

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:

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

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

- 1 **University who must be employed in or retired from the**
2 **private or nonprofit sector or academia, but may not**
3 **represent organized labor.**
- 4 **(I) One (1) person appointed by the president of Indiana**
5 **State University who must be employed in or retired from**
6 **the private or nonprofit sector or academia, but may not**
7 **represent organized labor.**
- 8 **(J) One (1) person appointed by the president of Ball State**
9 **University who must be employed in or retired from the**
10 **private or nonprofit sector or academia, but may not**
11 **represent organized labor.**
- 12 **(K) One (1) person appointed by the president of the**
13 **University of Southern Indiana who must be employed in**
14 **or retired from the private or nonprofit sector or**
15 **academia, but may not represent organized labor.**
- 16 **(L) One (1) person appointed by the president of Ivy Tech**
17 **State College who must be employed in or retired from the**
18 **private or nonprofit sector or academia, but may not**
19 **represent organized labor.**
- 20 **(M) One (1) person appointed by the president of**
21 **Vincennes University who must be employed in or retired**
22 **from the private or nonprofit sector or academia, but may**
23 **not represent organized labor.**
- 24 **(3) The governor and lieutenant governor shall coordinate**
25 **their appointments under subsection (a)(2)(A) and (a)(2)(B)**
26 **so that those appointments include at least one (1)**
27 **representative from each of the following industry sectors:**
- 28 **(A) Advanced manufacturing, such as automotive,**
29 **electronics, aerospace, robotics, or engineering design**
30 **technology.**
- 31 **(B) Information technology, such as informatics, certified**
32 **network administration, software development, or fiber**
33 **optics.**
- 34 **(C) Life sciences, such as orthopedics, medical devices,**
35 **biomedical research and development, pharmaceutical**
36 **manufacturing, agribusiness, nanotechnology, or**
37 **molecular manufacturing.**
- 38 **(D) Logistics, such as high technology distribution,**
39 **intermodal ports, or flow and storage of goods, services,**
40 **and information.**
- 41 **(E) Public utilities (as defined in IC 8-1-2-1).**
- 42 **(4) The terms of office of the members of the corporation are**

1 as follows:

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

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

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

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

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

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

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

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

33 ~~(4) (9) the governor shall appoint as vice chairman of the board~~
34 ~~a member of the board engaged in private enterprise; the board~~
35 ~~shall elect an executive director of the corporation;~~

36 ~~(5) (10) the lieutenant governor executive director of the~~
37 ~~corporation shall be responsible as chief executive officer for~~
38 ~~overseeing implementation of the state's economic development~~
39 ~~plan as articulated by the corporation board and shall oversee the~~
40 ~~activities of the corporation's chief operating officer corporation;~~

41 ~~(6) the governor may appoint an executive committee composed~~
42 ~~of members of the board (size and structure of the executive~~

1 committee shall be set by the articles and bylaws of the
 2 corporation);
 3 ~~(7)~~ (11) the corporation may receive funds from any source and
 4 may expend funds for any activities necessary, convenient, or
 5 expedient to carry out its purposes;
 6 ~~(8)~~ (12) any amendments to the articles of incorporation or bylaws
 7 of the corporation must be approved by the ~~governor~~; **board**;
 8 ~~(9)~~ (13) the corporation shall submit an annual report to the
 9 governor, **lieutenant governor** and to the Indiana general
 10 assembly on or before the first day of November for each year;
 11 ~~(10)~~ (14) the corporation shall conduct an annual public hearing
 12 to receive comment from interested parties regarding the annual
 13 report, and notice of the hearing shall be given at least fourteen
 14 (14) days prior to the hearing in accordance with
 15 IC 5-14-1.5-5(b); and
 16 ~~(11)~~ (15) the corporation is subject to an annual audit by the state
 17 board of accounts, and the corporation shall bear the full costs of
 18 this audit.

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

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

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

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

37 SECTION 2. IC 4-4-5.2 IS ADDED TO THE INDIANA CODE AS
 38 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 39 1, 2003]:

40 **Chapter 5.2. Emerging Technology Grant Fund**

41 **Sec. 1. As used in this chapter, "board" refers to the Indiana**
 42 **twenty-first century research and technology fund board**

1 established by IC 4-4-5.1-6.

2 **Sec. 2.** As used in this chapter, "fund" means the emerging
3 technology grant fund established by section 5 of this chapter.

4 **Sec. 3.** As used in this chapter, "small business" means a
5 business that satisfies all the following:

6 (1) The business is independently owned and operated.

7 (2) The business's principal office is located in Indiana.

8 (3) The business satisfies either of the following:

9 (A) The business has:

10 (i) not more than one hundred (100) employees; and

11 (ii) average annual gross receipts of not more than ten
12 million dollars (\$10,000,000) for the two (2) calendar
13 years preceding the calendar year during which the
14 business applies for a grant under this chapter.

15 (B) If the business is a manufacturing business, the
16 business does not have more than one hundred (100)
17 employees.

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

20 (1) Life sciences.

21 (2) Information technology.

22 (3) Advanced manufacturing.

23 (4) Logistics.

24 **Sec. 5.** (a) The emerging technology grant fund is established to
25 provide grants to:

26 (1) small technology based businesses; and

27 (2) other businesses, to the extent permitted by section 9 of
28 this chapter;

29 to match federal grants or other grants or financial assistance that
30 are to be used to accelerate commercialization of emerging
31 technologies.

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

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

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

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

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
37 grant 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.

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

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

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

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

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

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

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

24 SECTION 3. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2003]: **Sec. 4. (a) Money appropriated to the council by the**
 27 **general assembly may be used for the following purposes:**

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

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

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

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

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

37 **(6) To address rural workforce development challenges.**

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

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

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

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 4. 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,**

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**

1 **legislative services agency.**

2 SECTION 5. IC 4-4-10.9-1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The definitions in
4 this chapter apply throughout this chapter, **and** IC 4-4-11, **and**
5 **IC 4-4-31.**

6 SECTION 6. IC 4-4-10.9-5.5 IS ADDED TO THE INDIANA
7 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2003]: **Sec. 5.5. "Covered taxes" refers to**
9 **any of the following:**

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

12 (2) **The adjusted gross income tax imposed under IC 6-3-2-1.**

13 SECTION 7. IC 4-4-10.9-6.1 IS ADDED TO THE INDIANA
14 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2003]: **Sec. 6.1. "Distressed area" means a**
16 **county in which:**

17 (1) **the average annualized unemployment rate in each of the**
18 **two (2) calendar years immediately preceding the current**
19 **calendar year exceeded the statewide average annualized**
20 **unemployment rate for each of the same calendar years by at**
21 **least two percent (2%); or**

22 (2) **the average annualized unemployment rate in the**
23 **immediately preceding calendar year was at least double the**
24 **statewide average annualized unemployment rate for the**
25 **same period;**

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

28 SECTION 8. IC 4-4-10.9-6.2, AS AMENDED BY P.L.4-2002,
29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2003]: Sec. 6.2. (a) "Educational facility project" includes:

31 (1) the acquisition of land, site improvements, infrastructure
32 improvements, buildings, or structures, the rehabilitation,
33 renovation, and enlargement of buildings and structures,
34 machinery, equipment, furnishings, or facilities (or any
35 combination of these):

36 (A) comprising or being functionally related and subordinate
37 to any aquaria, botanical societies, historical societies,
38 libraries, museums, performing arts associations or societies,
39 scientific societies, zoological societies, and independent
40 elementary, secondary, or postsecondary schools (or any
41 combination of these) that engages in the cultural, intellectual,
42 scientific, educational, or artistic enrichment of the people of

- 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 9. 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**

- 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**
 22 **of 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.**

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

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

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

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

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

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

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

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

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

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

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 10. 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**

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

36 (1) Review, prioritize, and approve or disapprove proposals for
 37 centers.

38 (2) Create detailed application procedures and selection criteria
 39 for center proposals. These criteria may include the following:

40 (A) Geographical proximity to and partnership agreement with
 41 an Indiana public or private university.

42 (B) Proposed local contributions to the center.

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

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

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

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

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

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

13 (1) subsidize construction or rehabilitation of the physical
14 facilities; and

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

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

21 SECTION 14. IC 4-23-5.5-17 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2003]: **Sec. 17. (a) As used in this section,**
24 **"facility" has the meaning set forth in IC 6-3.1-28-3.**

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

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

30 SECTION 15. IC 6-1.1-12.2 IS ADDED TO THE INDIANA CODE
31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2003 (RETROACTIVE)]:

33 **Chapter 12.2. Deduction for Aircraft**

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

35 (1) **Aircraft that:**

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

38 (B) **are used in the air transportation of passengers or**
39 **passengers and property; and**

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

41 (i) **an air carrier certificated under Federal Air**
42 **Regulation Part 121; or**

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

3 (2) Aircraft that:

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

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

8 (i) an air carrier certificated under Federal Air
9 Regulation Part 121; or

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

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

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

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

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

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

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

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

33 (1) has an Indiana corporate headquarters; or

34 (2) is a subsidiary of a business entity with an Indiana
35 corporate headquarters;

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

38 Sec. 9. A taxpayer is entitled to a deduction from the assessed
39 value of abatement property in each year in which the abatement
40 property is subject to taxation for ad valorem property taxes.

