

HOUSE BILL No. 1742

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-11-15.6; IC 8-14; IC 36-7.6; IC 36-9-3.

Synopsis: LaPorte County development cooperative. Establishes the LaPorte County development cooperative (development cooperative). Provides that LaPorte County and Michigan City are members of the development cooperative. Provides that the city of LaPorte is a member of the development cooperative only if the city council adopts a resolution authorizing the city to be a member. Provides that the development cooperative is governed by a development board. Provides that the development board consists of individuals appointed by the county commissioners of LaPorte County, the county council of LaPorte County, the mayor of Michigan City, the city council of Michigan City, and the mayor of Michigan City and the city council of Michigan City acting jointly. Provides that if the city of LaPorte is a member of the development cooperative, the city council must determine whether one, two, or three members will be appointed to represent the city on the development board. Provides that if the city of LaPorte is not a member of the development cooperative, the mayor of LaPorte appoints a nonvoting member to the development board. Specifies that the governor appoints a member to the development board. Provides that the member appointed by the governor serves as chair of the development board and is not entitled to vote, except as necessary to break a tie vote. Provides for staggered terms of the initial members. Requires LaPorte County to transfer \$1,250,000 annually and Michigan City to transfer \$750,000 annually to the development cooperative from: (1) riverboat admissions taxes, riverboat wagering taxes, or riverboat incentive payments received by the county or city; (2) money distributed to the county's or city's local major moves fund;

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Effective: July 1, 2007.

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January 26, 2007, read first time and referred to Committee on Roads and Transportation.



or (3) any local option tax. Provides that if the city of LaPorte is a member of the development cooperative, the city must transfer the following amounts annually to the development cooperative: (1) \$750,000, if the city will have three voting members. (2) \$500,000, if the city will have two voting members. (3) \$250,000, if the city will have one voting member. Provides that if the city of LaPorte becomes a member of the development cooperative after December 31, 2007, the city must also transfer to the development cooperative the amount that the city would have transferred to the development cooperative if the city had been a member of the development cooperative during the period beginning January 1, 2008, and ending on the date the city becomes a member of the development board. Requires the city of LaPorte to make an additional transfer if the city increases the number of voting members the city has on the development board. Authorizes the Indiana finance authority to issue bonds and use the proceeds of the bonds to acquire any obligations issued by the development cooperative. Authorizes the development cooperative to: (1) make loans, loan guarantees, and grants to or on behalf of a commuter transportation district, an intermodal transportation facility, an airport development authority, a regional transportation authority, and a shoreline development commission; (2) issue bonds to the Indiana finance authority; (3) lease land or projects to a commuter transportation district, an airport authority, an airport development authority, a regional transportation authority, or a shoreline development commission; (4) use the development cooperative's funds to match federal grants; and (5) take other actions to carry out its purposes. Requires the development cooperative to comply with the common construction wage law, the public purchasing laws, the public works laws, and any applicable federal bidding statutes and regulations. Requires a political subdivision that receives a loan, grant, or other financial assistance from the development cooperative to comply with applicable federal, state, and local public purchasing and bidding laws and regulations. Requires the development cooperative to submit to the budget committee and to the director of the office of management and budget for approval a comprehensive strategic development plan that includes detailed information concerning: (1) the proposed air, rail, transportation, shoreline, and other economic development projects to be undertaken or financed by the development cooperative; and (2) the timelines, budgets, returns on investment, projected need for ongoing subsidies, and projected federal matching funds for each project. Requires the development cooperative to issue an annual report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development cooperative during the preceding state fiscal year. Authorizes the development cooperative to enter into an agreement with the northwest Indiana regional development authority or any other entity to jointly equip, own, lease, and finance projects and facilities or otherwise carry out the purposes of the development cooperative. Requires the development cooperative to: (1) assist in the coordination of local efforts concerning airport development projects and transportation projects; (2) assist a commuter transportation district and an airport authority in coordinating regional transportation and economic development efforts; and (3) fund various projects and facilities. Provides that the development cooperative is terminated on the later of June 30, 2017, or the date on which there are no bonds of the development cooperative outstanding and no leases of the development cooperative are in effect. Provides that if the development cooperative is not terminated on June 30, 2017, the development cooperative may not issue any additional bonds, enter into any

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additional leases, or undertake any additional projects. Requires the bylaws of the development cooperative to include an agreement for the winding up of the operations of the cooperative and the assumption of any assets and liabilities of the cooperative upon the termination of the development cooperative. Provides that a municipality in LaPorte County may become a member of the northwest Indiana regional bus authority if the municipal fiscal body adopts a resolution authorizing the municipality to become a member of the authority. Provides that if a municipality in LaPorte County becomes a member of the authority, the executive of the municipality shall appoint a member to the authority's board and a member to the citizens advisory council.

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Introduced

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1742



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 4-4-11-15.6, AS ADDED BY P.L.214-2005,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2007]: Sec. 15.6. In addition to the powers listed in section 15
 4 of this chapter, the authority may:

5 (1) issue bonds under terms and conditions determined by the
 6 authority and use the proceeds of the bonds to acquire obligations
 7 issued by any entity authorized to acquire, finance, construct, or
 8 lease capital improvements under IC 5-1-17; ~~and~~

9 (2) issue bonds under terms and conditions determined by the
 10 authority and use the proceeds of the bonds to acquire any
 11 obligations issued by the northwest Indiana regional development
 12 authority established by IC 36-7.5-2-1; ~~and~~

13 (3) **issue bonds under terms and conditions determined by the**
 14 **authority and use the proceeds of the bonds to acquire any**
 15 **obligations issued by the LaPorte County development**



cooperative established by IC 36-7.6-2-1.

SECTION 2. IC 8-14-14-6, AS ADDED BY P.L.47-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) If the authority enters into a public-private agreement concerning the Indiana Toll Road under IC 8-15.5, the auditor of state shall make the following distributions from the fund for the indicated purposes:

(1) One hundred fifty million dollars (\$150,000,000) to the treasurer of state for deposit in the motor vehicle highway account established by IC 8-14-1. Notwithstanding IC 8-14-1, on or before October 15, 2006, and on or before October 15, 2007, the auditor of state shall distribute seventy-five million dollars (\$75,000,000) of the money deposited in the motor vehicle highway account under this subdivision to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. The auditor of state:

(A) shall make the distributions required by this subdivision separately from distributions required by IC 8-14-1; and

(B) may not combine the distributions required by this subdivision with distributions required by IC 8-14-1.

Money distributed under this subdivision may be used only for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1.

(2) The following amounts to the northwest Indiana regional development authority for deposit in the development authority fund established under IC 36-7.5-4-1:

(A) Forty million dollars (\$40,000,000) during the state fiscal year beginning July 1, 2006. During the state fiscal year beginning July 1, 2006, the regional development authority must pay at least twenty million dollars (\$20,000,000) of the distribution received under this clause to an airport authority that is carrying out an airport expansion project described in IC 36-7.5-2-1(2).

(B) Eighty million dollars (\$80,000,000) to be distributed in installments of ten million dollars (\$10,000,000) during the state fiscal year beginning July 1, 2007, and each of the seven

(7) state fiscal years thereafter.

However, no distributions may be made under clause (B) until the development authority's comprehensive strategic development plan prepared under IC 36-7.5-3-4 has been reviewed by the

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1 budget committee and approved by the director of the office of
 2 management and budget. In addition, no distributions may be
 3 made under clause (B) during the state fiscal years beginning July
 4 1, 2009, July 1, 2011, and July 1, 2013, unless the budget
 5 committee has reviewed the status of the plan and any changes to
 6 the plan.

7 (3) The following amounts to each of the following counties on or
 8 before September 15, 2006, for deposit in local major moves
 9 construction funds under IC 8-14-16:

10 (A) Forty million dollars (\$40,000,000) to each county
 11 described in IC 8-14-16-1(1) through IC 8-14-16-1(5).
 12 However, if a county described in IC 8-14-16-1(3) becomes a
 13 member of the northwest Indiana regional development
 14 authority, the distribution to that county is twenty-five million
 15 dollars (\$25,000,000) instead of forty million dollars
 16 (\$40,000,000).

17 (B) Twenty-five million dollars (\$25,000,000) to each county
 18 described in IC 8-14-16-1(6).

