student (as defined in IC 22-4.1-7-5) who:

- (1) is enrolled full time as an undergraduate in a certified degree program through an institution of higher learning;
- (2) is an Indiana resident;
- (3) has achieved a Core 40 or an Academic Honors Diploma, or the equivalent of a Core 40 or an Academic Honors Diploma, as determined by the commission; and
- (4) has a cumulative high school grade point average of at least 3.0 on a 4.0 scale.

The commission may impose additional eligibility requirements, including requirements set forth in IC 20-12-21-6.

Sec. 5. As used in this chapter, "institution of higher learning" means:

- (1) a state educational institution (as defined in IC 20-12-0.5-1); or
- (2) a private institution of higher education (as defined in IC 20-12-63-3(10)).

Sec. 6. (a) The Indiana growth scholars program is established.
(b) The commission shall administer the program.

Sec. 7. The executive director of the commission may employ or contract for clerical and professional staff and administrative support necessary to implement this chapter.

Sec. 8. (a) The commission shall award a provisional tax credit to an eligible student who:

- (1) is enrolled in good standing in a certified degree program;
- (2) enters into an agreement with the commission under this chapter; and
- (3) complies with the requirements established under the rules of the commission.

(b) An eligible student may not claim a tax credit against the student's Indiana adjusted gross income tax under this chapter. However, proof of the provisional tax credit awarded under this

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chapter may be used to obtain a tax credit under IC 6-3.1-25 in a taxable year that begins after the eligible student graduates from a certified degree program and remains eligible for a tax credit under the requirements of IC 6-3.1-25.

Sec. 9. (a) The amount of a provisional tax credit awarded under section 8 of this chapter may be up to two thousand dollars (\$2,000) per academic year.

(b) The commission may not award total provisional tax credits in excess of twenty-eight million dollars (\$28,000,000) for any academic year. Furthermore, the commission must limit the award of provisional tax credits for the 2003-2004 academic year so that the total amount of tax credits claimed under this chapter for the 2005 taxable year does not exceed seven million five hundred thousand dollars (\$7,500,000).

(c) The commission may consider any of the following factors in determining the amount of the grant to award under section 8 of this chapter:

- (1)** Whether an eligible student is enrolled in a certified degree program for less than a full academic year.
- (2)** Whether a student receives additional aid from other state assistance programs.
- (3)** Any other factor set forth in the rules of the commission.

Sec. 10. An eligible student must enter into an agreement with the commission to be eligible for a provisional tax credit under this chapter. The agreement must include the following requirements:

- (1)** The eligible student must remain enrolled in good standing in a certified degree program during the academic year.
- (2)** The eligible student must remain and be employed in Indiana after the student graduates from the certified degree program for a period of years equal to the number of years for which the student received a provisional tax credit under this chapter.

The agreement may include any other provisions that the commission considers necessary to administer this chapter.

Sec. 11. The commission shall enter into agreements with institutions of higher learning to implement this chapter.

Sec. 12. The commission may adopt rules under IC 4-22-2 that are necessary or appropriate to implement this chapter. The rules that are adopted under this chapter may include rules establishing different standards or procedures for resident and nonresident students."

Page 82, between lines 38 and 39, begin a new paragraph and insert:



"SECTION 69. [EFFECTIVE JULY 1, 2003] (a) As used in this SECTION, "commission" refers to the government efficiency commission established by subsection (c).

(b) As used in this SECTION, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) The government efficiency commission is established.

(d) The commission consists of the following members:

(1) One (1) co-chairperson appointed before July 16, 2003, by the president pro tempore of the senate.

(2) One (1) co-chairperson appointed before July 16, 2003, by the speaker of the house of representatives.

(3) Ten (10) members appointed before August 16, 2003, by the president pro tempore of the senate, five (5) of those members appointed with the advice and consent of the minority leader of the senate.

(4) Ten (10) members appointed before August 16, 2003, by the speaker of the house of representatives, five (5) of those members appointed with the advice and consent of the minority leader of the house of representatives.

(e) The following may not be members of the commission:

(1) An elected or appointed state or local official.

(2) An employee or a person receiving a pension or other retirement benefit related to service to any of the following:

(A) A state educational institution.

(B) A school corporation or a charter school.

(C) The state or any agency of the state.

(3) A person who has a direct business relationship with any of the following:

(A) A state educational institution.

(B) A public school corporation.

(C) The state or any agency of the state.

(D) An elected or appointed state agency official.

(E) The general assembly or any of its members.

(f) A member of the commission is not entitled to a salary per diem.

(g) A member of the commission is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the legislative council's travel policies and procedures.

(h) The commission shall meet upon the call of the co-chairpersons.

(i) The co-chairpersons may advise the president pro tempore

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of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives concerning the appointment of other members of the commission.

(j) A quorum of the commission must be present to conduct business. A quorum consists of a majority of the voting members appointed to the commission.

(k) The commission may not take an official action unless the official action has been approved by at least a majority of the voting members appointed to serve on the commission.

(l) The co-chairpersons shall establish and appoint commission members to four (4) subcommittees as follows:

- (1) The K-12 education subcommittee.
- (2) The higher education subcommittee.
- (3) The Medicaid and human services subcommittee.
- (4) The general government subcommittee.

(m) The co-chairpersons shall name the chairperson of each subcommittee.