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

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

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

9 SECTION 16. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2004]:

12 **Chapter 44. Deduction for Purchases of Investment Property by**
 13 **Manufacturers of Recycled Components**

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

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

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

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

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

26 **(A) A new business.**

27 **(B) An existing business that, during the taxable year in**
 28 **which the taxpayer claims a deduction under this chapter,**
 29 **expands the business's manufacturing process to**
 30 **manufacture recycled components.**

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

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

33 **(ii) during the taxable year in which the taxpayer claims**
 34 **a deduction under this chapter, increases purchases of**
 35 **coal combustion products by the amount determined in**
 36 **subsection (b).**

37 **(b) To be within the definition set forth in subsection (a), a**
 38 **taxpayer described in subsection (a)(2)(C) must increase the**
 39 **taxpayer's purchases of coal combustion products by the amount**
 40 **determined in STEP THREE of the following STEPS:**

41 **STEP ONE: Determine the amount of the taxpayer's**
 42 **purchases of coal combustion products for each of the three**

1 **(3) taxable years immediately preceding the taxable year in**
 2 **which the taxpayer claims a deduction under this chapter.**

3 **STEP TWO: Determine the largest amount determined under**
 4 **STEP ONE.**

5 **STEP THREE: Determine the product of:**

6 **(A) the STEP TWO amount; multiplied by**

7 **(B) one-tenth (0.1).**

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

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

20 **(b) The amount of a deduction described in subsection (a) equals**
 21 **the product of:**

22 **(1) the assessed value of the investment property; multiplied**
 23 **by**

24 **(2) fifteen hundredths (0.15).**

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

35 **(b) The deduction application required by this section must**
 36 **contain the following information:**

37 **(1) The name of the owner of the investment property.**

38 **(2) A description of the investment property.**

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

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

42 **Sec. 7. A taxpayer that obtains a credit under IC 6-3.1-25.2 may**

1 **not obtain a deduction under this chapter in a taxable year.**

2 SECTION 17. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 39. (a) This section applies to retail
5 transactions that occur after June 30, 2003, and before January 1,
6 2008.**

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

- 12 **(1) A clothes washer.**
- 13 **(2) A refrigerator.**
- 14 **(3) A dishwasher.**
- 15 **(4) A room air conditioner.**

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

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

19 SECTION 18. IC 6-2.5-8-12 IS ADDED TO THE INDIANA CODE
20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
21 1, 2003]: **Sec. 12. (a) Notwithstanding any other provision of this
22 article, the following do not cause a person that has contracted
23 with a call center operator for a telephone service to have a duty to
24 register as a retail merchant or to collect or remit the state gross
25 retail or use tax imposed by this article:**

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

- 28 **(A) located at the Indiana premises of the call center
29 operator;**
- 30 **(B) used to provide or assist directly with the provision of
31 a telephone service as described in subsection (c); and**
- 32 **(C) not held for sale, shipment, or distribution in response
33 to orders received as a result of a telephone service
34 provided by the call center operator.**

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

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

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

- 40 **(1) owned or leased by a person that has contracted with a call
41 center operator for a telephone service;**
- 42 **(2) located at the premises of the call center operator;**

1 **(3) used to provide or assist directly with the provision of a**
 2 **telephone service as described in subsection (c); and**
 3 **(4) not held for sale, shipment, or distribution in response to**
 4 **orders received as a result of a telephone service provided by**
 5 **the call center operator;**

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

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

16 SECTION 19. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss),
 17 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2003]: Sec. 6. Notwithstanding the other provisions of this
 19 chapter, a taxpayer is not entitled to a credit for Indiana qualified
 20 research expense incurred after December 31, ~~2004~~ **2010**.
 21 Notwithstanding Section 41 of the Internal Revenue Code, the
 22 termination date in Section 41(h) of the Internal Revenue Code does
 23 not apply to a taxpayer who is eligible for the credit under this chapter
 24 for the taxable year in which the Indiana qualified research expense is
 25 incurred.

26 SECTION 20. IC 6-3.1-24-5, AS ADDED BY P.L.192-2002(ss),
 27 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 5. As used
 29 in this chapter, "taxpayer" means an individual or entity, **including a**
 30 **pass through entity**, that has any state tax liability.

31 SECTION 21. IC 6-3.1-24-6, AS ADDED BY P.L.192-2002(ss),
 32 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 6. A
 34 taxpayer that:

35 **(1) provides qualified investment capital to a qualified Indiana**
 36 **business; and**

37 **(2) fulfills the requirements of the department of commerce**
 38 **under section 12.5 of this chapter;**

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

41 SECTION 22. IC 6-3.1-24-7, AS ADDED BY P.L.192-2002(ss),
 42 SECTION 119, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 7. (a) The department of commerce shall certify that a business is a qualified Indiana business if the department determines that the business:

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

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

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

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

~~(ii)~~ that are in occupational codes classified as high skill by

the Bureau of Labor Statistics, United States Department of

Labor; and

~~(C)~~ has a substantial number of employees that earn at least

one hundred fifty percent (150%) of Indiana per capita

personal income;

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

~~(3)~~ (2) is primarily focused on **commercialization of** research

and development, technology transfers, or the application of new

technology, or is determined by the department of commerce to

have significant potential to:

(A) bring substantial capital into Indiana;

(B) create jobs;

(C) diversify the business base of Indiana; or

(D) significantly promote the purposes of this chapter in any

other way;

~~(4)~~ (3) has had average annual revenues of less than ten million

dollars (\$10,000,000) in the two (2) years preceding the year in

which the business received qualified investment capital from a

taxpayer claiming a credit under this chapter;

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

(A) at least fifty percent (50%) of its employees residing in

Indiana; ~~and or~~

(B) at least seventy-five percent (75%) of its assets located in

Indiana; and

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

(A) real estate;

(B) real estate development;

(C) insurance;

(D) professional services provided by an accountant, a lawyer,

or a physician;

(E) retail sales, except when the primary purpose of the

business is the development or support of electronic commerce

using the Internet; or

(F) oil and gas exploration.

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

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

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

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

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

30 SECTION 24. IC 6-3.1-24-12, AS ADDED BY P.L.192-2002(ss),
31 SECTION 119, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 12. If the
33 amount of the credit determined under section 10 of this chapter for a
34 taxpayer in a taxable year exceeds the taxpayer's state tax liability for
35 that taxable year, the taxpayer may carry the excess over to the
36 **taxpayer's** following taxable years. The amount of the credit carryover
37 from a taxable year shall be reduced to the extent that the carryover is
38 used by the taxpayer to obtain a credit under this chapter for any
39 subsequent taxable year. A taxpayer is not entitled to a carryback **or a**
40 **refund of any unused credit amount.**

41 SECTION 25. IC 6-3.1-24-12.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 12.5. (a)**
2 **A taxpayer wishing to obtain a credit under this chapter must**
3 **apply to the department of commerce for a certification that the**
4 **taxpayer's proposed investment plan would qualify for a credit**
5 **under this chapter.**

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

7 **(1) the name and address of the taxpayer;**

8 **(2) the name and address of each proposed recipient of the**
9 **taxpayer's proposed investment;**

10 **(3) the amount of the proposed investment;**

11 **(4) a copy of the certification issued under section 7 of this**
12 **chapter that the proposed recipient is a qualified Indiana**
13 **business; and**

14 **(5) any other information required by the department of**
15 **commerce.**

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

17 **(1) the proposed investment would qualify the taxpayer for a**
18 **credit under this chapter; and**

19 **(2) the amount of the proposed investment would not result in**
20 **the total amount of tax credits certified for the calendar year**
21 **exceeding ten million dollars (\$10,000,000);**

22 **the department of commerce shall certify the taxpayer's proposed**
23 **investment plan.**

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

29 **(e) Upon making the investment required under subsection (d),**
30 **the taxpayer shall provide proof of the investment to the**
31 **department of commerce.**

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

37 **(g) A taxpayer forfeits the right to a tax credit attributable to an**
38 **investment certified under subsection (c) if the taxpayer fails to**
39 **make the proposed investment within the period required under**
40 **subsection (d).**

41 SECTION 26. IC 6-3.1-24-13, AS ADDED BY P.L.192-2002(ss),
42 SECTION 119, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 13. (a) To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department, **along with the taxpayer's state tax return or returns, proof that the taxpayer provided qualified investment capital to a qualified Indiana business a copy of the certificate issued by the department of commerce to the taxpayer under section 12.5(f) of this chapter** and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

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

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

SECTION 27. IC 6-3.1-25.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

Chapter 25.2. Coal Combustion Product Tax Credit

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

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

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

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

(A) A new business.