19 (C) Fifteen million dollars (\$15,000,000) to each county
 20 described in IC 8-14-16-1(7).

21 (4) One hundred seventy-nine million dollars (\$179,000,000)
 22 during the state fiscal year beginning July 1, 2006, to the state
 23 highway fund for use by the department for preliminary
 24 engineering, purchase of rights-of-way, or construction of
 25 highways, roads, and bridges. After review by the budget
 26 committee, and subject to the approval of the governor, the
 27 budget agency may augment this distribution from balances
 28 available in the fund.

29 (5) An amount sufficient to provide for the payments owed by the
 30 authority as a result of a written agreement entered into under
 31 IC 8-15.5-7-6 to fund reductions in, or refunds of, user fees
 32 imposed on Class 2 vehicles, or to establish or replenish the
 33 reserves therefore, to the administration account of the toll road
 34 fund. The budget agency shall determine the amount of the
 35 distributions required to be made by this subdivision for each
 36 state fiscal year beginning with the state fiscal year ending June
 37 30, 2007, and ending with the state fiscal year ending June 30,
 38 2016.

39 (6) An amount sufficient to make any payments required by
 40 IC 5-10.3-6-8.9 as a result of a public-private agreement under
 41 IC 8-15.5.

42 (b) There is annually appropriated from the fund an amount

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sufficient to make any distributions required by subsection (a).

SECTION 3. IC 8-14-16-5, AS ADDED BY P.L.47-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. Money in the fund may be expended only for the following purposes:

- (1) Construction of highways, roads, and bridges.
- (2) In a county that is a member of the northwest Indiana regional development authority, or in a city or town located in such a county, any purpose for which the regional development authority may make expenditures under IC 36-7.5.
- (3) Providing funding for economic development projects (as defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A) through IC 6-3.5-7-13.1(c)(2)(K)).
- (4) Matching federal grants for a purpose described in this section.
- (5) Providing funding for interlocal agreements under IC 36-1-7 for a purpose described in this section.
- (6) Providing the county's or city's contribution to the ~~northwest Indiana regional~~ **LaPorte County** development authority: in the case of a county described in section 1(3) of this chapter or a city described in ~~IC 36-7.5-2-3(e)~~: **cooperative**.

SECTION 4. IC 36-7.6 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 7.6. LAPORTE COUNTY DEVELOPMENT COOPERATIVE

Chapter 1. Definitions

Sec. 1. Except as otherwise provided, the definitions in this chapter apply throughout this article.

Sec. 2. "Airport authority" refers to an airport authority established under IC 8-22-3.

Sec. 3. "Airport authority project" means a project that can be financed with the proceeds of bonds issued by an airport authority under IC 8-22-3.

Sec. 4. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness issued by the development cooperative.

Sec. 5. "Commuter transportation district" refers to a commuter transportation district that:

- (1) is established under IC 8-5-15; and**
- (2) has among its purposes the maintenance, operation, and improvement of passenger service over the Chicago, South**

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1 Shore, and South Bend Railroad and any extension of that
2 railroad.

3 Sec. 6. "Commuter transportation district project" means a
4 project that can be financed with the proceeds of bonds issued by
5 a commuter transportation district under IC 8-5-15.

6 Sec. 7. "Development cooperative" refers to the LaPorte County
7 development cooperative established by IC 36-7.6-2-1.

8 Sec. 8. "Development board" refers to the governing body
9 appointed under IC 36-7.6-2-3.

10 Sec. 9. "Economic development project" means an economic
11 development project described in IC 6-3.5-7-13.1(c).

12 Sec. 10. "Eligible political subdivision" means the following:

13 (1) A county.

14 (2) A municipality.

15 (3) An airport authority.

16 (4) A commuter transportation district.

17 (5) A regional bus authority.

18 (6) A regional transportation authority.

19 (7) A shoreline development commission under IC 36-7-13.5.

20 Sec. 11. "Project" means an airport authority project, a
21 commuter transportation district project, an economic
22 development project, or a regional transportation authority
23 project.

24 Sec. 12. "Regional transportation authority" means a regional
25 transportation authority established under IC 36-9-3 that includes
26 LaPorte County.

27 Sec. 13. "Regional transportation authority project" means a
28 project that can be financed with the proceeds of bonds issued by
29 a regional transportation authority under IC 36-9-3.

30 Chapter 2. Development Cooperative and Board

31 Sec. 1. The LaPorte County development cooperative is
32 established as a separate body corporate and politic to carry out
33 this article by:

34 (1) acquiring, constructing, equipping, owning, leasing, and
35 financing projects and facilities for lease to or for the benefit
36 of eligible political subdivisions under this article; and

37 (2) funding and developing intermodal transportation
38 facilities, airport authority projects, commuter transportation
39 districts and other rail projects and services, regional
40 transportation authority projects and services, and economic
41 development projects in LaPorte County.

42 Sec. 2. (a) Except as provided in subsection (b), the development

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1 cooperative may carry out its powers and duties under this article
2 in LaPorte County.

3 (b) The development cooperative may enter into an agreement
4 with the northwest Indiana regional development authority or any
5 other entity to:

6 (1) jointly equip, own, lease, and finance projects and
7 facilities; or

8 (2) otherwise carry out the purposes of the development
9 cooperative.

10 Sec. 3. (a) The development cooperative is governed by the
11 development board appointed under this section.

12 (b) The development board is composed of the following
13 members:

14 (1) Two (2) members appointed by the county executive of
15 LaPorte County.

16 (2) Two (2) members appointed by the county fiscal body of
17 LaPorte County.

18 (3) One (1) member appointed by the mayor of the city of
19 Michigan City.

20 (4) One (1) member appointed by the city fiscal body of the
21 city of Michigan City.

22 (5) One (1) member appointed jointly by the mayor of the city
23 of Michigan City and the city fiscal body of the city of
24 Michigan City.

25 (6) The following members to represent the city of LaPorte

26 (A) One (1) member appointed jointly by the mayor of the
27 city of LaPorte and the city fiscal body of the city of
28 LaPorte, if the city of LaPorte is entitled to only one voting
29 (1) member on the development board under section 3.5 of
30 this chapter.

31 (B) One (1) member appointed by the mayor of the city of
32 LaPorte and one (1) member appointed by the city fiscal
33 body of the city of LaPorte, if the city of LaPorte is entitled
34 to only two (2) voting members on the development board
35 under section 3.5 of this chapter.

36 (C) One (1) member appointed by the mayor of the city of
37 LaPorte, one (1) member appointed by the city fiscal body
38 of the city of LaPorte, and one (1) member appointed
39 jointly by the mayor of the city of LaPorte and the city
40 fiscal body of the city of LaPorte, if the city of LaPorte is
41 entitled to three (3) voting members on the development
42 board under section 3.5 of this chapter.

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1 **(D) One (1) nonvoting member appointed by the mayor of**
2 **the city of LaPorte, if the city of LaPorte is entitled to only**
3 **a nonvoting member on the development board under**
4 **section 3.5 of this chapter.**
5 **(7) One (1) member appointed by the governor. The member**
6 **appointed under this subdivision:**
7 **(A) shall serve as chair of the development board; and**
8 **(B) is not entitled to vote on matters before the**
9 **development board, except as necessary to break a tie vote.**
10 **(c) A member appointed to the development board must have**
11 **knowledge of and at least five (5) years professional work**
12 **experience in at least one (1) of the following:**
13 **(1) Economic development.**
14 **(2) Business or finance.**
15 **Sec. 3.5. (a) This section applies only to the city of LaPorte.**
16 **(b) The city is a member of the development cooperative only if**
17 **the fiscal body of the city adopts a resolution authorizing the city**
18 **to be a member of the development cooperative.**
19 **(c) If the fiscal body of the city adopts a resolution under this**
20 **section authorizing the city to be a member of the development**
21 **cooperative, the fiscal body must specify in the resolution:**
22 **(1) the date on which the city's membership in the**
23 **development cooperative is effective; and**
24 **(2) whether the city will have one (1), two (2), or three (3)**
25 **voting members on the development board.**
26 **(d) The fiscal body of the city may one (1) time each year adopt**
27 **a resolution to change the number of voting members the city will**
28 **have on the development board. The number of voting members**
29 **the city has on the development board affects the amount of money**
30 **the city is required to transfer to the development cooperative, as**
31 **provided in IC 36-7.6-4.**
32 **(e) If the fiscal body of the city does not adopt a resolution**
33 **authorizing the city to be a member of the development**
34 **cooperative, the city has one (1) nonvoting member on the**
35 **development board.**
36 **Sec. 4. (a) Except as provided in subsection (b) for the initial**
37 **appointments to the development board, a member appointed to**
38 **the development board serves a four (4) year term. A member may**
39 **be reappointed to subsequent terms.**
40 **(b) The terms of the initial members appointed to the**
41 **development board are as follows:**
42 **(1) One (1) initial member appointed by the county executive**

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of LaPorte County and one (1) initial member appointed by the county fiscal body of LaPorte County shall serve a term of four (4) years.

