

HOUSE BILL No. 1040

DIGEST OF INTRODUCED BILL

Citations Affected: IC 13-18-16-16.

Synopsis: Water authority audits. Requires a water authority to be audited annually by a certified public accounting firm, keep the audit report on file, and provide the report to the state board of accounts.

Effective: July 1, 2005.

Robertson

January 4, 2005, read first time and referred to Committee on Utilities and Energy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1040



A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

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

- 1 SECTION 1. IC 13-18-16-16 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) A nonprofit
- 3 water utility may adopt a resolution approved by its board of directors
- 4 under this section that reconstitutes the nonprofit water utility as a
- 5 water authority to be named as provided in the resolution.
- 6 (b) A resolution adopted under this section must allow:
- 7 (1) the structure of the board of directors; and
- 8 (2) the rules governing the water authority;
- 9 to remain the same as those applicable to the nonprofit water utility.
- 10 (c) The water authority shall retain all its powers, privileges, rights,
- 11 and exemptions as a nonprofit water utility under:
- 12 (1) its existing bylaws and articles; and
- 13 (2) all laws applicable to nonprofit water utilities and local water
- 14 corporations, including powers granted under IC 32-24-4-1.
- 15 (d) A water authority constituted under this section is a political
- 16 subdivision of the state.
- 17 (e) A copy of a resolution adopted under this section must be filed



1 with the secretary of state. When the secretary of state receives a copy
2 of a resolution under this subsection, the secretary of state shall
3 dissolve the corporate status of the nonprofit water utility for purposes
4 of state law.

5 (f) A water authority constituted under this section shall:
6 (1) remain obligated under any existing contracts or agreements;
7 and
8 (2) remain obligated and assume the indebtedness;
9 of the nonprofit water utility.

10 (g) Notwithstanding any other law and subject to ~~subsection~~
11 **subsections (h) and (i)**, a water authority constituted under this section
12 is subject only to the laws applicable to nonprofit water utilities and
13 local water corporations.

14 (h) A water authority constituted under this section is subject to
15 IC 8-1.5-3-8 for purposes of setting rates and charges.

16 (i) **A water authority constituted under this section shall, for**
17 **each of the authority's fiscal or calendar years that ends after**
18 **December 31, 2005:**

- 19 (1) **have an audit of its financial records performed by an**
20 **independent certified public accounting firm;**
21 (2) **keep the audit report on file at the water authority; and**
22 (3) **provide a copy of the audit report to the state board of**
23 **accounts.**

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