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

(C) An existing business that:

(i) manufactures recycled components; and

(ii) during a taxable year in which the taxpayer claims a credit under this chapter, increases acquisitions of coal combustion products by the amount determined in subsection (b).

(b) A manufacturer described in subsection (a)(2)(C) must

1 increase the manufacturer's acquisitions of coal combustion
 2 products by the amount determined in STEP THREE of the
 3 following STEPS:

4 **STEP ONE: Determine the total amount of coal combustion**
 5 **products obtained by the manufacturer for each of the three**
 6 **(3) taxable years immediately preceding the taxable year in**
 7 **which the manufacturer claims a credit under this chapter.**

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

10 **STEP THREE: Determine the product of:**

11 (A) the STEP TWO amount; multiplied by

12 (B) one-tenth (0.1).

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

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

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

29 **(1) In the case of a manufacturer described under section**
 30 **2(a)(2)(A) or 2(a)(2)(B) of this chapter, the amount of the**
 31 **credit is equal to:**

32 **(A) the number of tons of coal combustion products**
 33 **obtained and used by the manufacturer in the taxable**
 34 **year; multiplied by**

35 **(B) two dollars (\$2).**

36 **(2) In the case of a manufacturer described under section**
 37 **2(a)(2)(C) of this chapter, the amount of the credit is equal to:**

38 **(A) the difference between:**

39 **(i) the number of tons of coal combustion products**
 40 **obtained and used by the manufacturer in the taxable**
 41 **year; and**

42 **(ii) the amount determined in STEP TWO of section 2(b)**

1 of this chapter; multiplied by

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

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

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

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

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

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

31 **(1) the credit determined for the pass through entity for the**
32 **taxable year; multiplied by**

33 **(2) the percentage of the pass through entity's distributive**
34 **income to which the shareholder, partner, or member is**
35 **entitled.**

36 **(b) If the amount determined under subsection (a) exceeds the**
37 **state tax liability of the shareholder, partner, or member, the**
38 **shareholder, partner, or member may not carry over the excess to**
39 **following taxable years.**

40 **Sec. 7. A manufacturer with a facility located in Indiana may**
41 **claim a credit under this chapter in each of ten (10) consecutive**
42 **taxable years, beginning with the taxable year in which the**

1 manufacturer first claims the credit under this chapter.

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

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

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

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

14 **(2) the amount of each credit under this chapter for the**
 15 **manufacturer in the taxable year;**

16 **and provide the list annually to the Center for Coal Technology**
 17 **Research established under IC 4-4-30.**

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

21 SECTION 28. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2004]:

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

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

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

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

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

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

39 **(2) a partnership;**

40 **(3) a limited liability company; or**

41 **(4) a limited liability partnership.**

42 **Sec. 5. As used in this chapter, "service station" means a retail**

1 outlet where a dealer sells a motor fuel through a metered pump.

2 **Sec. 6.** As used in this chapter, "state tax liability" means a
3 taxpayer's total tax liability that is incurred under:

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

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

11 **Sec. 7.** As used in this chapter, "taxpayer" means an individual
12 or entity that has any state tax liability.

13 **Sec. 8. (a)** A taxpayer that produces biodiesel at a facility
14 located in Indiana is entitled to a credit against the taxpayer's state
15 tax liability equal to the product of:

- 16 (1) one dollar (\$1); multiplied by
17 (2) the number of gallons of biodiesel:
18 (A) produced at the Indiana facility during 2004 and 2005;
19 and
20 (B) used to produce blended biodiesel.

21 (b) The credit provided by this section shall be reduced by any
22 credit or subsidy that the taxpayer is entitled to receive from the
23 federal government for the production of biodiesel by the taxpayer.

24 **Sec. 9. (a)** A taxpayer that produces blended biodiesel at a
25 facility located in Indiana is entitled to a credit against the
26 taxpayer's state tax liability equal to the product of:

- 27 (1) two cents (\$0.02); multiplied by
28 (2) the number of gallons of blended biodiesel:
29 (A) produced at the Indiana facility; and
30 (B) blended with biodiesel produced at a facility located in
31 Indiana.

32 (b) The credit provided by this section shall be reduced by any
33 credit or subsidy that the taxpayer is entitled to receive from the
34 federal government for the production of blended biodiesel by the
35 taxpayer.

36 **Sec. 10. (a)** A taxpayer that:

- 37 (1) is a dealer; and
38 (2) operates a service station in Indiana at which blended
39 biodiesel is sold and dispensed through a metered pump in a
40 taxable year;

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

42 (b) The amount of the credit allowed under this section is the

1 **product of:**

- 2 (1) one cent (\$0.01); multiplied by
 3 (2) the total number of gallons of blended biodiesel sold and
 4 dispensed through all the metered pumps located at a service
 5 station described in subsection (a)(2).

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

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

- 13 (1) the tax credit determined for the pass through entity for
 14 the taxable year; multiplied by
 15 (2) the percentage of the pass through entity's distributive
 16 income to which the shareholder, partner, or member is
 17 entitled.

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

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

27 **Sec. 13. To receive the credit provided by this chapter, a**
 28 **taxpayer must claim the credit on the taxpayer's state tax return**
 29 **or returns in the manner prescribed by the department. The**
 30 **taxpayer shall submit to the department proof of all information**
 31 **that the department determines is necessary for the calculation of**
 32 **the credit provided by this chapter.**

33 **Sec. 14. Notwithstanding the other provisions of this chapter, a**
 34 **taxpayer is not entitled to a credit for the production or sale of**
 35 **biodiesel or blended biodiesel that is produced or sold after**
 36 **December 31, 2005. However, this section may not be construed to**
 37 **prevent a taxpayer from carrying over to a taxable year beginning**
 38 **after December 31, 2005, an unused tax credit attributable to**
 39 **production or sales of biodiesel or blended biodiesel occurring**
 40 **before January 1, 2006.**

41 SECTION 29. IC 6-3.1-28 IS ADDED TO THE INDIANA CODE
 42 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 JANUARY 1, 2004]:

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

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

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

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

9 (1) **The facility is located in Indiana.**

10 (2) **The facility has a capacity to produce at least forty million**
 11 **(40,000,000) gallons of ethanol a year.**

12 (3) **The facility:**

13 (A) **was constructed after December 31, 2003; or**

14 (B) **after December 31, 2003, increased its ethanol**
 15 **production capacity by at least forty million (40,000,000)**
 16 **gallons a year.**

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

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

20 (2) **a partnership;**

21 (3) **a limited liability company; or**

22 (4) **a limited liability partnership.**

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

25 (1) **IC 6-2.5 (the state gross retail and use tax);**

26 (2) **IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**

27 (3) **IC 6-5.5 (the financial institutions tax); and**

28 (4) **IC 27-1-18-2 (the insurance premiums tax);**

29 **as computed after the application of the credits that under**
 30 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
 31 **chapter.**

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

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

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

38 (2) **the number of gallons of ethanol produced at the Indiana**
 39 **facility.**

40 **Sec. 8. If a pass through entity is entitled to a credit under this**
 41 **chapter but does not have state tax liability against which the tax**
 42 **credit may be applied, a shareholder, partner, or member of the**

1 **pass through entity is entitled to a tax credit equal to:**

- 2 (1) **the tax credit determined for the pass through entity for**
 3 **the taxable year; multiplied by**
 4 (2) **the percentage of the pass through entity's distributive**
 5 **income to which the shareholder, partner, or member is**
 6 **entitled.**

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

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

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

- 18 (1) **Claim the credit on the taxpayer's state tax return or**
 19 **returns in the manner prescribed by the department.**
 20 (2) **Provide a copy of the board's certificate finding that the**
 21 **facility is a qualified facility under IC 4-23-5.5-17.**
 22 (3) **Submit to the department proof of all information that the**
 23 **department determines is necessary for the calculation of the**
 24 **credit provided by this chapter.**

25 **Sec. 11. (a) The total amount of credits allowed a taxpayer**
 26 **under this chapter may not exceed a total of five million dollars**
 27 **(\$5,000,000) for all taxable years.**

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

31 SECTION 30. IC 6-6-6.5-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) The
 33 provisions of this chapter pertaining to registration and taxation shall
 34 not apply to any of the following:

- 35 (1) An aircraft owned by and used exclusively in the service of:
 36 (i) the United States government;
 37 (ii) a state (except Indiana), territory, or possession of the
 38 United States;
 39 (iii) the District of Columbia; or
 40 (iv) a political subdivision of an entity listed in clause (i), (ii),
 41 or (iii).
 42 (2) An aircraft owned by a resident of another state and registered

1 in accordance with the laws of that state. However, the aircraft
2 shall not be exempt under this subdivision if a nonresident
3 establishes a base for the aircraft inside this state and the base is
4 used for a period of sixty (60) days or more.