(2) One (1) initial member appointed by the county executive of LaPorte County and one (1) initial member appointed by the county fiscal body of LaPorte County shall serve a term of two (2) years.

(3) The initial member appointed by the mayor of the city of Michigan City shall serve a term of three (3) years.

(4) The initial member appointed by the city fiscal body of the city of Michigan City shall serve a term of two (2) years.

(5) The initial member appointed jointly by the mayor of the city of Michigan City and the city fiscal body of the city of Michigan City shall serve a term of one (1) year.

(6) In the case of any members appointed from the city of LaPorte:

(A) If the city of LaPorte has one (1) member under section 3.5 of this chapter, the initial member appointed jointly by the mayor of the city of LaPorte and the city fiscal body of the city of LaPorte shall serve a term of three (3) years.

(B) If the city of LaPorte has two (2) members under section 3.5 of this chapter:

(i) the initial member appointed by the mayor of the city of LaPorte shall serve a term of three (3) years; and

(ii) the initial member appointed by the city fiscal body of the city of LaPorte shall serve a term of two (2) years.

(C) If the city of LaPorte has three (3) members under section 3.5 of this chapter:

(i) the initial member appointed by the mayor of the city of LaPorte shall serve a term of three (3) years;

(ii) the initial member appointed by the city fiscal body of the city of LaPorte shall serve a term of two (2) years; and

(iii) the initial member appointed jointly by the mayor of the city of LaPorte and the city fiscal body of the city of LaPorte shall serve a term of three (3) years.

(D) If the city of LaPorte has only one (1) nonvoting member under section 3.5 of this chapter, the initial nonvoting member appointed by the mayor of the city of LaPorte shall serve a term of three (3) years.

(7) The initial member appointed by the governor shall serve a term of four (4) years.

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1 (c) If a vacancy occurs on the development board, the
2 appointing authority that made the initial appointment shall fill the
3 vacancy by appointing a new member for the remainder of the
4 vacated term.

5 (d) Each member appointed to the development board, before
6 entering upon the duties of office, must take and subscribe an oath
7 of office under IC 5-4-1, which shall be endorsed upon the
8 certificate of appointment and filed with the records of the
9 development board.

10 (e) A member appointed to the development board is not
11 entitled to receive any compensation for performance of the
12 member's duties. However, a member is entitled to a per diem
13 from the development cooperative for the member's participation
14 in development board meetings. The amount of the per diem is
15 equal to the amount of the per diem provided under
16 IC 4-10-11-2.1(b).

17 Sec. 5. (a) In January of each year, the development board shall
18 hold an organizational meeting at which the development board
19 shall elect the following officers from the members of the
20 development board:

21 (1) A vice chair.

22 (2) A secretary-treasurer.

23 (b) The affirmative vote of at least a majority of the members of
24 the development board is necessary to elect an officer under
25 subsection (a).

26 (c) An officer elected under subsection (a) serves from the date
27 of the officer's election until the officer's successor is elected and
28 qualified.

29 Sec. 6. (a) The development board shall meet at least quarterly.

30 (b) The chair of the development board or any two (2) members
31 of the development board may call a special meeting of the
32 development board.

33 (c) A majority of the members of the development board
34 constitute a quorum.

35 (d) The affirmative votes of at least a majority of the members
36 of the development board are necessary to authorize any action of
37 the development cooperative.

38 Sec. 7. (a) The development board may adopt the bylaws and
39 rules that the development board considers necessary for the
40 proper conduct of the development board's duties and the
41 safeguarding of the development cooperative's funds and property.

42 (b) The bylaws of the development cooperative must include an

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1 agreement for the winding up of the operations of the development
 2 cooperative and the assumption of any assets and liabilities of the
 3 development cooperative upon the termination of the development
 4 cooperative under IC 36-7.6-5.

5 Sec. 8. (a) The development cooperative shall comply with
 6 IC 5-16-7 (common construction wage), IC 5-22 (public
 7 purchasing), IC 36-1-12 (public work projects), and any applicable
 8 federal bidding statutes and regulations. An eligible political
 9 subdivision that receives a loan, a grant, or other financial
 10 assistance from the development cooperative or enters into a lease
 11 with the development cooperative must comply with applicable
 12 federal, state, and local public purchasing and bidding laws and
 13 regulations. However, a purchasing agency (as defined in
 14 IC 5-22-2-25) of an eligible political subdivision may:

15 (1) assign or sell a lease for property to the development
 16 cooperative; or

17 (2) enter into a lease for property with the development
 18 cooperative;

19 at any price and under any other terms and conditions as may be
 20 determined by the eligible political subdivision and the
 21 development cooperative. However, before making an assignment
 22 or sale of a lease or entering into a lease under this section that
 23 would otherwise be subject to IC 5-22, the eligible political
 24 subdivision or its purchasing agent must obtain or cause to be
 25 obtained a purchase price for the property to be subject to the
 26 lease from the lowest responsible and responsive bidder in
 27 accordance with the requirements for the purchase of supplies
 28 under IC 5-22.

29 (b) In addition to the provisions of subsection (a), with respect
 30 to projects undertaken by the development cooperative, the
 31 development cooperative shall set a goal for participation by
 32 minority business enterprises of fifteen percent (15%) and
 33 women's business enterprises of five percent (5%), consistent with
 34 the goals of delivering the project on time and within the budgeted
 35 amount and, insofar as possible, using Indiana businesses for
 36 employees, goods, and services. In fulfilling the goals under this
 37 subsection, the development cooperative shall take into account
 38 historical precedents in the same market.

39 Sec. 9. (a) The office of management and budget shall contract
 40 with a certified public accountant for an annual financial audit of
 41 the development cooperative. The certified public accountant may
 42 not have a significant financial interest, as determined by the office

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1 of management and budget, in a project, facility, or service funded
2 by or leased by or to the development cooperative. The certified
3 public accountant shall present an audit report not later than four
4 (4) months after the end of the development cooperative's fiscal
5 year and shall make recommendations to improve the efficiency of
6 development cooperative operations. The certified public
7 accountant shall also perform a study and evaluation of internal
8 accounting controls and shall express an opinion on the controls
9 that were in effect during the audit period.

10 (b) The development cooperative shall pay the cost of the annual
11 financial audit under subsection (a). In addition, the state board of
12 accounts may at any time conduct an audit of any phase of the
13 operations of the development cooperative. The development
14 cooperative shall pay the cost of any audit by the state board of
15 accounts.

16 **Chapter 3. Development Cooperative Powers and Duties**

17 **Sec. 1. The development cooperative shall do the following:**

- 18 (1) Assist in the coordination of local efforts concerning
19 projects.
- 20 (2) Assist a commuter transportation district, an intermodal
21 transportation facility, an airport authority, and a regional
22 transportation authority in coordinating regional
23 transportation and economic development efforts.
- 24 (3) Fund projects as provided in this article.
- 25 (4) Fund bus services (including fixed route services and
26 flexible or demand responsive services) and projects related
27 to bus services and bus terminals, stations, or facilities.

