

Adopted	Rejected
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MINORITY COMMITTEE REPORT

MR. SPEAKER:

*A minority of your Committee on Employment, Labor and Pensions, which met on January 10, 2012, to consider House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 2-5-35 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2012]:
- 5 **Chapter 35. Targeted Job Opportunity Task Force**
- 6 **Sec. 1. As used in this chapter, "targeted area" refers to a**
- 7 **region of Indiana, as determined by the task force, that has:**
- 8 **(1) a higher unemployment rate than the average rate of total**
- 9 **unemployment in Indiana for a comparable period; or**
- 10 **(2) a lower wage rate or income than the average wage rate or**
- 11 **income for Indiana for a comparable period.**
- 12 **Sec. 2. As used in this chapter, "task force" refers to the**
- 13 **targeted job opportunity task force established by section 3 of this**

1 chapter.

2 Sec. 3. (a) The targeted job opportunity task force is established.

3 (b) The purpose of the task force is to develop and oversee the
4 implementation of regional and state policies and programs that
5 increase the educational and employment opportunities for
6 individuals in targeted areas.

7 Sec. 4. The task force shall do all of the following:

8 (1) Collect and analyze programmatic and funding
9 information concerning current regional and state
10 educational and employment programs for unemployed and
11 underemployed workers.

12 (2) Collect information about and analyze educational and
13 employment trends, including anticipated future needs, for
14 Indiana and regions within Indiana to identify possible areas
15 to be targeted by the task force.

16 (3) Conduct outreach to unemployed and underemployed
17 workers, especially workers in targeted areas:

18 (A) to understand the workers' needs; and

19 (B) to provide opportunities for the workers to participate
20 in the development of policies and programs to address
21 those needs.

22 (4) Communicate with and collect information about
23 employers, especially employers in targeted areas:

24 (A) to understand the employers' workforce needs; and

25 (B) to work with the employers to develop pipelines to
26 employment for unemployed and underemployed workers,
27 especially workers in the targeted areas.

28 (5) Communicate with community organizations and agencies
29 in the development of regional and state policies and
30 programs to address unemployment and underemployment,
31 especially in targeted areas.

32 (6) Collect information concerning:

33 (A) educational and employment programs involving
34 unemployed and underemployed workers in other states,
35 particularly states bordering Indiana; and

36 (B) funding and funding mechanisms for the programs
37 referred to in clause (A).

38 (7) Study the status of diversity in the workplace and benefits

1 to be gained by increasing diversity in the workplace.

2 **(8) Increase public awareness of the issues involved in the**
3 **development of policies and programs to address**
4 **unemployment and underemployment, especially in targeted**
5 **areas.**

6 **(9) Oversee the implementation of policies and programs**
7 **recommended by the task force and enacted by the general**
8 **assembly.**

9 **(10) Monitor public and private workforce related**
10 **agreements and actions, and hold parties accountable for**
11 **results in accordance with those agreements and actions.**

12 **Sec. 5. (a) The task force consists of the following eleven (11)**
13 **members:**

14 **(1) One (1) member representing labor appointed as follows:**

15 **(A) Beginning in calendar year 2012 and in each**
16 **even-numbered calendar year thereafter, by the minority**
17 **leader of the house of representatives.**

18 **(B) Beginning in calendar year 2013 and in each**
19 **odd-numbered calendar year thereafter, by the speaker of**
20 **the house of representatives.**

21 **(2) One (1) member representing business appointed as**
22 **follows:**

23 **(A) Beginning in calendar year 2012 and in each**
24 **even-numbered calendar year thereafter, by the speaker of**
25 **the house of representatives.**

26 **(B) Beginning in calendar year 2013 and in each**
27 **odd-numbered calendar year thereafter, by the minority**
28 **leader of the house of representatives.**

29 **(3) One (1) member representing labor appointed as follows:**

30 **(A) Beginning in calendar year 2012 and in each**
31 **even-numbered calendar year thereafter, by the minority**
32 **leader of the senate.**

33 **(B) Beginning in calendar year 2013 and in each**
34 **odd-numbered calendar year thereafter, by the president**
35 **pro tempore of the senate.**

