

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred House Bill No. 1003, 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 Page 2, line 19, delete "following:".
- 2 Page 2, line 20, delete "(A) The".
- 3 Page 2, line 21, delete "IC 5-28-18." and insert "**IC 5-28-15.**".
- 4 Page 2, run in lines 19 through 21.
- 5 Page 2, delete lines 22 through 23.
- 6 Page 4, line 2, after "corporation" insert ".".
- 7 Page 4, line 2, strike "for use under".
- 8 Page 4, line 2, delete "IC 5-28-11.".
- 9 Page 4, line 6, delete "IC 5-28-19-2." and insert "**IC 5-28-16-2.**".
- 10 Page 7, line 42, delete "IC 5-28-18;" and insert "**IC 5-28-15;**".
- 11 Page 27, between lines 41 and 42, begin a new paragraph and insert:
- 12 "SECTION 25. IC 5-11-1-9 IS AMENDED TO READ AS
- 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The state
- 14 examiner, personally or through the deputy examiners, field examiners,
- 15 or private examiners, shall examine all accounts and all financial affairs
- 16 of every public office and officer, state office, state institution, and
- 17 entity.
- 18 (b) An examination of an entity deriving:
- 19 (1) less than fifty percent (50%); or
- 20 (2) at least fifty percent (50%) but less than one hundred thousand
- 21 dollars (\$100,000) if the entity is organized as a not-for-profit

1 corporation;
2 of its disbursements during the period of time subject to an examination
3 from appropriations, public funds, taxes, and other sources of public
4 expense shall be limited to matters relevant to the use of the public
5 money received by the entity.

6 (c) The examination of an entity described in subsection (b) may be
7 waived or deferred by the state examiner if the state examiner
8 determines in writing that all disbursements of public money during the
9 period subject to examination were made for the purposes for which the
10 money was received. **However, the Indiana economic development**
11 **corporation created by IC 5-28-3 and the corporation's funds,**
12 **accounts, and financial affairs shall be examined biennially by the**
13 **state board of accounts.**

14 (d) On every examination under this section, inquiry shall be made
15 as to the following:

16 (1) The financial condition and resources of each municipality,
17 office, institution, or entity.

18 (2) Whether the laws of the state and the uniform compliance
19 guidelines of the state board of accounts established under section
20 24 of this chapter have been complied with.

21 (3) The methods and accuracy of the accounts and reports of the
22 person examined.

23 The examinations shall be made without notice.

24 (e) If during an examination of a state office under this chapter the
25 examiner encounters an inefficiency in the operation of the state office,
26 the examiner may comment on the inefficiency in the examiner's report.

27 (f) The state examiner, deputy examiners, any field examiner, or any
28 private examiner, when engaged in making any examination or when
29 engaged in any official duty devolved upon them by the state examiner,
30 is entitled to do the following:

31 (1) Enter into any state, county, city, township, or other public
32 office in this state, or any entity, agency, or instrumentality, and
33 examine any books, papers, documents, or electronically stored
34 information for the purpose of making an examination.

35 (2) Have access, in the presence of the custodian or the custodian's
36 deputy, to the cash drawers and cash in the custody of the officer.

37 (3) During business hours, examine the public accounts in any
38 depository that has public funds in its custody pursuant to the laws
39 of this state.

40 (g) The state examiner, deputy examiner, or any field examiner,
41 when engaged in making any examination authorized by law, may issue
42 subpoenas for witnesses to appear before the examiner in person or to

1 produce books, papers, or other records (including records stored in
 2 electronic data processing systems) for inspection and examination. The
 3 state examiner, deputy examiner, and any field examiner may
 4 administer oaths and examine witnesses under oath orally or by
 5 interrogatories concerning the matters under investigation and
 6 examination. Under the authority of the state examiner, the oral
 7 examinations may be transcribed with the reasonable expense paid by
 8 the examined person in the same manner as the compensation of the
 9 field examiner is paid. The subpoenas shall be served by any person
 10 authorized to serve civil process from any court in this state. If a
 11 witness duly subpoenaed refuses to attend, refuses to produce
 12 information required in the subpoena, or attends and refuses to be
 13 sworn or affirmed, or to testify when called upon to do so, the examiner
 14 may apply to the circuit court having jurisdiction of the witness for the
 15 enforcement of attendance and answers to questions as provided by the
 16 law governing the taking of depositions.".

17 Page 35, line 39, after "corporation" insert "**if the records are**
 18 **created**".

19 Page 39, line 2, delete "The purpose of this article is" and insert "**(a)**
 20 **It is the intent of the general assembly**".