5 (3) An aircraft which this state is prohibited from taxing under
6 this chapter by the Constitution or the laws of the United States.

7 (4) An aircraft owned or operated by a person who is either an air
8 carrier certificated under Federal Air Regulation Part 121 or a
9 scheduled air taxi operator certified under Federal Air Regulation
10 Part 135, unless such person is a corporation incorporated under
11 the laws of the state of Indiana, ~~or~~ an individual who is a resident
12 of Indiana, **or a corporation with Indiana corporate**
13 **headquarters (as defined in IC 6-1.1-12.2-6).**

14 (5) An aircraft which has been scrapped, dismantled, or
15 destroyed, and for which the airworthiness certificate and federal
16 certificate of registration have been surrendered to the Federal
17 Aviation Administration by the owner.

18 (6) An aircraft owned by a resident of this state that is not a dealer
19 and that is not based in this state at any time, if the owner files the
20 required form not later than thirty-one (31) days after the date of
21 purchase; and furnishes the department with evidence,
22 satisfactory to the department, verifying where the aircraft is
23 based during the year.

24 (7) An aircraft owned by a dealer for not more than five (5) days
25 if the ownership is part of an ultimate sale or transfer of an
26 aircraft that will not be based in this state at any time. However,
27 the dealer described in this subdivision is required to file a report
28 of the transaction within thirty-one (31) days after the ultimate
29 sale or transfer of ownership of the aircraft. The report is not
30 required to identify the seller or purchaser but must list the
31 aircraft's origin, destination, N number, date of each transaction,
32 and ultimate sales price.

33 (8) An aircraft owned by a registered nonprofit museum, if the
34 owner furnishes the department with evidence satisfactory to the
35 department not later than thirty-one (31) days after the purchase
36 date. The aircraft must be reported for registration, but the
37 department shall issue the registration without charge.

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

1 charge.

2 SECTION 31. IC 8-10-1-1 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. In order to promote
 4 the agricultural, industrial and commercial development of the state,
 5 and to provide for the general welfare by the construction and
 6 operation, in cooperation with the federal government, or otherwise, of
 7 a modern port ~~on Lake Michigan and/or the Ohio River, and/or the~~
 8 ~~Wabash River,~~ **system** with terminal facilities to accommodate water,
 9 rail, truck, ~~and~~ air-borne, **and other forms of** transportation, the
 10 Indiana Port Commission is hereby authorized and empowered to
 11 construct, maintain and operate, in cooperation with the federal
 12 government, or otherwise, at such ~~location on Lake Michigan and/or~~
 13 ~~the Ohio River, and/or the Wabash River,~~ **locations** as shall be
 14 approved by the governor, **projects, including without limitation**
 15 public ports with terminal facilities and traffic exchange points
 16 **throughout Indiana** for all forms of transportation, giving particular
 17 attention to the benefits which may accrue to the state and its citizens
 18 from ~~the St. Lawrence Seaway,~~ **all forms of transportation,** and to
 19 issue ~~port~~ revenue bonds of the state payable solely from revenues, to
 20 pay the cost of such projects. **The commission's powers are not**
 21 **limited to ports and may be exercised throughout Indiana for**
 22 **projects that enhance, foster, aid, provide, or promote economic**
 23 **development, public-private partnerships, and other industrial,**
 24 **commercial, business, and transportation purposes.**

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

30 (a) The word "commission" shall mean the Indiana Port
 31 Commission created by section 3 of this chapter, or, if said commission
 32 shall be abolished, the board, body or commission succeeding to the
 33 principal functions thereof, or to whom the powers given by this
 34 chapter to the commission shall be given by law.

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

36 (1) any place or places on Lake Michigan, the Ohio River, ~~and~~ the
 37 Wabash River, **or other water bodies,** natural or artificial, in
 38 which water-borne vessels capable of carrying articles of
 39 commerce over navigable bodies of water may be loaded,
 40 unloaded or accommodated; **and**

41 (2) **nonmaritime port and traffic exchange points throughout**
 42 **Indiana for the transfer of goods and passengers between all**

1 **modes of transportation.**

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

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

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

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

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

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

30 (1) the cost of construction;

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

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

37 (4) the cost of relocating public roads;

38 (5) **the cost of land or easements ~~therefor, for roads;~~**

39 (6) the cost of all machinery and equipment;

40 (7) financing charges;

41 (8) interest prior to and during construction and for not exceeding
42 two (2) years after the estimated date of completion of

1 construction;

2 **(9) the** cost of engineering and legal expenses, plans,
 3 specifications, surveys, **and** estimates of cost, traffic and
 4 revenues;

5 **(10)** other expenses necessary or incident to determining the
 6 feasibility or practicability of constructing any such project;

7 **(11)** administrative expense; and ~~such~~

8 **(12)** other expenses as may be necessary or incident to the
 9 **acquisition or** construction of the project, the financing of ~~such~~
 10 **the acquisition or** construction, and the placing of the project in
 11 operation, **including the amount authorized in the resolution**
 12 **of the port commission providing for the issuance of port**
 13 **commission revenue bonds to be paid into any special funds**
 14 **from the proceeds of the bonds.**

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

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

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

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

36 SECTION 33. IC 8-10-1-3 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a)** There is hereby
 38 created a commission to be known as the "Indiana port commission"
 39 and by that name the commission may sue and be sued, and plead and
 40 be impleaded. The commission hereby created is a body both corporate
 41 and politic in the state of Indiana, and the exercise by the commission
 42 of the powers conferred by this chapter in the construction, operation

1 and maintenance of a port **or** project shall be deemed and held to be
2 essential governmental functions of the state, but the commission shall
3 not however be immune from liability by reason thereof.

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

34 (c) Before the issuance of any ~~port~~ revenue bonds under the
35 provisions of this chapter, each appointed member of the commission
36 shall give a surety bond to the state in the penal sum of twenty-five
37 thousand dollars (\$25,000) and the secretary-treasurer shall give a
38 surety bond to the state in the penal sum of fifty thousand dollars
39 (\$50,000). Each such surety bond ~~to~~ **must** be conditioned upon the
40 faithful performance of the duties of the office, to be executed by a
41 surety company authorized to transact business in the state as surety
42 and to be approved by the governor and filed in the office of the

1 secretary of state.

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

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

16 (f) All expenses incurred in carrying out the provisions of this
17 chapter shall be payable solely from funds provided under the authority
18 of this chapter and no liability or obligation shall be incurred by the
19 commission hereunder beyond the extent to which moneys shall have
20 been provided under the authority of this chapter.

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

40 SECTION 35. IC 8-10-1-4.5 IS ADDED TO THE INDIANA CODE
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
42 1, 2003]: **Sec. 4.5. Except as specifically authorized by the general**

1 **assembly, the commission may not pledge, in any form, to:**

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

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

8 SECTION 36. IC 8-10-1-5 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The Indiana port
10 commission may:

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

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

24 (3) locate and acquire a suitable ~~site sites~~ for ~~such public port or~~
25 ~~port ports or~~ projects;

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

32 (5) provide adequate port and terminal facilities to accommodate
33 water, rail, truck, ~~and~~ airborne, **and other forms of**
34 transportation; and