36 **(4) One (1) member representing business appointed as**
37 **follows:**

38 **(A) Beginning in calendar year 2012 and in each**

- 1 even-numbered calendar year thereafter, by the president
 2 pro tempore of the senate.
- 3 (B) Beginning in calendar year 2013 and in each
 4 odd-numbered calendar year thereafter, by the minority
 5 leader of the senate.
- 6 (5) Four (4) members, selected as follows, each of whom must
 7 be a business or economics professor employed by a state
 8 educational institution and whose expertise must be in the
 9 areas of job training and income improvement:
- 10 (A) One (1) member appointed by the speaker of the house
 11 of representatives.
- 12 (B) One (1) member appointed by the minority leader of
 13 the house of representatives.
- 14 (C) One (1) member appointed by the president pro
 15 tempore of the senate.
- 16 (D) One (1) member appointed by the minority leader of
 17 the senate.
- 18 (6) The commissioner of labor, or the commissioner's
 19 designee, who serves as an ex officio nonvoting member.
- 20 (7) The commissioner of the department of workforce
 21 development, or the commissioner's designee, who serves as
 22 an ex officio nonvoting member.
- 23 (8) The secretary of commerce, or the secretary's designee,
 24 who serves as an ex officio nonvoting member.
- 25 (b) The appointing authority who appointed a member of the
 26 task force may remove the member for cause.
- 27 (c) If there is a vacancy on the task force, the appointing
 28 authority who appointed the member whose position is vacant shall
 29 appoint, not later than thirty (30) days after the vacancy occurs, an
 30 individual to fill the vacancy using the criteria in subsection (a).
- 31 (d) The chairman of the legislative council shall appoint the
 32 chair of the task force.
- 33 Sec. 6. (a) The legislative services agency shall provide
 34 administrative support for the task force.
- 35 (b) At the request of the legislative services agency, the
 36 following shall assign staff to provide research and other support
 37 to assist the legislative services agency in providing administrative
 38 support to the task force:

- 1 **(1) The department of labor created by IC 22-1-1-1.**
- 2 **(2) The department of workforce development established by**
- 3 **IC 22-4.1-2-1.**
- 4 **(3) The Indiana economic development corporation**
- 5 **established by IC 5-28-3-1.**
- 6 **(c) The task force may seek and accept assistance from state**
- 7 **educational institutions willing to provide research, expertise, and**
- 8 **policy analysis as needed by the task force.**
- 9 **Sec. 7. Six (6) task force members constitute a quorum.**
- 10 **Sec. 8. (a) The task force shall hold regular meetings.**
- 11 **(b) The task force shall meet at the call of the chair and at other**
- 12 **times as task force members consider necessary.**
- 13 **(c) The task force shall hold its initial meeting not later than**
- 14 **July 30, 2012.**
- 15 **Sec. 9. The task force shall make a report annually, not later**
- 16 **than November 1, to the legislative council setting forth its findings**
- 17 **and recommendations, including any recommended legislation.**
- 18 **The report required by this section must be submitted in an**
- 19 **electronic format under IC 5-14-6 and distributed to members of**
- 20 **the general assembly.**
- 21 **Sec. 10. (a) Each member of the task force who is not a state**
- 22 **employee is entitled to the following:**
- 23 **(1) The salary per diem provided under IC 4-10-11-2.1(b).**
- 24 **(2) Reimbursement for traveling expenses as provided under**
- 25 **IC 4-13-1-4.**
- 26 **(3) Other expenses actually incurred in connection with the**
- 27 **member's duties as provided in the state policies and**
- 28 **procedures established by the Indiana department of**
- 29 **administration and approved by the budget agency.**
- 30 **(b) Each member of the task force who is a state employee is**
- 31 **entitled to the following:**
- 32 **(1) Reimbursement for traveling expenses as provided under**
- 33 **IC 4-13-1-4.**
- 34 **(2) Other expenses actually incurred in connection with the**
- 35 **member's duties as provided in the state policies and**
- 36 **procedures established by the Indiana department of**
- 37 **administration and approved by the budget agency.**
- 38 **SECTION 2. IC 4-13.6-5-13 IS ADDED TO THE INDIANA CODE**

1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: **Sec. 13. (a) As used in this section, "Indiana
3 business" refers to any of the following:**

4 **(1) A business whose principal place of business is located in
5 Indiana.**

6 **(2) A business that pays a majority of its payroll (in dollar
7 volume) to residents of Indiana.**

8 **(3) A business that employs residents of Indiana as a majority
9 of its employees.**

10 **(4) A business that makes significant capital investments in
11 Indiana as determined by the department.**

12 **(5) A business that has a substantial positive economic impact
13 on Indiana as determined by the department.**

14 **(b) There is a price preference for an Indiana business that:**

15 **(1) submits a bid for the performance of the work on a public
16 works project;**

17 **(2) competes for the contract against at least one (1) bidder
18 domiciled in a state that provides a price preference to
19 bidders from that state; and**