21 Page 39, between lines 9 and 10, begin a new paragraph and insert:
 22 "**(b) The general assembly finds the following:**

23 **(1) Certain activities associated with the functions listed in**
 24 **subsection (a) may not work properly with the traditional**
 25 **responsibilities and activities of state agencies.**

26 **(2) The functions listed in subsection (a) can be achieved most**
 27 **efficiently by a body politic and corporate that:**

28 **(A) serves the interests of the state by carrying out the**
 29 **programs set forth in this article;**

30 **(B) is free from certain administrative restrictions that**
 31 **would hinder its performance; and**

32 **(C) possesses broad powers designed to maximize the**
 33 **state's economic development efforts.**

34 **(3) The corporation established by this article will:**

35 **(A) lead the state's economic development efforts;**

36 **(B) carry out the programs under this article, including the**
 37 **providing of grants and loans; and**

38 **(C) perform other essential public services for the state.**

39 **(4) In return for the corporation's economic development**
 40 **efforts to carry out the functions listed in subsection (a), the**
 41 **general assembly should appropriate state funds to the**
 42 **corporation."**

1 Page 39, line 25, after "Sec 2." insert "(a)".

2 Page 39, between lines 27 and 28, begin a new paragraph and insert:

3 **"(b) The corporation and the corporation's funds, accounts, and**
 4 **financial affairs shall be examined biennially by the state board of**
 5 **accounts under IC 5-11."**

6 Page 40, line 22, after "are" insert "also".

7 Page 40, line 22, delete "actual and necessary" and insert "**traveling**
 8 **expenses as provided under IC 4-13-1-4 and other expenses**
 9 **actually incurred in connection with the members' duties as**
 10 **approved by the budget agency."**

11 Page 40, delete line 23.

12 Page 40, line 39, after "3." insert "(a)".

13 Page 41, between lines 1 and 2, begin a new paragraph and insert:

14 **"(b) The corporation may enter into contracts without the**
 15 **approval of the attorney general or any other state officer."**

16 Page 41, line 2, after "4." insert "(a)".

17 Page 41, line 4, before "The" begin a new paragraph and insert:

18 **"(b)".**

19 Page 41, between lines 8 and 9, begin a new paragraph and insert:

20 **"(c) The board may adopt a resolution to allow the corporation's**
 21 **employees to participate in group insurance and other benefit**
 22 **plans, including the state employees' deferred compensation plan,**
 23 **that are available to state employees."**

24 Page 41, line 27, delete "may" and insert "shall".

25 Page 41, line 27, delete ", policies, and guidelines" and insert
 26 **"under IC 4-22-2".**

27 Page 41, line 28, delete "without complying with" and insert ".".

28 Page 41, line 29, delete "IC 4-22-2. However, the" and insert "**The**".

29 Page 41, line 29, after "may" insert "also".

30 Page 41, between lines 32 and 33, begin a new paragraph and insert:

31 **"Sec. 10. An employee of the corporation 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 employee's duties as approved by the budget agency.**

35 **Sec. 11. The corporation may request appropriations from the**
 36 **general assembly to:**

37 **(1) carry out the corporation's duties under this article; and**

38 **(2) fund economic development and job creation programs.**

39 **Sec. 12. (a) The Indiana promotion fund is established within the**
 40 **state treasury.**

41 **(b) Except as provided in section 13 of this chapter, the**
 42 **corporation shall deposit the following in the fund:**

1 **(1) All funding received from the private sector under**
 2 **IC 5-28-6-1(6).**

3 **(2) All other gifts, donations, bequests, devises, and**
 4 **contributions received by the corporation.**

5 **(c) The corporation shall administer the fund. The treasurer of**
 6 **state shall invest the money in the fund not currently needed to**
 7 **meet the obligations of the fund in the same manner as public**
 8 **money may be invested. Interest that accrues from these**
 9 **investments shall be deposited in the fund.**

10 **(d) Money in the fund at the end of a state fiscal year does not**
 11 **revert to the state general fund.**

12 **(e) Except as provided in the terms of a gift, a donation, a**
 13 **contribution, a bequest, a devise, or other private sector funding,**
 14 **money in the fund may be used at the discretion of the board to**
 15 **carry out in any manner the corporation's purposes under this**
 16 **article.**

17 **(f) Money in the fund may be transferred to any fund**
 18 **administered by the corporation.**

19 **(g) Money in the fund is continuously appropriated to the**
 20 **corporation for the purposes of this article.**

21 **Sec. 13. (a) Notwithstanding section 12 of this chapter, the board**
 22 **may establish a nonprofit subsidiary corporation to solicit and**
 23 **accept private sector funding, gifts, donations, bequests, devises,**
 24 **and contributions.**

25 **(b) A subsidiary corporation established under this section:**

26 **(1) must use money received under subsection (a) to carry out**
 27 **in any manner the purposes and programs under this article;**

28 **(2) must report to the budget committee each year concerning:**

29 **(A) the use of money received under subsection (a); and**

30 **(B) the balances in any accounts or funds established by**
 31 **the subsidiary corporation; and**

32 **(3) may deposit money received under subsection (a) in an**
 33 **account or fund that is:**

34 **(A) administered by the subsidiary corporation; and**

35 **(B) not part of the state treasury.**

36 **(c) The state board of accounts shall annually audit a subsidiary**
 37 **corporation established under this section."**

38 Page 42, line 10, delete "governor" and insert "**general assembly in**
 39 **an electronic format under IC 5-14-6"**.