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

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

41 SECTION 37. IC 8-10-1-7 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission is

- 1 authorized and empowered **to do the following:**
- 2 (1) To adopt bylaws for the regulation of its affairs and the
3 conduct of its business.
- 4 (2) To adopt an official seal which shall not be the seal of the
5 state of Indiana.
- 6 (3) To maintain a principal office and sub-offices at such place or
7 places within the state as it may designate.
- 8 (4) To sue and be sued, and to plead and be impleaded in its own
9 name. However, actions at law against the commission shall be
10 brought in the circuit court of the county in which the principal
11 office of the commission is located or in the circuit court of the
12 county in which the cause of action arose, if the county is located
13 within the state. All summonses and legal notices of every kind
14 shall be served on the commission by leaving a copy thereof at the
15 principal office of the commission with the person in charge
16 thereof or with the secretary of the commission. However, no such
17 action shall be deemed commenced until a copy of the summons
18 and complaint, cross complaint, petition, bill, or pleading is
19 served upon the attorney general of Indiana.
- 20 (5) To acquire, lease, construct, maintain, repair, police, and
21 operate a port or ~~port~~ project as provided in this chapter, and to
22 establish rules and regulations for the use of ~~such the~~ port or ~~port~~
23 project, and other property subject to the jurisdiction and control
24 of the commission.
- 25 (6) To issue ~~port both taxable and tax exempt~~ revenue bonds of
26 the state, payable solely from revenues, as herein provided, for the
27 purpose of paying all or any part of the cost of a port or ~~port~~
28 project.
- 29 (7) To acquire, lease, and operate tug boats, locomotives, and any
30 and every kind of motive power and conveyances or appliances
31 necessary or proper to carry passengers, goods, wares,
32 merchandise, or articles of commerce in, on, or around the port or
33 ~~port~~ project.
- 34 (8) To fix and revise from time to time and to collect fees, rentals,
35 tolls, and other charges for the use of any port or ~~port~~ project.
- 36 (9) To acquire, obtain option on, hold, and dispose of real and
37 personal property in the exercise of its powers and the
38 performance of its duties under this chapter.
- 39 (10) To designate the location and establish, limit, and control
40 points of ingress to and egress from ~~the a port property: or~~
41 **project.**
- 42 (11) To lease to others for development or operation such portions

1 of any port or port project, on such terms and conditions as the
 2 commission shall deem advisable.

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

27 **(13) To construct, assemble, or otherwise build, own, lease,**
 28 **operate, manage, or otherwise control any project throughout**
 29 **Indiana for the purpose of promoting economic growth and**
 30 **development throughout Indiana, retaining existing**
 31 **employment within Indiana, and attracting new employment**
 32 **opportunities within Indiana.**

33 ~~(13)~~ **(14)** To employ an executive director or manager, consulting
 34 engineers, superintendents, and such other engineers, construction
 35 and accounting experts, attorneys, and other employees and
 36 agents as may be necessary in its judgment, and to fix their
 37 compensation, but no compensation of any employee of the
 38 commission shall exceed the compensation of the highest paid
 39 officer or employee of the state. However, the employment of an
 40 attorney shall be subject to such approval of the attorney general
 41 as may be required by law.

42 ~~(14)~~ **(15)** To receive and accept from any federal agency grants

1 for or in aid of the construction of any port or ~~port~~ project, and to
 2 receive and accept aid or contributions from any source of either
 3 money, property, labor, or other things of value, to be held, used,
 4 and applied only for the purposes for which such grants and
 5 contributions may be made.

6 ~~(15)~~ (16) To provide coverage for its employees under the
 7 provisions of IC 22-3-2 through IC 22-3-6, and IC 22-4.

8 ~~(16)~~ (17) To do all acts and things necessary or proper to carry out
 9 the powers expressly granted in this chapter. ~~and~~

10 ~~(17)~~ (18) To hold, use, administer, and expend such sum or sums
 11 as may herein or hereafter be appropriated or transferred to the
 12 commission.

13 SECTION 38. IC 8-10-1-8 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If the commission
 15 shall find it necessary to change the location of any portion of any
 16 public road, **highway**, railroad, or public utility facility, it shall cause
 17 the same to be reconstructed at such location as the division of
 18 government having jurisdiction over such road, highway, railroad or
 19 public utility facility shall deem most favorable and of substantially the
 20 same type and in as good condition as the original road, highway, or
 21 railroad or public utility facility. The cost of such reconstruction,
 22 relocation, or removal and any damage incurred in changing the
 23 location of any such road, highway, railroad, or public utility facility,
 24 shall be ascertained and paid by the commission as a part of the cost of
 25 ~~such the~~ port or ~~port~~ project. The commission shall have authority to
 26 petition the circuit court of the county wherein is situated any public
 27 road or part thereof, affected by the location therein of any port or ~~port~~
 28 project, for the vacation or relocation of such road or any part thereof
 29 with the same force and effect as statutes in effect on March 2, 1961,
 30 to the inhabitants of any municipality or governmental subdivision of
 31 the state. The proceedings upon such petition, whether it be for the
 32 appointment of appraisers or otherwise, shall be the same as provided
 33 by statutes in effect on March 2, 1961, for similar proceedings upon
 34 such petitions. In addition to the foregoing powers, the commission and
 35 its authorized agents and employees, after proper notice, may enter
 36 upon any lands, waters, and premises in the state for the purpose of
 37 making surveys, soundings, drillings, and examinations as are
 38 necessary or proper for the purposes of this chapter, and such entry
 39 shall not be deemed a trespass, nor shall an entry for such purpose be
 40 deemed an entry under any condemnation proceedings which may be
 41 then pending; provided, that before entering upon the premises of any
 42 railroad, notice shall be given to the superintendent of such railroad

1 involved at least five (5) days in advance of such entry, and provided,
2 that no survey, sounding, drilling, and examination shall be made
3 between the rails, or so close to a railroad track, as would render said
4 track unusable. The commission shall make reimbursement for any
5 actual damage resulting to such lands, waters, and premises and to
6 private property located in, on, along, over, or under such lands, waters
7 and premises, as a result of such activities. The state of Indiana, subject
8 to the approval of the governor, hereby consents to the use of lands
9 owned by it, including lands lying under water and riparian rights,
10 which are necessary or proper for the construction or operation of any
11 port or ~~port~~ project, provided adequate compensation is made for such
12 use. The commission shall also have power to make reasonable
13 regulations for the installation, construction, maintenance, repair,
14 renewal, relocation, and removal of tracks, pipes, mains, conduits,
15 cables, wires, towers, poles, and other equipment and appliances
16 (referred to in this section as "public utility facilities") of any public
17 utility in, on, along, over, or under any port or ~~port~~ project. Whenever
18 the commission shall determine that it is necessary that any such public
19 utility facilities which are, on or after March 2, 1961, located in, on,
20 along, over, or under any ~~such~~ port or ~~port~~ project should be relocated
21 or should be removed from ~~such the~~ port or ~~port~~ project, the public
22 utility owning or operating such facilities shall relocate or remove the
23 same in accordance with the order of the commission. ~~provided;~~
24 However, ~~that~~ the cost and expenses of such relocation or removal,
25 including the cost of installing such facilities in a new location or new
26 locations, and the cost of any lands, or any rights or interests in lands,
27 and any other rights, acquired to accomplish such relocation or
28 removal, shall be ascertained and paid by the commission as a part of
29 the cost of ~~such the~~ port or ~~port~~ project, excepting, however, cases in
30 which such equipment or facilities are located within the limits of
31 highways or public thoroughfares being constructed, reconstructed, or
32 improved under the provisions of this chapter. In case of any such
33 relocation or removal of facilities, the public utility owning or
34 operating the same, its successors or assigns, may maintain and operate
35 such facilities, with the necessary appurtenances, in the new location
36 or new locations, for as long a period, and upon the same terms and
37 conditions, as it had the right to maintain and operate such facilities in
38 their former location or locations subject, however, to the state's right
39 of regulation under its police powers.

40 SECTION 39. IC 8-10-1-9 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) The commission
42 shall have power to adopt such by-laws, rules and regulations as it may

1 deem advisable for the control and regulation of any port or ~~port~~ project
 2 or traffic on any port or ~~port~~ project, for the protection of and
 3 preservation of property under its jurisdiction and control, and for the
 4 maintenance and preservation of good order within the property under
 5 its control, and such by-laws, rules and regulations shall be published
 6 in a newspaper of general circulation in Marion County, Indiana, and
 7 in such other manner as the commission shall prescribe; however, such
 8 rules and regulations shall provide that public officers shall be afforded
 9 ready access, while in performance of their official duty, to all property
 10 under the jurisdiction or control of the commission without the
 11 payment of tolls.

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

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

16 SECTION 40. IC 8-10-1-10 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The commission
 18 is hereby authorized and empowered to acquire by purchase whenever
 19 it shall deem such purchase expedient, any land, property, rights,
 20 right-of-ways, franchises, easements and other interests in lands,
 21 including lands under water and riparian rights, as it may deem
 22 necessary or convenient for the construction and operation of any port
 23 or ~~port~~ project, upon such terms and at such price as may be considered
 24 by it to be reasonable and can be agreed upon between the commission
 25 and the owner thereof, and to take title thereto in the name of the state.