28 **Sec. 2. The development cooperative may do any of the**
29 **following:**

- 30 (1) Finance, improve, construct, reconstruct, renovate,
31 purchase, lease, acquire, and equip land and projects located
32 in an eligible county.
- 33 (2) Lease land or a project to an eligible political subdivision.
- 34 (3) Finance and construct additional improvements to
35 projects or other capital improvements owned by the
36 development cooperative and lease them to or for the benefit
37 of an eligible political subdivision.
- 38 (4) Acquire land or all or a part of one (1) or more projects
39 from an eligible political subdivision by purchase or lease and
40 lease the land or projects back to the eligible political
41 subdivision, with any additional improvements that may be
42 made to the land or projects.

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- (5) Acquire all or a part of one (1) or more projects from an eligible political subdivision by purchase or lease to fund or refund indebtedness incurred on account of the projects to enable the eligible political subdivision to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the eligible political subdivision considers to be unduly burdensome.**
- (6) Make loans, loan guarantees, and grants or provide other financial assistance to or on behalf of the following:**
 - (A) A commuter transportation district.**
 - (B) A regional transportation authority. A loan, a loan guarantee, a grant, or other financial assistance under this clause may be used by a regional transportation authority for acquiring, improving, operating, maintaining, financing, and supporting the following:**
 - (i) Bus services (including fixed route services and flexible or demand responsive services) that are a component of a public transportation system.**
 - (ii) Bus terminals, stations, or facilities or other regional bus authority projects.**
- (7) Provide funding to assist a railroad that is providing commuter transportation services in an eligible county.**
- (8) Provide funding to assist an airport authority located in an eligible county in the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of an airport facility or airport project.**
- (9) Provide funding for economic development projects in an eligible county.**
- (10) Hold, use, lease, rent, purchase, acquire, and dispose of by purchase, exchange, gift, bequest, grant, lease, or sublease, on the terms and conditions determined by the development cooperative, any real or personal property located in an eligible county.**
- (11) After giving notice, enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a project.**
- (12) Make or enter into all contracts and agreements necessary or incidental to the performance of the development cooperative's duties and the execution of the development cooperative's powers under this article.**
- (13) Sue, be sued, plead, and be impleaded.**
- (14) Design, order, contract for, construct, reconstruct, and**

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- renovate a project or improvements to a project.
- (15) Appoint an executive director and employ appraisers, real estate experts, engineers, architects, surveyors, attorneys, accountants, auditors, clerks, construction managers, and any consultants or employees that are necessary or desired by the development cooperative in exercising its powers or carrying out its duties under this article.
- (16) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a political subdivision, or any other public or private source.
- (17) Use the development cooperative's funds to match federal grants or make loans, loan guarantees, or grants to carry out the development cooperative's powers and duties under this article.
- (18) Except as prohibited by law, take any action necessary to carry out this article.

Sec. 3. The development cooperative shall before November 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development cooperative during the preceding state fiscal year. The report to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 4. (a) The development cooperative shall prepare a comprehensive strategic development plan that includes detailed information concerning the following:

- (1) The proposed projects to be undertaken or financed by the development cooperative.
- (2) The following information for each project included under subdivision (1):
 - (A) Timeline and budget.
 - (B) The return on investment.
 - (C) The projected or expected need for an ongoing subsidy.
 - (D) Any projected or expected federal matching funds.

(b) The development cooperative shall before January 1, 2010, submit the comprehensive strategic development plan for review by the budget committee and approval by the director of the office of management and budget.

Chapter 4. Financing; Issuance of Bonds; Leases

Sec. 1. (a) The development board shall establish and administer a development cooperative fund.

- (b)** The development cooperative fund consists of the following:
 - (1) Riverboat admissions tax revenue, riverboat wagering tax

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1 revenue, or riverboat incentive payments transferred to the
2 fund by LaPorte County, the city of Michigan City, or (if the
3 city of LaPorte is a member of the development cooperative)
4 the city of LaPorte.

5 (2) Money transferred to the fund from a local major moves
6 construction fund under IC 8-14-16-5 by LaPorte County, the
7 city of Michigan City, or (if the city of LaPorte is a member
8 of the development cooperative) the city of LaPorte.

9 (3) Any local option tax revenue transferred to the fund by
10 LaPorte County, the city of Michigan city, or (if the city of
11 LaPorte is a member of the development cooperative) the city
12 of LaPorte.

13 (4) Appropriations to the fund by the general assembly.

14 (5) Money received from the federal government.

15 (6) Gifts, donations, and grants to the fund.

16 (c) On the date the development cooperative issues bonds for
17 any purpose under this article, which are secured in whole or in
18 part by the development cooperative fund, the development board
19 shall establish and administer two (2) accounts within the
20 development cooperative fund. The accounts must be the general
21 account and the lease rental account. After the accounts are
22 established, all money transferred to the development cooperative
23 fund under subsection (b)(1) or (b)(3) shall be deposited in the lease
24 rental account and used only for the payment of or to secure the
25 payment of obligations of an eligible political subdivision under a
26 lease entered into by the eligible political subdivision and the
27 development cooperative under this chapter. However, any money
28 deposited in the lease rental account and not used for the purposes
29 of this subsection shall be returned by the treasurer of the
30 development cooperative to the unit that contributed the money to
31 the development cooperative.

32 (d) Notwithstanding subsection (c), if the amount of all money
33 transferred to the development cooperative fund under subsection
34 (b)(1) or (b)(3) for deposit in the lease rental account in any one (1)
35 calendar year is greater than an amount equal to the product of:

- 36 (1) one and twenty-five hundredths (1.25); multiplied by
- 37 (2) the total of the highest annual debt service on any bonds
- 38 then outstanding to their final maturity date, which have been
- 39 issued under this article and are not secured by a lease, plus
- 40 the highest annual lease payments on any leases to their final
- 41 maturity, which are then in effect under this article;

42 then all or a part of the excess may instead be deposited in the

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general account.

(e) All other money and revenue of the development cooperative may be deposited in the general account or the lease rental account at the discretion of the development board. Money on deposit in the lease rental account may be used only to make rental payments on leases entered into by the development cooperative under this article. Money on deposit in the general account may be used for any purpose authorized by this article.

(f) The development cooperative fund shall be administered by the development cooperative.

(g) Money in the development cooperative fund shall be used by the development cooperative to carry out this article and does not revert to any other fund.

Sec. 2. (a) Beginning in 2008:

(1) the fiscal officer of LaPorte County shall transfer one million two hundred fifty thousand dollars (\$1,250,000) each year; and

(2) the fiscal officer of the city of Michigan City shall transfer seven hundred fifty thousand dollars (\$750,000) each year; to the development cooperative for deposit in the development cooperative fund established under section 1 of this chapter.

(b) If the city of LaPorte becomes a member of the development cooperative under IC 36-7.6-2-3.5, the fiscal officer of the city of LaPorte shall transfer the following amounts to the development cooperative for deposit in the development cooperative fund established under section 1 of this chapter:

(1) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have three (3) voting members on the development board, the fiscal officer shall transfer seven hundred fifty thousand dollars (\$750,000) each year.

(2) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have two (2) voting members on the development board, the fiscal officer shall transfer five hundred thousand dollars (\$500,000) each year.

(3) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have one (1) voting member on the development board, the fiscal officer shall transfer two hundred fifty thousand dollars (\$250,000) each year.

(c) If the fiscal body of the city of LaPorte does not adopt a resolution authorizing the city to be a member of the development

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cooperative, the city is not required to make any transfers to the development cooperative.

(d) The following apply to the transfers required by subsection (a) or subsection (b):

(1) The transfers shall be made without appropriation by the county fiscal body or the city fiscal body.

(2) After December 31, 2007:

(A) the fiscal officer of LaPorte County shall transfer three hundred twelve thousand five hundred dollars (\$312,500) to the development cooperative fund before the last business day of January, April, July, and October of each year; and

(B) the fiscal officer of the city of Michigan City shall transfer one hundred eighty-seven thousand five hundred dollars (\$187,500) to the development cooperative fund before the last business day of January, April, July, and October of each year.

(3) The following apply if the city of LaPorte becomes a member of the development cooperative under IC 36-7.6-2-3.5:

(A) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have three (3) voting members on the development board, the fiscal officer of the city shall transfer one hundred eighty-seven thousand five hundred dollars (\$187,500) to the development cooperative fund before the last business day of January, April, July, and October of each year.

(B) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have two (2) voting members on the development board, the fiscal officer of the city shall transfer one hundred twenty-five thousand dollars (\$125,000) to the development cooperative fund before the last business day of January, April, July, and October of each year.