40 Page 42, delete lines 12 through 15.

41 Page 42, line 16, delete "3." and insert "2."

42 Page 42, line 40, after "the" insert "**executive branch of the"**.

- 1 Page 43, line 37, delete "Implement" and insert "**With the approval**
2 **of the governor, implement**".
- 3 Page 43, line 37, delete "a".
- 4 Page 43, line 37, delete "program" and insert "**programs**".
- 5 Page 45, line 35, after "established" insert "**within the state**
6 **treasury**".
- 7 Page 45, line 36, delete "chapter, including paying for" and insert
8 "**chapter**".
- 9 Page 45, delete lines 37 through 42.
- 10 Page 46, delete lines 1 through 5, begin a new paragraph and insert:
11 "**(b) The fund consists of appropriations from the general**
12 **assembly.**
- 13 **(c) The corporation shall administer the fund. The following**
14 **may be paid from money in the fund:**
- 15 **(1) Expenses of administering the fund.**
- 16 **(2) Nonrecurring administrative expenses incurred to carry**
17 **out the purposes of this chapter.**
- 18 **(d) The treasurer of state shall invest the money in the fund not**
19 **currently needed to meet the obligations of the fund in the same**
20 **manner as other public funds may be invested. Interest that**
21 **accrues from these investments shall be deposited in the fund.**
- 22 Page 46, line 20, delete "established." and insert "**established within**
23 **the state treasury**".
- 24 Page 46, line 22, delete "Indiana. The expenses of administering"
25 and insert "**Indiana for the purposes of this chapter**".
- 26 Page 46, delete lines 23 through 31, begin a new paragraph and
27 insert:
- 28 "**(b) The fund consists of appropriations from the general**
29 **assembly and loan repayments.**
- 30 **(c) The corporation shall administer the fund. The following**
31 **may be paid from money in the fund:**
- 32 **(1) Expenses of administering the fund.**
- 33 **(2) Nonrecurring administrative expenses incurred to carry**
34 **out the purposes of this chapter.**
- 35 **(d) Earnings from loans made under this chapter shall be**
36 **deposited the fund.**
- 37 **(e) 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.**
- 39 **Sec. 6. (a) The treasurer of state shall invest the money in the**
40 **fund not currently needed to meet the obligations of the fund in the**
41 **same manner as other public funds may be invested. Interest that**
42 **accrues from these investments shall be deposited in the fund.**

- 1 **(b) The treasurer of state shall also:".**
 2 Page 46, line 40, delete "administer the fund and".
 3 Page 48, line 24, delete "IC 5-28-18" and insert "**IC 5-28-15**".
 4 Page 49, line 24, delete "established." and insert "**established within**
 5 **the state treasury.**".
 6 Page 49, delete lines 29 through 35, begin a new paragraph and
 7 insert:
 8 **"(b) The fund consists of appropriations from the general**
 9 **assembly and loan repayments.**
 10 **(c) The corporation and the state board of finance shall jointly**
 11 **administer the fund. The following may be paid from money in the**
 12 **fund:**
 13 **(1) Expenses of administering the fund.**
 14 **(2) Nonrecurring administrative expenses incurred to carry**
 15 **out the purposes of this chapter.**
 16 **(d) Earnings from loans made under this chapter shall be**
 17 **deposited the fund.**
 18 **(e) The treasurer of state shall invest the money in the fund not**
 19 **currently needed to meet the obligations of the fund in the same**
 20 **manner as other public funds may be invested. Interest that**
 21 **accrues from these investments shall be deposited in the fund.**
 22 **(f) The corporation, subject to the approval of the state board of**
 23 **finance, may adopt policies and guidelines for the proper**
 24 **administration of the fund and this chapter. The corporation may**
 25 **employ personnel necessary to efficiently administer this chapter."**
 26 Page 55, delete lines 16 through 42.
 27 Delete pages 56 through 61.
 28 Page 62, delete lines 1 through 9.
 29 Page 62, line 10, delete "12." and insert "**10**".
 30 Page 63, line 5, after "established" insert "**within the state**
 31 **treasury**".
 32 Page 63, delete lines 9 through 11, begin a new paragraph and insert:
 33 **"Sec. 8. The fund consists of appropriations from the general**
 34 **assembly.**
 35 **Sec. 9. The corporation shall administer the fund. The following**
 36 **may be paid from money in the fund:**
 37 **(1) Expenses of administering the fund.**
 38 **(2) Nonrecurring administrative expenses incurred to carry**
 39 **out the purposes of this chapter."**
 40 Page 63, line 15, after "the" insert "**state general**".
 41 Page 65, line 2, delete "13." and insert "**11**".
 42 Page 65, line 9, delete "IC 5-28-18" and insert "**IC 5-28-15**".

- 1 Page 66, delete lines 41 through 42.
- 2 Delete page 67.
- 3 Page 68, delete lines 1 through 18.
- 4 Page 68, line 19, delete "15." and insert "**12.**".
- 5 Page 69, line 15, delete "16." and insert "**13.**".
- 6 Page 70, line 25, delete "17." and insert "**14.**".
- 7 Page 71, line 18, after "established" insert "**within the state**
- 8 **treasury**".
- 9 Page 71, line 19, delete "fund to be administered by the
- 10 corporation." and insert "**fund.**".
- 11 Page 71, delete lines 22 through 24, begin a new paragraph and
- 12 insert:
- 13 "**(b) The fund consists of appropriations from the general**
- 14 **assembly.**
- 15 **(c) The corporation shall administer the fund. The following**
- 16 **may be paid from money in the fund:**
- 17 **(1) Expenses of administering the fund.**
- 18 **(2) Nonrecurring administrative expenses incurred to carry**
- 19 **out the purposes of this chapter.**
- 20 **(d) The treasurer of state shall invest the money in the fund not**
- 21 **currently needed to meet the obligations of the fund in the same**
- 22 **manner as other public funds may be invested. Interest that**
- 23 **accrues from these investments shall be deposited in the state**
- 24 **general fund.**".
- 25 Page 72, line 29, delete "18." and insert "**15.**".
- 26 Page 76, line 3, delete "established. Revenue from" and insert
- 27 "**established within the state treasury.**".
- 28 Page 76, delete lines 4 through 9, begin a new paragraph and insert:
- 29 "**(b) The fund consists of:**
- 30 **(1) the revenue from the registration fee required under**
- 31 **section 5 of this chapter; and**
- 32 **(2) appropriations from the general assembly.**
- 33 **(c) The corporation shall administer the fund. The fund may be**
- 34 **used to:**
- 35 **(1) pay the expenses of administering the fund;".**
- 36 Page 76, line 10, after "pay" insert "**nonrecurring**".
- 37 Page 76, line 19, after "invested." insert "**Interest that accrues**
- 38 **from these investments shall be deposited in the state general**
- 39 **fund.**".
- 40 Page 76, line 21, delete "The corporation may, after".
- 41 Page 76, delete lines 22 through 24.
- 42 Page 85, line 42, delete "19." and insert "**16.**".