26 (b) The commission is hereby further authorized and empowered to
 27 sell, transfer and convey any such land or any interest therein so
 28 acquired, or any portion thereof, when the same shall no longer be
 29 needed for such purposes. ~~and it~~ **The commission** is further authorized
 30 and empowered to transfer and convey any such lands or interest
 31 therein as may be necessary or convenient for the construction and
 32 operation of any port or ~~port~~ project, or as otherwise required under the
 33 provisions of this chapter. ~~Provided, That~~ **However**, no such sale shall
 34 be made without **first obtaining** the approval of the Governor, ~~first~~
 35 ~~obtained~~ and **a sale may not be made** at ~~not~~ less than the appraised
 36 value established by three **(3)** independent appraisers appointed by the
 37 Governor. The commission shall be authorized to restrict the use of any
 38 land so sold by it and provide for a reversion to the commission in the
 39 event the land shall not be used for the purpose represented by the
 40 purchaser, and such restrictions and reversions shall be set out in
 41 appropriate covenants in the deeds of conveyance, which deeds shall
 42 be subject to the approval of the Governor.

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

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

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

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

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

31 SECTION 41. IC 8-10-1-11 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. The commission is
 33 hereby authorized and empowered to acquire by appropriation, under
 34 the provisions of the eminent domain law of the state, any land,
 35 including lands under water and riparian rights, property, rights,
 36 rights-of-way, franchises, easements, or other property necessary or
 37 proper for the construction or the efficient operation of any port or ~~port~~
 38 project. The commission shall also be empowered to exercise such
 39 powers of eminent domain as may be conferred upon the commission
 40 by an act of Congress of the United States now in force, or which may
 41 hereafter be enacted. Title to the property condemned shall be taken in
 42 the name of the state of Indiana. Nothing herein shall authorize the

1 commission to take or disturb property or facilities constituting all or
2 part of any presently existing or operating public port and nothing
3 herein shall authorize the commission to take or disturb property or
4 facilities belonging to any public utility or to a common carrier engaged
5 in interstate commerce, which property or facilities are required for the
6 proper and convenient operation of such public utility or common
7 carrier, unless provision is made for the restoration, relocation or
8 duplication of such property or facilities elsewhere at the sole cost of
9 the commission excepting however, cases in which such equipment or
10 facilities are located within the limits of existing highways or public
11 thoroughfares.

12 SECTION 42. IC 8-10-1-12 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) A special and
14 distinct revolving fund is hereby created, to be known as the Indiana
15 port fund. Expenditures from said fund shall be made only for the
16 acquisition of land including lands under water and riparian rights, or
17 options for the purchase of such land for a port **or project** site, and
18 incidental expenses incurred in connection with such acquisition, and
19 for studies in connection with the port **or project**, and including
20 administrative expenses of the commission. Said fund shall be held in
21 the name of the Indiana port commission, shall be administered by the
22 commission, and all expenditures therefrom shall be made by the
23 commission, subject, however, to the approval by governor and the
24 state budget committee of all expenditures of moneys advanced to said
25 fund by the state of Indiana. Requests for such approval shall be made
26 in such form as shall be prescribed by the budget committee, but
27 expenditures for acquisition of land including lands under water and
28 riparian rights, or options for the purchase of such land, shall be
29 specifically requested and approved as to the land to be acquired and
30 the amount to be expended. No transfers from said fund to any other
31 fund of the state shall be made except pursuant to legislative action. All
32 unexpended funds appropriated to the Indiana board of public harbors
33 and terminals by Acts 1957, c.286, s.6, are hereby transferred to and
34 made a part of the Indiana port fund created by this section, and shall
35 be expended for the purpose and in the manner provided by this
36 chapter, subject only to the restrictions contained in this chapter and no
37 others; provided, however, that not to exceed one hundred thousand
38 dollars (\$100,000) shall be expended for any purpose other than the
39 acquisition of land, including lands under water and riparian rights, or
40 options for the purchase of such land for a port **or project** site, and
41 incidental expenses incurred in connection with such acquisition.

42 (b) Upon the sale of ~~port~~ revenue bonds for any port **or project**, the

1 funds expended from the Indiana port fund in connection with the
2 development of such **port or** project and any obligation or expense
3 incurred by the commission for surveys, preparation of plans and
4 specifications, and other engineering or other services in connection
5 with development of such **port or** project shall be reimbursed to the
6 state general fund from the proceeds of such bonds.

7 SECTION 43. IC 8-10-1-13 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) The commission
9 is hereby authorized to provide by resolution, at one (1) time or from
10 time to time, for the issuance of **port** revenue bonds of the state for the
11 purpose of paying all or any part of the cost of a port **or** project. The
12 principal of and the interest on such bonds shall be payable solely from
13 the revenues specifically pledged to the payment thereof. The bonds of
14 each issue shall be dated, shall bear interest at any rate, shall mature at
15 such time or times not exceeding fifty (50) years from the date thereof,
16 as may be determined by the commission, and may be made
17 redeemable before maturity, at the option of the commission, at such
18 price or prices and under such terms and conditions as may be fixed by
19 the commission in the authorizing resolution.

20 (b) The commission shall determine the form of the bonds,
21 including any interest coupons to be attached thereto, and shall fix the
22 denomination or denominations of the bonds and the place or places of
23 payment of principal and interest which may be at any bank or trust
24 company within or without the state.

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

36 (d) All bonds issued under this chapter shall have and are hereby
37 declared to have all the qualities and incidents of negotiable
38 instruments under the negotiable instruments law of the state of
39 Indiana.

40 (e) The bonds may be issued in coupon or in registered form, or
41 both, as the commission may determine, and provision may be made
42 for the registration of any coupon bonds as to principal alone and also

1 as to both principal and interest, and for the reconversion into coupon
2 bonds of any bonds registered as to both principal and interest.

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

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

9 SECTION 44. IC 8-10-1-14 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. The proceeds of the
11 bonds of each issue shall be used solely for the payment of the cost of
12 the port **or** project for which such bonds shall have been issued, and
13 shall be disbursed in such manner and under such restrictions, if any,
14 as the commission may provide in the resolution authorizing the
15 issuance of such bonds or in the trust agreement mentioned in this
16 chapter securing the same. If the proceeds of the bonds of any issue, by
17 error of estimates or otherwise, shall be less than such cost, additional
18 bonds may in like manner be issued to provide the amount of such
19 deficit, and, unless otherwise provided in the resolution authorizing the
20 issuance of such bonds or in the trust agreement securing the same,
21 shall be deemed to be of the same issue and shall be entitled to
22 payment from that same fund without preference or priority of the
23 bonds first issued. If the proceeds of the bonds of any issue shall
24 exceed the cost of the port **or** project for which the same shall have
25 been issued, the surplus shall be deposited to the credit of the sinking
26 fund for such bonds. Prior to the preparation of definitive bonds, the
27 commission may, under like restrictions, issue interim receipts or
28 temporary bonds, with or without coupons, exchangeable for definitive
29 bonds when such bonds shall have been executed and are available for
30 delivery. The commission may also provide for the replacement of any
31 bonds which shall become mutilated or shall be destroyed or lost.
32 **Bonds and any other instruments or the security for the bonds and**
33 **other instruments that are authorized by this chapter** may be issued
34 under the provisions of this chapter without obtaining the consent of
35 any officer, department, division, commission, board, bureau, or
36 agency of the state, and without any other proceedings or the happening
37 of any other conditions or things than those proceedings, conditions, or
38 things which are specifically required by this chapter.

39 SECTION 45. IC 8-10-1-15 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission is
41 hereby authorized to provide by resolution for the issuance of ~~port~~
42 ~~revenue~~ refunding bonds of the state payable solely from revenues for

1 the purpose of refunding any bonds then outstanding which shall have
 2 been issued under the provisions of **section 13 of** this chapter,
 3 including the payment of any redemption premium thereon and any
 4 interest accrued or to accrue to the date of redemption of such bonds,
 5 and, if deemed advisable by the commission, for the additional purpose
 6 of constructing improvements, extensions, or enlargements of the port
 7 **or** project in connection with which the bonds to be refunded shall
 8 have been issued. The issuance of such bonds, the maturities and other
 9 details thereof, the rights of the holders thereof and the rights, duties,
 10 and obligations of the commission in respect of the same, shall be
 11 governed by the provisions of this chapter insofar as the same may be
 12 applicable.