(C) If the fiscal body of the city specified in the resolution under IC 36-7.6-2-3.5 that the city will have one (1) voting members on the development board, the fiscal officer of the city shall transfer sixty-two thousand five hundred dollars (\$62,500) to the development cooperative fund before the last business day of January, April, July, and October of each year.

(4) The transfers shall be made from any of the following:

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(A) Any riverboat admissions tax revenue, riverboat wagering tax revenue, riverboat supplemental distributions, or riverboat incentive payments received by the county or city.

(B) Any money deposited in the county's or city's local major moves construction fund under IC 8-14-16.

(C) Any local option tax revenue of the county or city. Notwithstanding any other provision, any local option tax revenue received by the county or city may be used to make transfers under this section.

(e) This subsection applies if the city of LaPorte becomes a member of the development cooperative after December 31, 2007. The city must transfer to the development cooperative fund, according to a schedule approved by the development board, the amount that the city would have transferred (but did not transfer) to the development cooperative fund if the city had been a member of the development cooperative during the period beginning January 1, 2008, and ending on the date the city becomes a member of the development board. A transfer required by this subsection is in addition to any other transfers required by subsection (d) after the city becomes a member of the development cooperative.

(f) This subsection applies if under IC 36-7.6-2-3.5 the city of LaPorte increases the number of voting members the city has on the development board. The city must transfer to the development cooperative fund, according to a schedule approved by the development board, an amount equal to the result determined in STEP THREE of the following formula:

STEP ONE: Determine the amount that the city transferred to the development cooperative fund during the period:

(1) beginning on:

(A) the date the city became a member of the development cooperative, if the city has not previously changed the number of voting members the city has on the development board; or

(B) the date the city last changed the number of voting members the city has on the development board; and

(2) ending on the date the city increases the number of voting members the city has on the development board.

STEP TWO: Determine the amount that the city would have transferred during the period described in STEP ONE if during that period the number of voting members the city had

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1 on the development board had been equal to the number of
 2 voting members that the city has after the increase under this
 3 subsection.
 4 **STEP THREE: Determine the result of the STEP TWO result**
 5 **minus the STEP ONE result.**
 6 **A transfer required by this subsection is in addition to any other**
 7 **transfers required by subsection (d) after the city becomes a**
 8 **member of the development cooperative.**
 9 **Sec. 3. (a) Subject to subsection (h), the development**
 10 **cooperative may issue bonds for the purpose of obtaining money to**
 11 **pay the cost of:**
 12 (1) acquiring real or personal property, including existing
 13 capital improvements;
 14 (2) acquiring, constructing, improving, reconstructing, or
 15 renovating one (1) or more projects; or
 16 (3) funding or refunding bonds issued under this chapter,
 17 IC 8-5-15, IC 8-22-3, IC 36-9-3, or prior law.
 18 (b) The bonds are payable solely from:
 19 (1) the lease rentals from the lease of the projects for which
 20 the bonds are issued, insurance proceeds, and any other funds
 21 pledged or available; and
 22 (2) except as otherwise provided by law, revenue received by
 23 the development cooperative and amounts deposited in the
 24 development cooperative fund.
 25 (c) The bonds must be authorized by a resolution of the
 26 development board.
 27 (d) The terms and form of the bonds must either be set out in
 28 the resolution or in a form of trust indenture approved by the
 29 resolution.
 30 (e) The bonds must mature within forty (40) years.
 31 (f) The board shall sell the bonds only to the Indiana finance
 32 authority established by IC 4-4-11-4 upon the terms determined by
 33 the development board and the Indiana finance authority.
 34 (g) All money received from any bonds issued under this
 35 chapter shall be applied solely to the payment of the cost of
 36 acquiring, constructing, improving, reconstructing, or renovating
 37 one (1) or more projects, or the cost of refunding or refinancing
 38 outstanding bonds, for which the bonds are issued. The cost may
 39 include:
 40 (1) planning and development of equipment or a facility and
 41 all buildings, facilities, structures, equipment, and
 42 improvements related to the facility;

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- 1 **(2) acquisition of a site and clearing and preparing the site for**
- 2 **construction;**
- 3 **(3) equipment, facilities, structures, and improvements that**
- 4 **are necessary or desirable to make the project suitable for use**
- 5 **and operations;**
- 6 **(4) architectural, engineering, consultant, and attorney's fees;**
- 7 **(5) incidental expenses in connection with the issuance and**
- 8 **sale of bonds;**
- 9 **(6) reserves for principal and interest;**
- 10 **(7) interest during construction;**
- 11 **(8) financial advisory fees;**
- 12 **(9) insurance during construction;**
- 13 **(10) municipal bond insurance, debt service reserve**
- 14 **insurance, letters of credit, or other credit enhancement; and**
- 15 **(11) in the case of refunding or refinancing, payment of the**
- 16 **principal of redemption premiums (if any) for and interest on**
- 17 **the bonds being refunded or refinanced.**

18 **(h) The development cooperative may not issue bonds under this**
 19 **article unless the development cooperative first finds that each**
 20 **contract for the construction of a facility and all buildings,**
 21 **facilities, structures, and improvements related to that facility to**
 22 **be financed in whole or in part through the issuance of the bonds**
 23 **requires payment of the common construction wage required by**
 24 **IC 5-16-7.**

25 **Sec. 4. This chapter contains full and complete authority for the**
 26 **issuance of bonds. No law, procedure, proceedings, publications,**
 27 **notices, consents, approvals, orders, or acts by the development**
 28 **board or any other officer, department, agency, or instrumentality**
 29 **of the state or of any political subdivision is required to issue any**
 30 **bonds, except as prescribed in this article.**

31 **Sec. 5. (a) The development cooperative may secure bonds**
 32 **issued under this chapter by a trust indenture between the**
 33 **development cooperative and a corporate trustee, which may be**
 34 **any trust company or national or state bank in Indiana that has**
 35 **trust powers.**

- 36 **(b) The trust indenture may:**
- 37 **(1) pledge or assign revenue received by the development**
- 38 **cooperative, amounts deposited in the development**
- 39 **cooperative fund, and lease rentals, receipts, and income from**
- 40 **leased projects, but may not mortgage land or projects;**
- 41 **(2) contain reasonable and proper provisions for protecting**
- 42 **and enforcing the rights and remedies of the bondholders,**

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- 1 including covenants setting forth the duties of the
- 2 development cooperative and development board;
- 3 (3) set forth the rights and remedies of bondholders and
- 4 trustees; and
- 5 (4) restrict the individual right of action of bondholders.

6 (c) Any pledge or assignment made by the development
 7 cooperative under this section is valid and binding in accordance
 8 with IC 5-1-14-4 from the time that the pledge or assignment is
 9 made, against all persons whether they have notice of the lien or
 10 not. Any trust indenture by which a pledge is created or an
 11 assignment made need not be filed or recorded. The lien is
 12 perfected against third parties in accordance with IC 5-1-14-4.

13 Sec. 6. (a) Bonds issued under IC 8-5-15, IC 8-22-3, IC 36-9-3,
 14 or prior law may be refunded as provided in this section.

- 15 (b) An eligible political subdivision may:
 - 16 (1) lease all or a part of land or a project or projects to the
 - 17 development cooperative, which may be at a nominal lease
 - 18 rental with a lease back to the eligible political subdivision,
 - 19 conditioned upon the development cooperative assuming
 - 20 bonds issued under IC 8-5-15, IC 8-22-3, IC 36-9-3, or prior
 - 21 law and issuing its bonds to refund those bonds; and
 - 22 (2) sell all or a part of land or a project or projects to the
 - 23 development cooperative for a price sufficient to provide for
 - 24 the refunding of those bonds and lease back the land or
 - 25 project or projects from the development cooperative.

26 Sec. 7. (a) Before a lease may be entered into by an eligible
 27 political subdivision under this chapter, the eligible political
 28 subdivision must find that the lease rental provided for is fair and
 29 reasonable.