- 1 Page 86, line 6, after "established" insert "**within the state**
2 **treasury**".
- 3 Page 86, delete lines 22 through 23, begin a new paragraph and
4 insert:
- 5 "**(b) The fund consists of appropriations from the general**
6 **assembly and loan repayments.**
- 7 **(c) The corporation shall administer the fund. The following**
8 **may be paid from money in the fund:**
- 9 **(1) Expenses of administering the fund.**
- 10 **(2) Nonrecurring administrative expenses incurred to carry**
11 **out the purposes of this chapter.**
- 12 **(d) Earnings from loans made under this chapter shall be**
13 **deposited the fund."**
- 14 Page 86, line 24, delete "and grants to the fund."
- 15 Page 86, line 24, before "The" begin a new paragraph and insert:
16 "(e)".
- 17 Page 86, line 30, delete "(c)" and insert "(f)".
- 18 Page 86, line 32, after "invested." insert "**Interest that accrues**
19 **from these investments shall be deposited in the state general**
20 **fund."**
- 21 Page 86, line 33, delete "(d)" and insert "(g)".
- 22 Page 89, between lines 7 and 8, begin a new paragraph and insert:
23 "**(f) A grant or loan from the fund may not be approved or**
24 **recommended to the budget agency by the board unless the grant**
25 **or loan has received a positive recommendation from a peer review**
26 **panel described in this section."**
- 27 Page 89, line 21, delete "20." and insert "17".
- 28 Page 89, line 22, delete "following:" and insert "**following to carry**
29 **out this chapter:"**.
- 30 Page 89, line 38, delete "IC 5-28-21." and insert "**IC 5-28-18.**".
- 31 Page 89, line 40, delete "IC 5-28-21." and insert "**IC 5-28-18.**".
- 32 Page 89, line 42, delete "IC 5-28-23." and insert "**IC 5-28-20.**".
- 33 Page 90, line 2, delete "IC 5-28-22." and insert "**IC 5-28-19.**".
- 34 Page 90, line 3, delete "following:" and insert "**following to carry**
35 **out this chapter:"**.
- 36 Page 90, line 6, delete "do" and insert "**Do**".
- 37 Page 90, line 28, delete "IC 5-28-23;" and insert "**IC 5-28-20;**".
- 38 Page 90, line 30, delete "IC 5-28-21." and insert "**IC 5-28-18.**".
- 39 Page 90, line 33, after "the" insert "**small business development**".
- 40 Page 90, line 33, delete "this" and insert "**IC 4-3-12 (before its**
41 **repeal)**".
- 42 Page 90, line 34, delete "chapter".

- 1 Page 90, line 36, after "statutes." insert "**The corporation may not**
2 **incur debt under this chapter.**".
- 3 Page 90, line 37, delete "21." and insert "**18.**".
- 4 Page 92, line 18, delete "established." and insert "**established within**
5 **the state treasury.**".
- 6 Page 92, line 20, delete "IC 5-28-20;" and insert "**IC 5-28-17;**".
- 7 Page 92, line 23, delete "IC 5-28-23-9;" and insert "**IC 5-28-20-9;**
8 **and**".
- 9 Page 92, line 25, delete "IC 5-28-22; and" and insert "**IC 5-28-19.**".
- 10 Page 92, delete lines 26 through 34, begin a new paragraph and
11 insert:
- 12 "**(b) The fund consists of appropriations from the general**
13 **assembly and loan repayments.**
- 14 **(c) The corporation shall administer the fund. The following**
15 **may be paid from money in the fund:**
- 16 **(1) Expenses of administering the fund.**
- 17 **(2) Nonrecurring administrative expenses incurred to carry**
18 **out the purposes of this chapter, IC 5-28-19, and IC 5-28-20.**
- 19 **(d) Earnings from loans made under this chapter shall be**
20 **deposited the fund.**".
- 21 Page 92, line 35, delete "(c)" and insert "(e)".
- 22 Page 92, line 37, after "invested." insert "**Interest that accrues**
23 **from these investments shall be deposited in the state general**
24 **fund.**".
- 25 Page 92, line 38, delete "(d)" and insert "(f)".
- 26 Page 92, line 40, delete "(e)" and insert "(g)".
- 27 Page 96, line 35, delete "22." and insert "**19.**".
- 28 Page 98, line 33, delete "IC 5-28-21-7" and insert "**IC 5-28-18-7.**".
- 29 Page 99, line 4, delete "23." and insert "**20.**".
- 30 Page 99, line 13, delete "IC 5-28-21-7." and insert "**IC 5-28-18-7.**".
- 31 Page 101, line 20, delete "24." and insert "**21.**".
- 32 Page 101, line 39, delete "established." and insert "**established**
33 **within the state treasury.**".
- 34 Page 101, line 40, delete "fund to:" and insert "**fund. The fund shall**
35 **be used to provide grants, loans, and loan guarantees under this**
36 **chapter.**
- 37 **(b) The fund consists of appropriations from the general**
38 **assembly and loan repayments.**
- 39 **(c) The corporation shall administer the fund. The following**
40 **may be paid from money in the fund:**
- 41 **(1) Expenses of administering the fund.**
- 42 **(2) Nonrecurring administrative expenses incurred to carry**

