

Adopted	Rejected
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COMMITTEE REPORT

YES:	20
NO:	0

MR. SPEAKER:

Your Committee on Ways and Means, to which was referred Senate Bill 180, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be **amended** as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-13-12-8.6 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: **Sec. 8.6. (a) As used in this section, "loan**
- 6 **guarantee" means the guarantee of a loan, an obligation, or**
- 7 **another form of indebtedness from a federal agency to an Indiana**
- 8 **political subdivision, including but not limited to a loan under**
- 9 **Section 108 of the federal Housing and Community Development**
- 10 **Act, the proceeds of which are to be used for an industrial**
- 11 **development project.**
- 12 **(b) As used in this section, "industrial development project"**
- 13 **refers to the redevelopment of an industrial site in a community**
- 14 **revitalization enhancement district designated under IC 36-7-13**

1 that will result in an expansion of employment and investment
2 and the enhancement of the economic stability of the community
3 in which the industrial development project is located.

4 (c) Notwithstanding any other law, including sections 7 and 8 of
5 this chapter, the board for depositories shall guarantee a loan or
6 loans that total not more than ten million dollars (\$10,000,000) for
7 an industrial development project in a community revitalization
8 enhancement district that qualifies under this section. The board
9 for depositories may not make more than one (1) loan guarantee
10 under this section for a particular community revitalization
11 enhancement district. The total of all the loan guarantees
12 outstanding on the total outstanding balance of all loans
13 guaranteed under this section for all industrial development
14 projects in all community revitalization districts in all political
15 subdivisions may not exceed ten million dollars (\$10,000,000).

16 (d) The board for depositories, in making the loan guarantee
17 for an industrial development project under this section, shall
18 comply with all the following conditions:

19 (1) Protection against loss on the loan guarantee must be
20 secured through collateral evidenced by a valid mortgage,
21 security agreement, or other agreement or document with
22 the Indiana political subdivision to which the loan guarantee
23 is made. In order to obtain the loan guarantee, the Indiana
24 political subdivision must demonstrate to the board for
25 depositories that the political subdivision has sufficient
26 resources to secure the repayment of the loan guarantee in
27 the event of a valid claim of loss.

28 (2) The term of a loan guarantee made under this section
29 may not exceed twenty (20) years.

30 (3) The board for depositories shall determine the guarantee
31 premium to be received by the public deposit insurance fund
32 for the loan guarantee. The guarantee premium shall be
33 determined in the discretion of the board for depositories at
34 an amount not greater than the market rate then in effect
35 for guarantees, mortgage insurance rates, or letters of credit

1 **used for similar purposes.**

2 **(e) Members of the board for depositories and any officers or**
3 **employees of the board for depositories are not subject to personal**
4 **liability or accountability for or by reason of the loan guarantee**
5 **made under this section.**

6 **(f) This section constitutes all the authority required for the**
7 **board for depositories to make a loan guarantee for an industrial**
8 **development project under this section. This section is in addition**
9 **to and not in limitation of the other powers of the board for**
10 **depositories under this chapter.**

11 **(g) Any claim, loss, or debt arising out of any guarantee under**
12 **this section is the obligation of the board for depositories, payable**
13 **out of the public deposit insurance fund, as special funds only and**
14 **as provided in this section, and does not constitute a debt, liability,**
15 **or obligation of the state or a pledge of the faith and credit of the**
16 **state. The document evidencing any guarantee must have on its**
17 **face the words, "The obligations created by this guarantee (or**
18 **other document as appropriate) do not constitute a debt, liability,**
19 **or obligation of the state or a pledge of the faith and credit of the**
20 **state, but are obligations of the board for depositories and are**
21 **payable solely out of the public deposit insurance fund, as special**
22 **funds, and neither the faith and credit nor the taxing power of the**
23 **state is pledged to the payment of any obligation under this**
24 **guarantee."**

25 Page 9, line 35, strike "four hundred".

26 Page 9, line 36, strike "forty thousand (440,000)" and insert "**three**
27 **hundred eighty-six thousand (386,000)**".

28 Page 15, after line 36, begin a new paragraph and insert:

29 "SECTION 14. **An emergency is declared for this act.**".

30 Renumber all SECTIONS consecutively.

(Reference is to SB 180 as printed January 16, 2004.)

and when so amended that said bill do pass.

Representative Crawford