- 30 (b) A lease of land or a project from the development
 31 cooperative to an eligible political subdivision:
 - 32 (1) may not have a term exceeding forty (40) years;
 - 33 (2) may not require payment of lease rentals for a newly
 - 34 constructed project or for improvements to an existing
 - 35 project until the project or improvements to the project have
 - 36 been completed and are ready for occupancy or use;
 - 37 (3) may contain provisions:
 - 38 (A) allowing the eligible political subdivision to continue to
 - 39 operate an existing project until completion of the
 - 40 acquisition, improvements, reconstruction, or renovation
 - 41 of that project or any other project; and
 - 42 (B) requiring payment of lease rentals for land, for an

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- 1 existing project being used, reconstructed, or renovated, or
- 2 for any other existing project;
- 3 (4) may contain an option to renew the lease for the same or
- 4 a shorter term on the conditions provided in the lease;
- 5 (5) must contain an option for the eligible political subdivision
- 6 to purchase the project upon the terms stated in the lease
- 7 during the term of the lease for a price equal to the amount
- 8 required to pay all indebtedness incurred on account of the
- 9 project, including indebtedness incurred for the refunding of
- 10 that indebtedness;
- 11 (6) may be entered into before acquisition or construction of
- 12 a project;
- 13 (7) may provide that the eligible political subdivision shall
- 14 agree to:
 - 15 (A) pay any taxes and assessments on the project;
 - 16 (B) maintain insurance on the project for the benefit of the
 - 17 development cooperative;
 - 18 (C) assume responsibility for utilities, repairs, alterations,
 - 19 and any costs of operation; and
 - 20 (D) pay a deposit or series of deposits to the development
 - 21 cooperative from any funds available to the eligible
 - 22 political subdivision before the commencement of the lease
 - 23 to secure the performance of the eligible political
 - 24 subdivision's obligations under the lease; and
 - 25 (8) must provide that the lease rental payments by the eligible
 - 26 political subdivision shall be made from the development
 - 27 cooperative fund established under section 1 of this chapter
 - 28 and may provide that the lease rental payments by the eligible
 - 29 political subdivision shall be made from:
 - 30 (A) net revenues of the project;
 - 31 (B) any other funds available to the eligible political
 - 32 subdivision; or
 - 33 (C) both sources described in clauses (A) and (B).

34 **Sec. 8.** This chapter contains full and complete authority for
 35 leases between the development cooperative and an eligible
 36 political subdivision. No law, procedure, proceedings, publications,
 37 notices, consents, approvals, orders, or acts by the development
 38 cooperative or the eligible political subdivision or any other officer,
 39 department, agency, or instrumentality of the state or any political
 40 subdivision is required to enter into any lease, except as prescribed
 41 in this article.

42 **Sec. 9.** If the lease provides for a project or improvements to a

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1 project to be constructed by the development cooperative, the
2 plans and specifications shall be submitted to and approved by all
3 agencies designated by law to pass on plans and specifications for
4 public buildings.

5 Sec. 10. The development cooperative and an eligible political
6 subdivision may enter into common wall (party wall) agreements
7 or other agreements concerning easements or licenses. These
8 agreements shall be recorded with the recorder of the county in
9 which the project is located.

10 Sec. 11. (a) An eligible political subdivision may lease for a
11 nominal lease rental, or sell to the development cooperative, one (1)
12 or more projects or parts of a project or land upon which a project
13 is located or is to be constructed.

14 (b) Any lease of all or a part of a project by an eligible political
15 subdivision to the development cooperative must be for a term
16 equal to the term of the lease of that project back to the eligible
17 political subdivision.

18 (c) An eligible political subdivision may sell property to the
19 development cooperative for the amount the eligible political
20 subdivision determines to be in the best interest of the eligible
21 political subdivision. The development cooperative may pay that
22 amount from the proceeds of bonds of the development
23 cooperative.

24 Sec. 12. If an eligible political subdivision exercises its option to
25 purchase leased property, the eligible political subdivision may
26 issue its bonds as authorized by statute.

27 Sec. 13. (a) All:
28 (1) property owned by the development cooperative;
29 (2) revenue of the development cooperative; and
30 (3) bonds issued by the development cooperative, the interest
31 on the bonds, the proceeds received by a holder from the sale
32 of bonds to the extent of the holder's cost of acquisition,
33 proceeds received upon redemption before maturity, proceeds
34 received at maturity, and the receipt of interest in proceeds;
35 are exempt from taxation in Indiana for all purposes except the
36 financial institutions tax imposed under IC 6-5.5 or a state
37 inheritance tax imposed under IC 6-4.1.

38 (b) All securities issued under this chapter are exempt from the
39 registration requirements of IC 23-2-1 and other securities
40 registration statutes.

41 Sec. 14. Bonds issued under this chapter are legal investments
42 for private trust funds and the funds of banks, trust companies,

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1 insurance companies, building and loan associates, credit unions,
2 savings banks, private banks, loan and trust and safe deposit
3 companies, rural loan and savings associations, guaranty loan and
4 savings associations, mortgage guaranty companies, small loan
5 companies, industrial loan and investment companies, and other
6 financial institutions organized under Indiana law.

7 Sec. 15. An action to contest the validity of bonds to be issued
8 under this chapter may not be brought after the time limitations
9 set forth in IC 5-1-14-13.

10 Sec. 16. (a) This section applies if:

11 (1) LaPorte County, the city of Michigan City, or (if the city
12 of LaPorte is a member of the development cooperative) the
13 city of LaPorte fails to make a transfer or a part of a transfer
14 required by section 2 of this chapter; and

15 (2) the development cooperative has bonds or other debt or
16 lease obligations outstanding.

17 (b) The treasurer of state shall, notwithstanding IC 6-1.1-21, do
18 the following:

19 (1) Reduce the next distribution of property tax replacement
20 credits under IC 6-1.1-21 to the unit that failed to make a
21 transfer or part of a transfer and withhold an amount equal
22 to the amount of the transfer or part of the transfer under
23 section 2 of this chapter that the unit failed to make.

24 (2) Pay the amount withheld under subdivision (1) to the
25 development cooperative.

26 Sec. 17. (a) If there are bonds outstanding that have been issued
27 under this article and are not secured by a lease, or if there are
28 leases in effect under this article, the general assembly also
29 covenants that it will not reduce the amount required to be
30 transferred from LaPorte County, the city of Michigan City, or (if
31 the city of LaPorte is a member of the development cooperative)
32 the city of LaPorte to the development cooperative under section
33 2 of this chapter below an amount that would produce one and
34 twenty-five hundredths (1.25) multiplied by the total of the highest
35 annual debt service on the bonds to their final maturity plus the
36 highest annual lease payments on the leases to their final
37 termination date.

38 (b) The general assembly also covenants that it will not:

39 (1) repeal or amend this article in a manner that would
40 adversely affect owners of outstanding bonds, or the payment
41 of lease rentals, secured by the amounts pledged under this
42 chapter; or

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1 (2) in any way impair the rights of owners of bonds of the
2 development cooperative, or the owners of bonds secured by
3 lease rentals, secured by a pledge of revenues under this
4 chapter;
5 except as otherwise set forth in subsection (a).

6 Chapter 5. Termination of Development Cooperative

7 Sec. 1. (a) The development cooperative is terminated on the
8 later of:

9 (1) June 30, 2017; or

10 (2) the date on which:

11 (A) there are no bonds issued under this article that are
12 outstanding; and

13 (B) no leases under this article are in effect;

14 except as is necessary for the winding up of the development
15 cooperative's affairs as specified in the bylaws of the development
16 cooperative.

17 (b) If development cooperative is not terminated on June 30,
18 2017, the development cooperative may not do any of the following
19 after June 30, 2017:

20 (1) Issue any additional bonds under this article.

21 (2) Enter into any additional leases under this article.

22 (3) Acquire, construct, equip, lease, or finance any additional
23 projects or facilities.

24 (4) Fund or developing any additional projects or facilities,
25 including:

26 (A) intermodal transportation facilities;

27 (B) airport authority projects; or

28 (C) commuter transportation districts.

29 (5) Provide any additional loans, grants, or other financial
30 assistance that the cooperative was not obligated to provide as
31 of June 30, 2017.