- 1 **out the purposes of this chapter."**
- 2 Page 101, delete lines 41 through 42.
- 3 Page 102, delete lines 1 through 2.
- 4 Page 102, line 3, delete "(b)" and insert "(d)".
- 5 Page 102, line 5, after "invested." insert "**Interest that accrues**
- 6 **from these investments shall be deposited in the state general**
- 7 **fund."**
- 8 Page 102, line 6, delete "(c)" and insert "(e)".
- 9 Page 102, line 8, delete "(d)" and insert "(f)".
- 10 Page 106, line 3, delete "25." and insert "22".
- 11 Page 106, line 6, after "commercials" insert ",".
- 12 Page 106, line 31, delete "IC 5-14-6);" and insert "**IC 5-14-6)**".
- 13 Page 106, line 32, delete "the report".
- 14 Page 106, line 40, delete "a" and insert "**any**".
- 15 Page 106, line 40, after "source," delete "may".
- 16 Page 106, line 40, after "money," delete "may".
- 17 Page 106, line 41, delete "may".
- 18 Page 107, line 42, after "the" insert "**business modernization and**
- 19 **technology"**.
- 20 Page 107, line 42, delete "this" and insert "**IC 4-3-1 (before its**
- 21 **repeal)**".
- 22 Page 108, line 1, delete "chapter".
- 23 Page 108, line 3, after "statutes." insert "**The corporation may not**
- 24 **incur debt under this chapter."**
- 25 Page 108, between lines 7 and 8, begin a new paragraph and insert:
- 26 "**Chapter 23. Investment Incentive Program**
- 27 **Sec. 1. As used in this chapter, "municipality" means a city or**
- 28 **town.**
- 29 **Sec. 2. The corporation shall establish policies to carry out an**
- 30 **investment incentive program. The purpose of the program is to**
- 31 **provide grants and loans to counties and municipalities that will,**
- 32 **in turn, be loaned to certain new or expanding businesses for**
- 33 **construction or for the purchase of real or personal property.**
- 34 **Sec. 3. (a) The corporation shall adopt policies and guidelines to**
- 35 **establish the criteria for awarding grants and loans to counties and**
- 36 **municipalities.**
- 37 **(b) The criteria for awarding the grants and loans must include**
- 38 **the:**
- 39 **(1) economic need of the county or municipality;**
- 40 **(2) impact of the new or expanding business on employment**
- 41 **and output in the county or municipality;**
- 42 **(3) importance of state participation to the investment**

- 1 **decision;**
 2 **(4) impact of state assistance to job production in the county**
 3 **or municipality; and**
 4 **(5) extent of other public and private participation.**

5 **Sec. 4. (a) The corporation shall establish criteria to guide**
 6 **counties and municipalities in making loans to businesses.**

- 7 **(b) The terms of the loans must include provisions stating that:**
 8 **(1) loans shall be restricted to enterprises that create new and**
 9 **permanent jobs;**
 10 **(2) loans may not exceed the greater of:**
 11 **(A) ten percent (10%) of the total investment; or**
 12 **(B) two hundred fifty thousand dollars (\$250,000); and**
 13 **(3) the principal and interest on the loan must be repaid to the**
 14 **county or municipality.**

15 **(c) All loans by a county or municipality under this chapter are**
 16 **subject to approval by the office.**

17 **Sec. 5. The corporation may:**

- 18 **(1) adopt policies and guidelines to carry out this chapter;**
 19 **(2) accept money and other things of value from all sources;**
 20 **(3) provide services and materials to carry out the purposes of**
 21 **the program;**
 22 **(4) evaluate the program; and**
 23 **(5) involve other entities, by contract or otherwise, in carrying**
 24 **out the purposes of the program.**

25 **Sec. 6. (a) The repayment proceeds of a loan made from a grant**
 26 **under this chapter shall be used by the county or municipality for**
 27 **any economic or community development activity, including:**

- 28 **(1) making loans to businesses; and**
 29 **(2) the construction or reconstruction of any street, sewer, or**
 30 **other capital improvement that will promote economic**
 31 **development in the community or the repayment of bonds**
 32 **used to finance the construction or reconstruction.**

33 **(b) All uses of repaid loan proceeds by a county or municipality**
 34 **under this chapter are subject to approval by the corporation.**

35 **Sec. 7. The corporation may not make a grant from state**
 36 **appropriated funds to a county or municipality under this chapter**
 37 **unless the county or municipality agrees to lend to the new or**
 38 **expanding business an amount greater than or equal to the state**
 39 **grant.**