13 SECTION 46. IC 8-10-1-16 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. In the discretion of
 15 the commission any bonds issued under the provisions of this act may
 16 be secured by a trust agreement by and between the commission and a
 17 corporate trustee, which may be any trust company or bank having the
 18 powers of a trust company within the state. Any resolution adopted by
 19 the commission providing for the issuance of **revenue** bonds and any
 20 trust agreement pursuant to which such bonds are issued may pledge
 21 or assign all or any portion of the revenues received or to be received
 22 by the commission except such part as may be necessary to pay the cost
 23 of the commission's administrative expenses, operation, maintenance,
 24 and repair and to provide reserves therefor and depreciation reserves
 25 required by any bond resolution adopted or trust agreement executed
 26 by the commission, but the commission shall not convey or mortgage
 27 any port ~~port or~~ project or any part thereof. In authorizing the issuance
 28 of bonds for any particular port **or** project, ~~undertaken in connection~~
 29 ~~with the development of the port~~, the commission may limit the amount
 30 of such bonds that may be issued as a first lien and charge against the
 31 revenues pledged to the payment of such bonds or the commission may
 32 authorize the issuance from time to time thereafter of additional bonds
 33 secured by the same lien to provide funds for the completion of the port
 34 **or** project on account of which the original bonds were issued, or to
 35 provide funds to pay the cost of additional ~~port~~ projects undertaken in
 36 connection with the development of the port **or project**, or for both
 37 such purposes. Such additional bonds shall be issued on such terms and
 38 conditions as may be provided in the bond resolution or resolutions
 39 adopted by the commission and in the trust agreement or any
 40 agreement supplemental thereto and may be secured equally and
 41 ratably without preference, priority or distinction with the original issue
 42 of bonds or may be made junior thereto. Any pledge or assignment

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

36 SECTION 47. IC 8-10-1-17 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. The commission
38 shall be authorized to fix, review, charge, and collect fees, tolls, rentals,
39 and other charges for the use of the ~~port, port project, ports, projects,~~
40 terminal facilities, and lands under the jurisdiction or control of the
41 commission or services rendered by the commission, and the aggregate
42 thereof shall provide revenues at least sufficient to pay the cost of

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

15 SECTION 48. IC 8-10-1-19 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. Any holder of
 17 bonds issued under the provisions of this chapter or any of the coupons
 18 appertaining thereto, and the trustee under any trust agreement, except
 19 to the extent the rights given in this chapter may be restricted by the
 20 authorizing resolution or trust agreement, may, either at law or in
 21 equity, by suit, action, mandamus, or other proceedings, protect and
 22 enforce any and all rights under the statutes of the state or granted
 23 under this chapter or under such trust agreement, or the resolution
 24 authorizing the issuance of such bonds, and may enforce and compel
 25 the performance of all duties required by this chapter or by such trust
 26 agreement or resolution to be performed by the commission or by any
 27 officer thereof, including the fixing, charging, and collecting of fees,
 28 tolls, rentals, or other charges for the use of the port or ~~port~~ project.

29 SECTION 49. IC 8-10-1-20 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 20. Each port or ~~port~~
 31 project, as defined in section 2 of this chapter, when constructed and
 32 ~~opened to traffic~~ **placed in operation** shall be maintained and kept in
 33 good condition and repair by the commission. Each such project shall
 34 also be policed and operated by such force of police, tolltakers, and
 35 other operating employees as the commission may in its discretion
 36 employ. All public or private property damaged or destroyed in
 37 carrying out the powers granted by this chapter shall be restored or
 38 repaired and placed in its original condition as nearly as practicable or
 39 adequate compensation made therefor out of funds provided under the
 40 authority of this chapter.

41 SECTION 50. IC 8-10-1-21 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. All counties, cities,

1 towns, townships and other political subdivisions and all public
2 agencies and commissions of the state, notwithstanding any contrary
3 provision of law, are hereby authorized and empowered to lease, lend,
4 grant or convey to the commission at its request upon such terms and
5 conditions as the proper authorities of such counties, cities, towns,
6 townships, other political subdivisions or public agencies, and
7 commissions of the state may deem reasonable and fair and without the
8 necessity for an advertisement, order of court or other action or
9 formality, other than the regular and formal action of the authorities
10 concerned, any real **or personal** property owned by any such
11 municipality or governmental subdivision which may be necessary or
12 convenient to the effectuation of the authorized purposes of the
13 commission.

14 SECTION 51. IC 8-10-1-22 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. **(a)** The commission
16 shall cause an audit of its books and accounts to be made at least once
17 each year by certified public accountants and the cost thereof may be
18 treated as a part of the cost of construction or of operations of the
19 ~~project: commission's ports and projects.~~ The accounts, books, and
20 records of the Indiana port commission shall be audited annually by the
21 state board of accounts, and the cost of such audit may be treated as a
22 part of the cost of construction or of operations of the ~~port project:~~
23 **commission's ports and projects.**

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

31 SECTION 52. IC 8-10-1-25 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 25. Revenue bonds
33 issued by the commission under the provisions of this chapter shall
34 constitute legal investments for any private trust funds, and the funds
35 of any banks, trust companies, insurance companies, building and loan
36 associations, credit unions, banks of discount and deposit, savings
37 banks, loan and trust, and safe deposit companies, rural loan and
38 savings associations, guaranty loan and savings associations, mortgage
39 guaranty companies, small loan companies, and industrial loan and
40 investment companies, and any other financial institutions organized
41 under Indiana statutes. **The bonds are also made securities that may**
42 **be deposited with and received by all public officers and bodies of**

1 **this state or any agency or political subdivision of this state and all**
 2 **municipalities and public commissions for any purpose for which**
 3 **the deposit of bonds or other obligations of this state is now or may**
 4 **be later authorized by law.**

5 SECTION 53. IC 8-10-1-27 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The exercise of
 7 the powers granted by this chapter will be in all respects for the benefit
 8 of the people of the state, for the increase of their commerce and
 9 prosperity, and for the improvement of their health and living
 10 conditions.

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

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

29 SECTION 54. IC 8-10-1-30 IS ADDED TO THE INDIANA CODE
 30 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 31 1, 2003]: **Sec. 30. The state hereby pledges and agrees with the**
 32 **holders of any bonds issued under this chapter that the state will**
 33 **not limit or alter the rights vested in the commission to fulfill the**
 34 **terms of any agreements made with the holders or in any way**
 35 **impair the rights or remedies of the holders until the bonds,**
 36 **together with the interest, with interest on any unpaid installments**
 37 **of interest, and all costs and expenses in connection with any action**
 38 **or proceeding by or on behalf of the holders, are fully met and**
 39 **discharged. The commission is authorized to include this pledge**
 40 **and agreement of the state in any agreement with the holders of the**
 41 **bonds.**

42 SECTION 55. IC 8-10-2-2 IS AMENDED TO READ AS

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

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

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

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

33 SECTION 56. IC 8-10-4-1 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) As used in this
35 chapter, "self-liquidating ~~port~~ project" shall mean a ~~port~~ project for
36 which a lease or leases have been executed providing for payment of
37 rental in an amount at least sufficient to pay the interest and principal
38 of such bonds to be issued to finance the cost of such ~~port~~ project and
39 further providing for the payment by the lessee or lessees of all costs
40 of maintenance, repair, and insurance of such ~~port~~ project.

41 (b) Other words and terms used in this chapter shall have the same
42 meaning as in other provisions of this article, unless otherwise

1 specifically provided.

2 SECTION 57. IC 8-10-4-2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. In addition to the
4 powers conferred upon the Indiana port commission by other
5 provisions of this article, the commission, in connection with any
6 self-liquidating port project, shall have the following powers
7 notwithstanding any other provision of this article to the contrary:

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

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

17 SECTION 58. IC 8-10-4-3 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. Any lease of a port
19 project may provide that the lessee, as its reasonable portion of the
20 commission's administrative expense incurred during the term of the
21 lease which the lessee is required to pay by IC 8-10-1-10, shall pay to
22 the commission for the use of the harbor, the public docking facilities
23 and public wharves and piers, all harbor, dockage, and wharfage
24 charges established by the commission.

25 SECTION 59. IC 8-10-4-4 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The cost of any port
27 project may include, instead of the cost of the acquisition of the land
28 constituting the site of such port project, the value of such land as
29 determined by the commission. The proceeds of any revenue bonds
30 representing the value of such land shall be deposited in the Indiana
31 port fund.

32 SECTION 60. IC 8-10-4-5 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. The commission may
34 contract for the use of any license, process or device, whether patented
35 or not, which the commission finds is necessary for the operation of
36 any port project, and may permit the use thereof by any lessee on such
37 terms and conditions as the commission may determine. The cost of
38 such license, process or device may be included as part of the cost of
39 the port project.