32 SECTION 5. IC 36-9-3-3 IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2007]: Sec. 3. **Except as provided in section**
34 **3.5 of this chapter**, the authority may be expanded to include one (1)
35 or more additional counties or municipalities within the same planning
36 district if resolutions approving the expansion are adopted by the fiscal
37 bodies of:

38 (1) the counties or municipalities to be added to the authority; and

39 (2) a majority of the counties and municipalities already in the
40 authority.

41 SECTION 6. IC 36-9-3-3.5 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2007]: **Sec. 3.5. (a) This section applies to a municipality located**
 2 **in a county with a population of more than one hundred ten**
 3 **thousand (110,000) but less than one hundred fifteen thousand**
 4 **(115,000).**

5 **(b) A municipality described in subsection (a) shall become a**
 6 **member of an authority described in section 5(c) of this chapter if**
 7 **the fiscal body of the municipality adopts a resolution authorizing**
 8 **the municipality to become a member of the authority.**

9 SECTION 7. IC 36-9-3-5, AS AMENDED BY P.L.1-2006,
 10 SECTION 584, AND AS AMENDED BY P.L.169-2006, SECTION
 11 79, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) An authority is under the
 13 control of a board (referred to as "the board" in this chapter) that,
 14 except as provided in subsections (b) and (c), consists of:

- 15 (1) two (2) members appointed by the executive of each county in
 16 the authority;
 17 (2) one (1) member appointed by the executive of the largest
 18 municipality in each county in the authority;
 19 (3) one (1) member appointed by the executive of each second
 20 class city in a county in the authority; and
 21 (4) one (1) member from any other political subdivision that has
 22 public transportation responsibilities in a county in the authority.

23 (b) An authority that includes a consolidated city is under the
 24 control of a board consisting of the following:

- 25 (1) Two (2) members appointed by the executive of the county
 26 having the consolidated city.
 27 (2) One (1) member appointed by the board of commissioners of
 28 the county having the consolidated city.
 29 (3) One (1) member appointed by the executive of each other
 30 county in the authority.
 31 (4) Two (2) members appointed by the governor from a list of at
 32 least five (5) names provided by the Indianapolis regional
 33 transportation council.
 34 (5) One (1) member representing the four (4) largest
 35 municipalities in the authority located in a county other than a
 36 county containing a consolidated city. The member shall be
 37 appointed by the executives of the municipalities acting jointly.
 38 (6) One (1) member representing the excluded cities located in a
 39 county containing a consolidated city that are members of the
 40 authority. The member shall be appointed by the executives of the
 41 excluded cities acting jointly.
 42 (7) One (1) member of a labor organization representing

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1 employees of the authority who provide public transportation
 2 services within the geographic jurisdiction of the authority. The
 3 labor organization shall appoint the member.

4 (c) An authority that includes a county having a population of more
 5 than four hundred thousand (400,000) but less than seven hundred
 6 thousand (700,000) is under the control of a board consisting of the
 7 following ~~nineteen (19)~~ *twenty-one (21)* members:

8 (1) Three (3) members appointed by the executive of a city with
 9 a population of more than ninety thousand (90,000) but less than
 10 one hundred five thousand (105,000).

11 (2) Two (2) members appointed by the executive of a city with a
 12 population of more than seventy-five thousand (75,000) but less
 13 than ninety thousand (90,000).

14 (3) One (1) member jointly appointed by the executives of the
 15 following municipalities located within a county having a
 16 population of more than four hundred thousand (400,000) but less
 17 than seven hundred thousand (700,000):

18 (A) A city with a population of more than five thousand one
 19 hundred thirty-five (5,135) but less than five thousand two
 20 hundred (5,200).

21 (B) A city with a population of more than thirty-two thousand
 22 (32,000) but less than thirty-two thousand eight hundred
 23 (32,800).

24 (4) One (1) member who is jointly appointed by the fiscal body of
 25 the following municipalities located within a county with a
 26 population of more than four hundred thousand (400,000) but less
 27 than seven hundred thousand (700,000):

28 (A) A town with a population of more than fifteen thousand
 29 (15,000) but less than twenty thousand (20,000).

30 (B) A town with a population of more than twenty-three
 31 thousand (23,000) but less than twenty-four thousand
 32 (24,000).

33 (C) A town with a population of more than twenty thousand
 34 (20,000) but less than twenty-three thousand (23,000).

35 (5) One (1) member who is jointly appointed by the fiscal body of
 36 the following municipalities located within a county with a
 37 population of more than four hundred thousand (400,000) but less
 38 than seven hundred thousand (700,000):

39 (A) A town with a population of more than eight thousand
 40 (8,000) but less than nine thousand (9,000).

41 (B) A town with a population of more than twenty-four
 42 thousand (24,000) but less than thirty thousand (30,000).

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- 1 (C) A town with a population of more than twelve thousand
 2 five hundred (12,500) but less than fifteen thousand (15,000).
 3 (6) One (1) member who is jointly appointed by the following
 4 authorities of municipalities located in a county having a
 5 population of more than four hundred thousand (400,000) but less
 6 than seven hundred thousand (700,000):
 7 (A) The executive of a city with a population of more than
 8 nineteen thousand eight hundred (19,800) but less than
 9 twenty-one thousand (21,000).
 10 (B) The fiscal body of a town with a population of more than
 11 nine thousand (9,000) but less than twelve thousand five
 12 hundred (12,500).
 13 (C) The fiscal body of a town with a population of more than
 14 five thousand (5,000) but less than eight thousand (8,000).
 15 (D) The fiscal body of a town with a population of less than
 16 one thousand five hundred (1,500).
 17 (E) The fiscal body of a town with a population of more than
 18 two thousand two hundred (2,200) but less than five thousand
 19 (5,000).
 20 (7) One (1) member appointed by the fiscal body of a town with
 21 a population of more than thirty thousand (30,000) located within
 22 a county with a population of more than four hundred thousand
 23 (400,000) but less than seven hundred thousand (700,000).
 24 (8) One (1) member who is jointly appointed by the following
 25 authorities of municipalities that are located within a county with
 26 a population of more than four hundred thousand (400,000) but
 27 less than seven hundred thousand (700,000):
 28 (A) The executive of a city having a population of more than
 29 twenty-five thousand (25,000) but less than twenty-seven
 30 thousand (27,000).
 31 (B) The executive of a city having a population of more than
 32 thirteen thousand nine hundred (13,900) but less than fourteen
 33 thousand two hundred (14,200).
 34 (C) The fiscal body of a town having a population of more
 35 than one thousand five hundred (1,500) but less than two
 36 thousand two hundred (2,200).
 37 (9) Three (3) members appointed by the fiscal body of a county
 38 with a population of more than four hundred thousand (400,000)
 39 but less than seven hundred thousand (700,000).
 40 (10) One (1) member appointed by the county executive of a
 41 county with a population of more than four hundred thousand
 42 (400,000) but less than seven hundred thousand (700,000).

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1 (11) One (1) member of a labor organization representing
 2 employees of the authority who provide public transportation
 3 services within the geographic jurisdiction of the authority. The
 4 labor organization shall appoint the member. If more than one (1)
 5 labor organization represents the employees of the authority, each
 6 organization shall submit one (1) name to the governor, and the
 7 governor shall appoint the member from the list of names
 8 submitted by the organizations.

9 (12) The executive of a city with a population of more than
 10 twenty-seven thousand four hundred (27,400) but less than
 11 twenty-eight thousand (28,000), located within a county with a
 12 population of more than one hundred forty-five thousand
 13 (145,000) but less than one hundred forty-eight thousand
 14 (148,000), or the executive's designee.

15 (13) The executive of a city with a population of more than
 16 thirty-three thousand (33,000) but less than thirty-six thousand
 17 (36,000), located within a county with a population of more than
 18 one hundred forty-five thousand (145,000) but less than one
 19 hundred forty-eight thousand (148,000), or the executive's
 20 designee.

21 (14) One (1) member of the board of commissioners of a county
 22 with a population of more than one hundred forty-five thousand
 23 (145,000) but less than one hundred forty-eight thousand
 24 (148,000), appointed by the board of commissioners, or the
 25 member's designee.