40 **Sec. 8. (a) A loan to a county or municipality made under this**
 41 **chapter is not a general obligation of the county or municipality**
 42 **and is payable solely from revenues derived from the new or**

1 **expanding business.**

2 **(b) Before making a loan to a county or municipality, the**
 3 **corporation shall determine that there is reasonable assurance that**
 4 **the loan will be repaid. In making this determination, the**
 5 **corporation shall consider:**

- 6 **(1) the financial condition of the business;**
- 7 **(2) the financial feasibility of the expansion being undertaken**
 8 **by the business;**
- 9 **(3) the adequacy of collateral for the loan; and**
- 10 **(4) any other information that the corporation considers**
 11 **relevant to its determination.**

12 **Sec. 9. (a) The investment incentive fund is established within**
 13 **the state treasury to provide grants and loans to counties and**
 14 **municipalities.**

15 **(b) The fund consists of appropriations from the general**
 16 **assembly and loan repayments.**

17 **(c) The corporation shall administer the fund. The following**
 18 **may be paid from money in the fund:**

- 19 **(1) Expenses of administering the fund.**
- 20 **(2) Nonrecurring administrative expenses incurred to carry**
 21 **out the purposes of this chapter.**

22 **(d) Earnings from loans made under this chapter shall be**
 23 **deposited the fund.**

24 **(e) The treasurer of state shall invest the money in the fund not**
 25 **currently needed to meet the obligations of the fund in the same**
 26 **manner as other public funds may be invested. Interest that**
 27 **accrues from these investments shall be deposited in the state**
 28 **general fund.**

29 **Chapter 24. Industrial Development Grant Fund**

30 **Sec. 1. As used in this chapter, "eligible entity" means:**

- 31 **(1) a city;**
- 32 **(2) a town;**
- 33 **(3) a county;**
- 34 **(4) a special taxing district;**
- 35 **(5) an economic development commission established under**
 36 **IC 36-7-12;**
- 37 **(6) a nonprofit corporation;**
- 38 **(7) a corporation established under IC 23-7-1.1 (before its**
 39 **repeal on August 1, 1991) or IC 23-17 to distribute water for**
 40 **domestic and industrial use;**
- 41 **(8) a regional water, sewage, or solid waste district;**
- 42 **(9) a conservancy district that includes in its purpose the**

1 **distribution of domestic water or the collection and treatment**
 2 **of waste; or**
 3 **(10) the Indiana development finance authority established**
 4 **under IC 4-4-11.**

5 **Sec. 2. As used in this chapter, "fund" refers to the industrial**
 6 **development grant fund established by section 4 of this chapter.**

7 **Sec. 3. As used in this chapter, "industrial development**
 8 **program" means a program designed to aid economic development**
 9 **in Indiana and includes:**

10 **(1) the construction of airports, airport facilities, and tourist**
 11 **attractions;**

12 **(2) the construction, extension, or completion of:**

13 **(A) sanitary sewerlines, storm sewers, and other related**
 14 **drainage facilities;**

15 **(B) waterlines;**

16 **(C) roads and streets;**

17 **(D) sidewalks;**

18 **(E) rail spurs and sidings; and**

19 **(F) information and high technology infrastructure (as**
 20 **defined in IC 5-28-9-4);**

21 **(3) the leasing, purchase, construction, repair, and**
 22 **rehabilitation of property, both real and personal; and**

23 **(4) the preparation of surveys, plans, and specifications for the**
 24 **construction of publicly owned and operated facilities,**
 25 **utilities, and services.**

26 **Sec. 4. (a) The industrial development grant fund is established**
 27 **within the state treasury. Grants may be made from the fund to**
 28 **eligible entities in accordance with this chapter and the rules**
 29 **adopted under this chapter.**

30 **(b) The corporation may receive and accept, for purposes of the**
 31 **fund, grants, gifts, and contributions from public and private**
 32 **sources, including, on behalf of the state, grants from agencies and**
 33 **instrumentalities of the United States.**

34 **(c) The fund consists of appropriations from the general**
 35 **assembly.**

36 **(d) The corporation shall administer the fund. The following**
 37 **may be paid from money in the fund:**

38 **(1) Expenses of administering the fund.**

39 **(2) Nonrecurring administrative expenses incurred to carry**
 40 **out the purposes of this chapter.**

41 **(e) Money in the fund at the end of a state fiscal year does not**
 42 **revert to the state general fund but remains in the fund.**

1 **(f) The treasurer of state shall invest the money in the fund not**
 2 **currently needed to meet the obligations of the fund in the same**
 3 **manner as other public funds may be invested. Interest that**
 4 **accrues from these investments shall be deposited in the state**
 5 **general fund.**

6 **Sec. 5. (a) The secretary of commerce, subject to the approval of**
 7 **the governor and budget director, may direct the auditor of state**
 8 **to make an approved grant from the fund to an eligible entity.**

9 **(b) The money granted must be used by the recipient to institute**
 10 **and administer an approved industrial development program.**

11 **Chapter 25. Indiana Economic Development Council**

12 **Sec. 1. As used in this chapter, "board" refers to the board of**
 13 **directors of the council.**

14 **Sec. 2. (a) As used in this chapter, "council" refers to the**
 15 **Indiana economic development council established by this section.**

16 **(b) The Indiana economic development council is established.**

17 **Sec. 3. (a) The articles of incorporation or bylaws of the council,**
 18 **as appropriate, must provide that:**