(n) The commission shall do the following:

- (1) Review all state funded agencies, departments, and programs.
- (2) Make recommendations to improve efficiency and reduce waste or other unnecessary costs associated with any state funded agency, department, or program.

(o) The following persons shall serve as staff advisers to the commission:

- (1) The state budget director.
- (2) The commissioner of the commission for higher education.
- (3) The Indiana state board of education administrator.
- (4) The executive director of the legislative services agency.

(p) The commission shall provide its final recommendations before December 31, 2004, to the following:

- (1) The governor.
- (2) The general assembly.

(g) This SECTION expires January 1, 2005.

SECTION 70. [EFFECTIVE JANUARY 1, 2004]: No later than April 1, 2004, the board in SECTION 1 shall amend its bylaws in accordance with IC 4-3-14-4 as amended by this act."

Renumber all SECTIONS consecutively.

(Reference is to HB 2008 as printed February 26, 2003.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 2008, begs leave to report that said bill has been amended as directed.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 2008, 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:

Delete everything after the enacting clause and insert the

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 2008 as reprinted March 5, 2003.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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SENATE MOTION

Mr. President: I move that Engrossed House Bill 2008 be amended to read as follows:

Page 5, between lines 38 and 39, begin a new paragraph and insert: "SECTION 2. IC 4-4-5.1-3, AS ADDED BY P.L.190-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The Indiana twenty-first century research and technology fund is established to provide grants or loans to support proposals for economic development in one (1) or more of the following areas:

- (1) To increase the capacity of Indiana institutions of higher education, Indiana businesses, and Indiana nonprofit corporations and organizations to compete successfully for federal or private research and development funding.
- (2) To stimulate the transfer of research and technology into marketable products.
- (3) To assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high technology industry clusters requiring high skill, high wage employees.
- (4) To encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

(b) The fund shall be administered by the budget agency. The fund consists of appropriations from the general assembly and gifts and grants to the fund. The budget agency shall review each recommendation. The budget agency, after review by the budget committee, may approve, deny, or modify grants and loans recommended by the board. Money in the fund may not be used to provide a recurring source of revenue for the normal operating expenditures of any project.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

(e) Twenty million dollars (\$20,000,000) is annually appropriated to the fund from the state general fund for the purposes of this chapter during each state fiscal year beginning after June 30, 2005, and ending before July 1, 2013."

Page 6, between lines 41 and 42, begin a new paragraph and insert: "**(e) Five million dollars (\$5,000,000) is annually appropriated**

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to the fund from the state general fund for the purposes of this chapter during each state fiscal year beginning after June 30, 2005, and ending before July 1, 2013."

Page 16, between lines 32 and 33, begin a new paragraph and insert:

"(e) Five million dollars (\$5,000,000) is annually appropriated to the fund from the state general fund for the purposes of this chapter during each state fiscal year beginning after June 30, 2005, and ending before July 1, 2013."

(Reference is to EHB 2008 as printed April 8, 2003.)

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SENATE MOTION

Mr. President: I move that Engrossed Senate Bill 2008 be amended to read as follows:

Page 31, between lines 25 and 26, begin a new paragraph and insert:

"(c) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years."

Page 31, between lines 37 and 38, begin a new paragraph and insert:

"(c) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years."

Page 32, between lines 10 and 11, begin a new paragraph and insert:

"(d) The total amount of credits allowed under this section may not exceed one million dollars (\$1,000,000) for all taxpayers and all taxable years."

Page 32, delete lines 35 through 42.

(Reference is to EHB 2008 as printed April 8, 2003.)

JACKMAN



SENATE MOTION

Mr. President: I move that Engrossed House Bill 2008 be amended to read as follows:

Page 5, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 2. IC 4-4-5.1-6, AS AMENDED BY P.L.291-2001, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The Indiana twenty-first century research and technology fund board is established. The board consists of the following:

- (1) The lieutenant governor, who shall serve as chairperson of the board.
- (2) Two (2) representatives from separate Indiana public research institutions of higher education to be appointed by the governor.
- (3) A representative of an Indiana private research institution of higher education to be appointed by the governor.
- (4) A representative from a high technology business to be appointed by the governor.
- (5) A representative from a business with high research and development expenditures in Indiana **in the life sciences** to be appointed by the governor.
- (6) A representative from the venture or growth capital industry to be appointed by the governor.
- (7) One (1) individual who has expertise in economic development to be appointed by the governor.
- (8) One (1) individual **who:**
 - (A) has expertise in ~~academic research, technology transfer,~~ or collaborative relationships between the public and private sectors **that have resulted in the commercialization of research in the life sciences; or**
 - (B) **has established or expanded a commercial enterprise based on the commercialization of research in the life sciences;**

to be appointed by the governor.
- (9) A representative from a high technology business to be appointed by the speaker of the house of representatives.
- (10) A representative from a high technology business to be appointed by the president pro tempore of the senate.

A board member appointed by the governor, the speaker of the house of representatives, or the president pro tempore of the senate serves a term of two (2) years.

(b) A board member with a conflict of interest with respect to an application for a grant or loan from the fund shall abstain from any

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discussion, consideration, or vote on the application.

(c) When making appointments under subsection (a), the governor shall consider the geographic areas of the state represented on the board."

Renumber all SECTIONS consecutively.

(Reference is to EHB 2008 as printed April 8, 2003.)

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