40 SECTION 61. IC 36-7-32-23, AS ADDED BY P.L.192-2002(ss),
41 SECTION 187, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2003]: Sec. 23. (a) Each redevelopment

1 commission that establishes a certified technology park under this
2 chapter shall establish a certified technology park fund to receive:

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

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

- 10 (1) Acquisition, improvement, preparation, demolition, disposal,
11 construction, reconstruction, remediation, rehabilitation,
12 restoration, preservation, maintenance, repair, furnishing, and
13 equipping of public facilities.
- 14 (2) Operation of public facilities described in ~~sections~~ **section**
15 **9(2) and 9(3)** of this chapter.
- 16 (3) Payment of the principal of and interest on any obligations
17 that are payable solely or in part from money deposited in the
18 fund and that are incurred by the redevelopment commission for
19 the purpose of financing or refinancing the development of public
20 facilities in the certified technology park.
- 21 (4) Establishment, augmentation, or restoration of the debt service
22 reserve for obligations described in subdivision (3).
- 23 (5) Payment of the principal of and interest on bonds issued by
24 the unit to pay for public facilities in or serving the certified
25 technology park.
- 26 (6) Payment of premiums on the redemption before maturity of
27 bonds described in subdivision (3).
- 28 (7) Payment of amounts due under leases payable from money
29 deposited in the fund.
- 30 (8) Reimbursement to the unit for expenditures made by it for
31 public facilities in or serving the certified technology park.
- 32 (9) Payment of expenses incurred by the redevelopment
33 commission for public facilities that are in the certified
34 technology park or serving the certified technology park.

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

37 **SECTION 62. [EFFECTIVE JULY 1, 2003] (a) The department**
38 **of state revenue may adopt rules in the manner provided for the**
39 **adoption of emergency rules under IC 4-22-2-37.1 to carry out its**
40 **responsibilities under IC 4-4-31, as added by this act. A rule**
41 **adopted under this SECTION expires on the latest of the following:**

- 42 (1) The date specified by the department of state revenue in a

1 rule.

2 (2) The date the department of state revenue adopts a
3 temporary or permanent rule to replace another rule adopted
4 under this SECTION.

5 (3) July 1, 2005.

6 (b) This SECTION expires July 2, 2005.

7 SECTION 63. [EFFECTIVE JANUARY 1, 2003
8 (RETROACTIVE)] (a) The following statutes, all as amended by
9 this act, apply to taxable years beginning after December 31, 2003:

10 (1) IC 6-3.1-24-5.

11 (2) IC 6-3.1-24-6.

12 (3) IC 6-3.1-24-7.

13 (4) IC 6-3.1-24-9.

14 (5) IC 6-3.1-24-12.

15 (6) IC 6-3.1-24-13.

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

18 SECTION 64. [EFFECTIVE JANUARY 1, 2004] IC 6-6-6.5-9, as
19 amended by this act, applies to aircraft excise taxes and
20 registration fees imposed under IC 6-6-6.5 after December 31,
21 2003.

22 SECTION 65. [EFFECTIVE JULY 1, 2003] (a) For purposes of
23 this SECTION, "boards" refers to the board of trustees of the
24 Indiana state teachers' retirement fund and the board of trustees
25 of the public employees' retirement fund.

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

29 (1) a private foundation;

30 (2) the federal government;

31 (3) an institution of higher education; or

32 (4) any other entity;

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

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

38 (1) enhance the venture capital community;

39 (2) train future venture capitalists; and

40 (3) support the development of high potential, startup, and
41 early stage companies in the areas of technology and
42 advanced manufacturing.

- 1 **(d) The fellowship program must be designed to last for two (2)**
 2 **years.**
- 3 **(e) An applicant for the fellowship must:**
 4 **(1) be a resident of Indiana;**
 5 **(2) hold a graduate degree, preferably with a business or**
 6 **technical major; and**
 7 **(3) have at least three (3) years of practical experience.**
- 8 **(f) The department of commerce shall assist the boards in**
 9 **developing and administering the grant. The boards shall create a**
 10 **committee, including:**
- 11 **(1) one (1) individual appointed by the board of trustees of the**
 12 **public employees' retirement fund;**
 13 **(2) one (1) individual appointed by the teachers' retirement**
 14 **fund; and**
 15 **(3) three (3) individuals appointed by the department of**
 16 **commerce.**
- 17 **(g) The committee established in subsection (f) shall:**
 18 **(1) review the grant application before it is submitted;**
 19 **(2) review applicants for the fellowship program;**
 20 **(3) set the stipend for participants in the program; and**
 21 **(4) determine where the fellows will be placed in order to best**
 22 **obtain the type of information the board will need to make**
 23 **investment decisions that further the purposes of this**
 24 **SECTION.**
- 25 **(h) This SECTION expires July 1, 2007.**
- 26 SECTION 66. [EFFECTIVE JANUARY 1, 2003
 27 (RETROACTIVE)] IC 6-1.1-12.2, as added by this act, applies only
 28 to assessment dates after January 1, 2003, and ad valorem
 29 property taxes due and payable after January 1, 2004.
- 30 SECTION 67. [EFFECTIVE JANUARY 1, 2004] IC 6-1.1-44, as
 31 added by this act, applies to property taxes first due and payable
 32 after December 31, 2004.
- 33 SECTION 68. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-25.2, as
 34 added by this act, applies to taxable years beginning after
 35 December 31, 2003.
- 36 SECTION 69. [EFFECTIVE JANUARY 1, 2004] (a) IC 6-3.1-28,
 37 as added by this act, applies to taxable years beginning after
 38 December 31, 2003.
- 39 **(b) Subject to carryovers authorized by IC 6-3.1-27-14, as added**
 40 **by this act, IC 6-3.1-27, as added by this act, applies to taxable**
 41 **years beginning after December 31, 2003, and ending before**
 42 **January 1, 2006.**

1 SECTION 70. [EFFECTIVE UPON PASSAGE] (a) As used in this
2 SECTION, "commission" means the government efficiency
3 commission established by subsection (b).

4 (b) The government efficiency commission is established to
5 develop specific recommendations on the best practices to
6 streamline, improve, and consolidate procedures of state
7 government for dealings:

- 8 (1) among departments;
- 9 (2) with individuals;
- 10 (3) with businesses; and
- 11 (4) with other levels of government.

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

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

24 (d) The commission shall be composed of the following eleven
25 (11) members:

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

35 (e) The commission shall present a report including specific
36 recommendations to the legislative council not later than December
37 1, 2003.

38 (f) The chairperson shall be appointed by the chairman of the
39 legislative council.

40 (g) Each member of the commission who is not a state employee
41 is entitled to the minimum salary per diem provided by
42 IC 4-10-11-2.1(b). Each member is also entitled to reimbursement

1 for traveling expenses as provided under IC 4-13-1-4 and other
 2 expenses actually incurred in connection with the member's duties
 3 as provided in the state policies and procedures established by the
 4 Indiana department of administration and approved by the budget
 5 agency.

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

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

17 (j) The following individuals shall provide staff for the
 18 commission:

19 (1) The chief information officer of the state.

20 (2) A deputy budget director designated by the budget
 21 director.

22 (3) A deputy commissioner of the Indiana department of
 23 administration designated by the commissioner of the
 24 department.

25 (4) A deputy director of the state personnel department
 26 designated by the director of the department.

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

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

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

33 SECTION 71. [EFFECTIVE JULY 1, 2003] (a) The following
 34 definitions apply throughout this SECTION:

35 (1) "Biennium" means the period beginning July 1, 2003, and
 36 ending June 30, 2005.

37 (2) "FY 2003-2004" means the period beginning July 1, 2003,
 38 and ending June 30, 2004.

39 (3) "FY 2004-2005" means the period beginning July 1, 2004,
 40 and ending June 30, 2005.

41 (b) There is appropriated to the budget agency the following
 42 sums from the build Indiana fund for the purposes of the 21st

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

1 to develop a fellowship program to increase venture capital
 2 investment opportunities in Indiana technology and advanced
 3 manufacturing companies in the following periods:

4 (1) For FY 2003-2004, two hundred thousand dollars
 5 (\$200,000).

6 (2) For FY 2004-2005, two hundred thousand dollars
 7 (\$200,000).

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

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

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

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

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

21 (1) the promotion of industrial or business development in
 22 Indiana;

23 (2) the retention or expansion of Indiana businesses located in
 24 Indiana; or

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

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

38 (m) There is appropriated to the governor two hundred fifty
 39 thousand dollars (\$250,000) from the build Indiana fund for the
 40 governor's use to create and operate a nonprofit corporation to
 41 establish a public-private partnership to assist in guiding the
 42 economic development mission of the state for the biennium.

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

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

12 **SECTION 72. [EFFECTIVE JANUARY 1, 2004] Not later than**
13 **April 1, 2004, the board of directors of the Indiana economic**
14 **development council shall amend its bylaws in accordance with**
15 **IC 4-3-14-4, as amended by this act.**

16 **SECTION 73. An emergency is declared for this act.**
 (Reference is to HB 2008 as reprinted March 5, 2003.)

and when so amended that said bill do pass .

Committee Vote: Yeas 14, Nays 0.

Senator Borst, Chairperson