19 **(1) the exclusive purpose of the council is to contribute to the**
 20 **strengthening of the economy of Indiana by:**

21 **(A) coordinating the activities of parties having a role in**
 22 **Indiana's economic development through evaluating,**
 23 **overseeing, and appraising those activities on an ongoing**
 24 **basis;**

25 **(B) overseeing the implementation of Indiana's economic**
 26 **development plan and monitoring the updates of that plan;**
 27 **and**

28 **(C) educating and assisting parties involved in improving**
 29 **the long range vitality of Indiana's economy;**

30 **(2) the board must include:**

31 **(A) the chairperson of the Indiana economic development**
 32 **corporation or the chairperson's designee;**

33 **(B) the chief operating officer of the council; and**

34 **(C) additional individuals appointed by the governor who**
 35 **are actively engaged in Indiana in:**

36 **(i) private enterprise;**

37 **(ii) organized labor;**

38 **(iii) state or local government, which may include**
 39 **individuals elected to a state, legislative, local, or school**
 40 **board office and individuals appointed to positions in**
 41 **state or local government; and**

42 **(iv) education;**

- 1 **and who represent the diverse economic and regional**
 2 **interests throughout Indiana;**
- 3 **(3) the chairperson of the Indiana economic development**
 4 **corporation or the chairperson's designee shall serve as**
 5 **chairperson of the board of the council and shall appoint a**
 6 **person to serve as the chief executive officer of the council;**
- 7 **(4) the chairperson of the Indiana economic development**
 8 **corporation or the chairperson's designee shall appoint as vice**
 9 **chairperson of the board a member of the board engaged in**
 10 **private enterprise;**
- 11 **(5) the chief executive officer shall oversee implementation of**
 12 **Indiana's economic development plan as articulated by the**
 13 **council and shall oversee the activities of the council's chief**
 14 **operating officer;**
- 15 **(6) the chairperson of the Indiana economic development**
 16 **corporation or the chairperson's designee may appoint an**
 17 **executive committee composed of members of the board (size**
 18 **and structure of the executive committee shall be set by the**
 19 **articles and bylaws of the council);**
- 20 **(7) the council may receive funds from any source and may**
 21 **expend funds for activities necessary, convenient, or expedient**
 22 **to carry out its purposes;**
- 23 **(8) amendments to the articles of incorporation or bylaws of**
 24 **the council must be approved by the governor;**
- 25 **(9) the council shall submit an annual report to the governor**
 26 **and to the general assembly not later than November 1 for**
 27 **each year;**
- 28 **(10) the council shall conduct an annual public hearing to**
 29 **receive comment from interested parties regarding the annual**
 30 **report, and notice of the hearing shall be given at least**
 31 **fourteen (14) days before the hearing in accordance with**
 32 **IC 5-14-1.5-5(b); and**
- 33 **(11) the council is subject to an annual audit by the state**
 34 **board of accounts, and the council shall bear the full costs of**
 35 **this audit.**
- 36 **The report to the general assembly under subdivision (9) must be**
 37 **in an electronic format under IC 5-14-6.**
- 38 **(b) The budget of the council must be approved by the board of**
 39 **the Indiana economic development corporation established by**
 40 **IC 5-28-3-1.**
- 41 **(c) The council shall do the following:**
- 42 **(1) Report to the chairperson of the Indiana economic**

1 **development corporation at least quarterly regarding the**
 2 **operations of the council.**

3 **(2) Provide information requested by the chairperson or the**
 4 **board of the Indiana economic development corporation.**

5 **(d) The council may perform other acts necessary, convenient,**
 6 **or expedient to carry out the purposes identified in this section and**
 7 **has the rights, powers, and privileges granted to corporations by**
 8 **IC 23-17 and by common law.**

9 **Sec. 4. The council may, in furtherance of its purpose described**
 10 **in section 3(a)(1) of this chapter, engage in the following activities:**

11 **(1) Update, revise, and manage the state's strategic planning**
 12 **process to adapt to changes in society and in the economy, and**
 13 **to thereby combat community deterioration by ensuring that**
 14 **effective methods are developed for improving Indiana's**
 15 **economy.**

16 **(2) Establish and coordinate the operation of programs**
 17 **commonly available to all citizens of Indiana to implement a**
 18 **strategic plan for Indiana's economic development and to**
 19 **enhance the general welfare.**

20 **(3) Evaluate and analyze Indiana's economy to determine the**
 21 **direction of future public and private actions, and report and**
 22 **make recommendations to the governor with respect to**
 23 **Indiana's economy.**

24 **Sec. 5. Debt incurred by the council under authority of this**
 25 **chapter does not represent or constitute a debt of the state within**
 26 **the meaning of the Constitution of the State of Indiana or Indiana**
 27 **statutes."**

