



January 20, 2006

HOUSE BILL No. 1018

DIGEST OF HB 1018 (Updated January 18, 2006 5:04 pm - DI 101)

Citations Affected: IC 13-18.

Synopsis: Water authority audits. Requires a nonprofit water utility that is reconstituted as a water authority to have an annual audit by a certified public accounting firm and to keep the audit report on file. Provides that the water authority is not subject to audit or examination by the state board of accounts, to the examination guidelines and reporting requirements of the state board of accounts, or to certain statutes that apply to political subdivisions.

Effective: July 1, 2006.

Robertson, Wolkins, Hinkle, Oxley

January 4, 2006, read first time and referred to Committee on Utilities and Energy.
January 19, 2006, reported — Do Pass.

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January 20, 2006

Second Regular Session 114th General Assembly (2006)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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HOUSE BILL No. 1018

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, 2006]: 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) **Except as provided in subsection (g)**, a water authority
16 constituted under this section is a political subdivision of the state.
17 (e) A copy of a resolution adopted under this section must be filed

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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 **and is not subject to the following:**

- 14 (1) IC 5-3.
- 15 (2) IC 5-4-1.
- 16 (3) IC 5-11.
- 17 (4) IC 5-13.
- 18 (5) IC 5-14-1.5.
- 19 (6) IC 5-14-3.
- 20 (7) IC 5-22.
- 21 (8) IC 36-1-8.
- 22 (9) IC 36-1-10.
- 23 (10) IC 36-1-10.5.
- 24 (11) IC 36-1-11.
- 25 (12) IC 36-1-12.
- 26 (13) IC 36-1-15.

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

29 (i) **For each fiscal or calendar year of a water authority**
30 **constituted under this section that ends after December 31, 2006,**
31 **the water authority:**

32 (1) shall:

33 (A) have an audit of its financial records performed by an
34 independent certified public accounting firm; and

35 (B) keep the audit report on file at the water authority; and

36 (2) notwithstanding IC 5-11-1-9, is not subject to the
37 following:

38 (A) Audit or examination by the state board of accounts.

39 (B) The examination guidelines and reporting
40 requirements of the state board of accounts.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities and Energy, to which was referred House Bill 1018, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

LUTZ J, Chair

Committee Vote: yeas 10, nays 0.

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