26 (15) *One (1) member appointed jointly by the township executive*
 27 *of the township containing the following towns:*

- 28 (A) *Chesterton.*
- 29 (B) *Porter.*
- 30 (C) *Burns Harbor.*
- 31 (D) *Dune Acres.*

32 *The member appointed under this subdivision must be a resident*
 33 *of a town listed in this subdivision.*

34 (16) *One (1) member appointed jointly by the township executives*
 35 *of the following townships located in Porter County:*

- 36 (A) *Washington Township.*
- 37 (B) *Morgan Township.*
- 38 (C) *Pleasant Township.*
- 39 (D) *Boone Township.*
- 40 (E) *Union Township.*
- 41 (F) *Porter Township.*
- 42 (G) *Jackson Township.*

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(H) Liberty Township.

(I) Pine Township.

The member appointed under this subdivision must be a resident of a township listed in this subdivision.

If a municipality becomes a member of the authority under section 3.5 of this chapter, the executive of the municipality shall appoint one (1) member to serve on the board.

SECTION 8. IC 36-9-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Except as provided in subsection (d), the appointments required by section 5 of this chapter must be made as soon as is practical, but not later than sixty (60) days after the adoption of the ordinance establishing the authority. If any appointing authority fails to make the required appointment within the sixty (60) day time limit, the circuit court from the jurisdiction of the appointing authority shall make the appointment without delay.

(b) The term of office of a member of the board is:

- (1) two (2) years, for a member of a board located in a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and
- (2) four (4) years, for all other boards;

and continues until the member's successor has qualified for the office. A member may be reappointed for successive terms.

(c) A member of the board serves at the pleasure of the appointing authority.

(d) An appointment to an authority located in a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) must be made not later than sixty (60) days after the adoption of the ordinance establishing the authority, or for the purpose of reappointments, sixty (60) days after a scheduled reappointment. If the appointing authority designated in section 5(c)(3), 5(c)(4), 5(c)(5), 5(c)(6), or 5(c)(8) of this chapter fails to make an appointment, the appointment shall be made by the governor. **If a municipality becomes a member of the authority under section 3.5 of this chapter and the executive of the municipality fails to make an appointment to the board within sixty (60) days after the fiscal body of the municipality adopts the resolution authorizing the municipality to become a member of the authority, the appointment shall be made by the governor.** The governor shall select an individual from a list comprised of one (1) name from each appointing authority for that particular appointment.

SECTION 9. IC 36-9-3-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.5. (a) This section

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- 1 applies only to an authority located in a county with a population of
- 2 more than four hundred thousand (400,000) but less than seven
- 3 hundred thousand (700,000).
- 4 (b) The board shall establish a citizens advisory council consisting
- 5 of thirteen (13) members appointed as follows:
- 6 (1) Three (3) members appointed by the executive of a city with
- 7 a population of more than ninety thousand (90,000) but less than
- 8 one hundred five thousand (105,000).
- 9 (2) Two (2) members appointed by the executive of a city with a
- 10 population of more than seventy-five thousand (75,000) but less
- 11 than ninety thousand (90,000).
- 12 (3) One (1) member appointed jointly by the executive of the
- 13 following cities located within the county:
- 14 (A) A city with a population of more than thirty-two thousand
- 15 (32,000) but less than thirty-two thousand eight hundred
- 16 (32,800).
- 17 (B) A city with a population of more than five thousand one
- 18 hundred thirty-five (5,135) but less than five thousand two
- 19 hundred (5,200).
- 20 (4) One (1) member selected from a list of citizens submitted by
- 21 community based organizations which advocate for public
- 22 transportation by the fiscal body of the county.
- 23 (5) One (1) member selected from a list of citizens submitted by
- 24 community based organizations which advocate for public
- 25 transportation by the county executive of the county.
- 26 (6) One (1) member who is jointly appointed by the following
- 27 individuals or entities representing municipalities that are located
- 28 within the county:
- 29 (A) The executive of a city having a population of more than
- 30 twenty-five thousand (25,000) but less than twenty-seven
- 31 thousand (27,000).
- 32 (B) The executive of a city having a population of more than
- 33 thirteen thousand nine hundred (13,900) but less than fourteen
- 34 thousand two hundred (14,200).
- 35 (C) The fiscal body of a town having a population of more
- 36 than one thousand five hundred (1,500) but less than two
- 37 thousand two hundred (2,200).
- 38 (7) One (1) member who is jointly appointed by the following
- 39 authorities of municipalities located in a county having a
- 40 population of more than four hundred thousand (400,000) but less
- 41 than seven hundred thousand (700,000):
- 42 (A) The executive of a city with a population of more than

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- 1 nineteen thousand eight hundred (19,800) but less than
- 2 twenty-one thousand (21,000).
- 3 (B) The fiscal body of a town with a population of more than
- 4 nine thousand (9,000) but less than twelve thousand five
- 5 hundred (12,500).
- 6 (C) The fiscal body of a town with a population of more than
- 7 five thousand (5,000) but less than eight thousand (8,000).
- 8 (D) The fiscal body of a town with a population of less than
- 9 one thousand five hundred (1,500).
- 10 (E) The fiscal body of a town with a population of more than
- 11 two thousand two hundred (2,200) but less than five thousand
- 12 (5,000).
- 13 (8) One (1) member who is jointly appointed by the fiscal body of
- 14 the following municipalities located within a county with a
- 15 population of more than four hundred thousand (400,000) but less
- 16 than seven hundred thousand (700,000):
- 17 (A) A town with a population of more than fifteen thousand
- 18 (15,000) but less than twenty thousand (20,000).
- 19 (B) A town with a population of more than twenty-three
- 20 thousand (23,000) but less than twenty-four thousand
- 21 (24,000).
- 22 (C) A town with a population of more than twenty thousand
- 23 (20,000) but less than twenty-three thousand (23,000).
- 24 (9) One (1) member who is jointly appointed by the fiscal body of
- 25 the following municipalities located within a county with a
- 26 population of more than four hundred thousand (400,000) but less
- 27 than seven hundred thousand (700,000):
- 28 (A) A town having a population of more than twenty-four
- 29 thousand (24,000) but less than thirty thousand (30,000).
- 30 (B) A town having a population of more than twelve thousand
- 31 five hundred (12,500) but less than fifteen thousand (15,000).
- 32 (C) A town having a population of more than eight thousand
- 33 (8,000) but less than nine thousand (9,000).
- 34 (10) One (1) member appointed by the fiscal body of a town
- 35 having a population of more than thirty thousand (30,000) located
- 36 in a county having a population of more than four hundred
- 37 thousand (400,000) but less than seven hundred thousand
- 38 (700,000).
- 39 **If a municipality becomes a member of the authority under section**
- 40 **3.5 of this chapter, the executive of the municipality shall appoint**
- 41 **one (1) member to serve on the citizens advisory council.**
- 42 (c) A member of a citizens advisory council:

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- 1 (1) must live in the geographic area represented by the appointing
- 2 authority;
- 3 (2) may not be:
- 4 (A) an elected official; or
- 5 (B) a public employee of the appointing authority;
- 6 (3) may serve a two (2) year term; and
- 7 (4) may be reappointed to multiple terms.
- 8 (d) The citizens advisory council shall:
- 9 (1) meet at least once every six (6) months;
- 10 (2) review and make recommendations to the board on:
- 11 (A) the authority plan;
- 12 (B) the proposed route and time schedule changes of the
- 13 regional transportation system;
- 14 (C) the authority budget; and
- 15 (D) the hiring of the authority director;
- 16 (3) be responsible for assuring direct citizen input into the
- 17 authority plan; and
- 18 (4) refer all complaints and concerns of citizens to the appropriate
- 19 person or committee within the authority.

20 **SECTION 10. [EFFECTIVE JULY 1, 2007] The general assembly**
 21 **finds the following:**

- 22 **(1) LaPorte County faces unique and distinct challenges and**
- 23 **opportunities related to transportation and economic**
- 24 **development that are different in scope and type than those**
- 25 **faced by other units of local government in Indiana.**
- 26 **(2) The powers and responsibilities provided to the LaPorte**
- 27 **County regional development cooperative established by**
- 28 **IC 36-7.6-2-1, as added by this act, are appropriate and**
- 29 **necessary to carry out the public purposes of encouraging**
- 30 **economic development and further facilitating the provision**
- 31 **of air, rail, and bus transportation services, projects, and**
- 32 **facilities, and economic development projects in LaPorte**
- 33 **County.**

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