28 Page 108, line 13, delete "IC 5-28-24;" and insert "**IC 5-28-21;**".

29 Page 109, line 16, delete "IC 5-28-18-15." and insert
 30 "**IC 5-28-15-15.**".

31 Page 110, line 5, delete "IC 5-28-18" and insert "**IC 5-28-15**".

32 Page 110, line 25, delete "IC 5-28-18-7." and insert "**IC 5-28-15-7.**".

33 Page 110, line 28, delete "IC 5-28-18-13" and insert
 34 "**IC 5-28-15-13**".

35 Page 118, line 22, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

36 Page 121, line 19, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

37 Page 122, line 9, delete "IC 5-28-18-5;" and insert "**IC 5-28-15-5;**".

38 Page 122, line 12 delete "IC 5-28-18-5(b);" and insert
 39 "**IC 5-28-15-5(b);**".

40 Page 122, line 15, delete "IC 5-28-18" and insert "**IC 5-28-15**".

41 Page 123, line 22, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

42 Page 125, line 20, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

- 1 Page 125, line 39, delete "IC 5-28-18;" and insert "**IC 5-28-15;**".
- 2 Page 126, line 10, delete "IC 5-28-18" and insert "**IC 5-28-15**".
- 3 Page 126, line 31, delete "IC 5-28-18-1)." and insert
- 4 "**IC 5-28-15-1)**".
- 5 Page 128, line 25, delete "IC 5-28-18-11." and insert
- 6 "**IC 5-28-15-11.**".
- 7 Page 130, line 13, delete "IC 5-28-18-1)." and insert
- 8 "**IC 5-28-15-1)**".
- 9 Page 135, line 15, delete ", policies, and guidelines".
- 10 Page 135, line 15, reset in roman "under IC 4-22-2".
- 11 Page 135, line 16, delete "chapter without complying with
- 12 IC 4-22-2." and insert "chapter."
- 13 Page 135, line 16, delete ", policies,".
- 14 Page 135, line 17, delete "and guidelines".
- 15 Page 135, line 28, after delete "fees," and insert "fees **and**".
- 16 Page 135, line 29, delete "assembly," and insert "assembly.".
- 17 Page 135, line 29, strike "and gifts and grants to the fund.".
- 18 Page 135, line 33, after "the" insert "**state general**".
- 19 Page 139, line 35, after "commerce" delete "the".
- 20 Page 150, line 32, delete "IC 5-28-18-5(a)(4)(A)." and insert
- 21 "**IC 5-28-15-5(a)(4)(A)**".
- 22 Page 150, line 33, delete "IC 5-28-18-5(a)(4)(A)," and insert
- 23 "**IC 5-28-15-5(a)(4)(A)**".
- 24 Page 162, line 2, delete "IC 5-28-18-14(b)(3)." and insert
- 25 "**IC 5-28-15-14(b)(3)**".
- 26 Page 162, line 5, delete "IC 5-28-18-13." and insert
- 27 "**IC 5-28-15-13.**".
- 28 Page 169, line 7, delete "IC 5-28-18," and insert "**IC 5-28-15,**".
- 29 Page 170, line 41, delete "IC 5-28-18-14(b)(3)." and insert
- 30 "**IC 5-28-15-14(b)(3)**".
- 31 Page 171, line 2, delete "IC 5-28-18-13." and insert
- 32 "**IC 5-28-15-13.**".
- 33 Page 176, line 22, delete "IC 5-28-18," and insert "**IC 5-28-15,**".
- 34 Page 181, line 20, delete "IC 5-28-18," and insert "**IC 5-28-15,**".
- 35 Page 186, line 18, delete "IC 5-28-18," and insert "**IC 5-28-15,**".
- 36 Page 191, line 32, after "IC 4-4-8;" insert "IC 4-4-12;".
- 37 Page 191, line 32, after "IC 4-4-13;" insert "IC 4-4-14;".
- 38 Page 192, line 12, after "considered," insert "**on and**".
- 39 Page 192, line 13, delete "beginning on".
- 40 Page 192, line 28, after "act" insert ", **as determined by the budget**
- 41 **agency,**".
- 42 Page 193, delete line 8.

- 1 Page 193, line 9, delete "(5)" and insert "**(4)**".
- 2 Page 193, line 10, delete "(6)" and insert "**(5)**".
- 3 Page 193, line 11, delete "(7)" and insert "**(6)**".
- 4 Page 193, line 12, delete "(8)" and insert "**(7)**".
- 5 Page 193, delete line 13.
- 6 Page 193, line 22, reset in roman "adopts".
- 7 Page 193, line 37, after "act" insert "**, as determined by the budget**
- 8 **agency,**".
- 9 Page 194, line 36, after "act" insert "**, as determined by the budget**
- 10 **agency,**".
- 11 Page 194, line 38, after "act." insert "**However, twenty thousand**
- 12 **dollars (\$20,000) of the appropriations made to the department of**
- 13 **commerce before the effective date of this act shall on the effective**
- 14 **date of this act be transferred to the Indiana promotion fund**
- 15 **established by IC 5-28-5-12, as added by this act.**".
- 16 Page 195, line 28, after "entity" insert "**before it is abolished by**
- 17 **subdivision (7)**".
- 18 Page 195, line 36, after "entity" insert "**that relate to economic**
- 19 **development, as determined by the budget agency,**".
- 20 Page 195, line 37, after "corporation." insert "**Any appropriations**
- 21 **to a covered economic development entity relating to community**
- 22 **development, tourism, or energy, as determined by the budget**
- 23 **agency, and any funds relating to community development,**
- 24 **tourism, or energy, as determined by the budget agency, that are**
- 25 **under the control of a covered economic development entity are**
- 26 **transferred to the office of the lieutenant governor.**".
- 27 Renumber all SECTIONS consecutively.
(Reference is to HB 1003 as reprinted January 11, 2005.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 0.

Senator Meeks, Chairperson