20 **(3) claims the preference under subsection (e).**

21 **The amount of the preference provided by this subsection is equal
22 to the price preference provided by the state in which the
23 out-of-state bidder is domiciled. If bidders from two (2) or more
24 states granting preferences to in-state bidders bid for the contract,
25 the amount of the preference is equal to the highest preference
26 provided among those states.**

27 **(c) Notwithstanding any statute that requires the award of a
28 contract to the lowest responsive and responsible bidder or the
29 lowest responsive and responsible quoter, but subject to subsection
30 (d), a contract shall be awarded to the lowest responsive and
31 responsible Indiana business that claims the preference provided
32 by this section.**

33 **(d) Notwithstanding subsection (c), a contract shall be awarded
34 to the lowest responsive and responsible bidder or quoter,
35 regardless of the preference provided in this section, if the lowest
36 responsive and responsible bidder or quoter is an Indiana business.**

37 **(e) A business that wants to claim a preference provided under
38 this section must do all of the following:**

- 1 **(1) State in the business's bid that the business claims the**
 2 **preference provided by this section.**
- 3 **(2) Provide the following information to the department:**
- 4 **(A) The location of the business's principal place of**
 5 **business. If the business claims the preference as an**
 6 **Indiana business described in subsection (a)(1), a statement**
 7 **explaining the reasons the business considers the location**
 8 **named as the business's principal place of business.**
- 9 **(B) The amount of the business's total payroll and the**
 10 **amount of the business's payroll paid to residents of**
 11 **Indiana.**
- 12 **(C) The number of the business's employees and the**
 13 **number of the business's employees who are residents of**
 14 **Indiana.**
- 15 **(D) If the business claims the preference as an Indiana**
 16 **business described in subsection (a)(4), a description of the**
 17 **capital investments made in Indiana and a statement of the**
 18 **amount of those capital investments.**
- 19 **(E) If the business claims the preference as an Indiana**
 20 **business described in subsection (a)(5), a description of the**
 21 **substantial positive economic impact the business has on**
 22 **Indiana.**
- 23 SECTION 3. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) As used in this section,**
 26 **"resident of Indiana" means a person who is at least eighteen (18)**
 27 **years of age and is one (1) of the following:**
- 28 **(1) A person who has registered a motor vehicle in Indiana.**
 29 **(2) A person who is registered to vote in Indiana.**
 30 **(3) A person who has a child enrolled in an elementary or a**
 31 **secondary school located in Indiana.**
 32 **(4) A person who derives more than one-half (1/2) of the**
 33 **person's gross income (as defined in Section 61 of the Internal**
 34 **Revenue Code) from sources in Indiana, according to the**
 35 **provisions applicable to determining the source of adjusted**
 36 **gross income under IC 6-3-2-2. However, a person who would**
 37 **otherwise be considered a resident of Indiana under this**
 38 **subdivision is not a resident of Indiana if a preponderance of**

- 1 the evidence concerning the factors set forth in subdivisions
2 (1) through (3) proves that the person is not a resident of
3 Indiana.
- 4 (5) A person who:
- 5 (A) works from an office in Indiana;
- 6 (B) is on a payroll from a business located in Indiana;
- 7 (C) possesses a telephone with a telephone number that has
8 an Indiana area code; or
- 9 (D) has a permanent place of doing business in Indiana;
10 for at least thirteen (13) months before entering into a
11 contract or subcontract under this chapter.
- 12 (b) A contract for a public works project may not be awarded
13 to a contractor who does not:
- 14 (1) employ residents of Indiana as at least ninety percent
15 (90%) of the employees who work on the contract; and
- 16 (2) enter into subcontracts only with subcontractors who
17 employ residents of Indiana as at least ninety percent (90%)
18 of the employees who work on the subcontract.
- 19 (c) Before August 15, 2013, and before August 15 of each year
20 thereafter, the division shall file with the legislative council a
21 report for the preceding year stating:
- 22 (1) for each contractor awarded a contract under this
23 chapter; and
- 24 (2) for each subcontractor with which a contractor referred
25 to in subdivision (1) enters into a contract in connection with
26 a contract awarded under this chapter;
- 27 the percentage of the employees of the contractor or subcontractor
28 who work on the contract and are residents of Indiana. The report
29 to the legislative council must be in an electronic format under
30 IC 5-14-6.
- 31 (d) A contract awarded under this chapter for a public works
32 project is terminated if the division determines that the contractor
33 has failed to:
- 34 (1) employ residents of Indiana as at least ninety percent
35 (90%) of the employees who work on the contract; and
- 36 (2) enter into subcontracts only with subcontractors who
37 employ residents of Indiana as at least ninety percent (90%)
38 of the employees who work on the subcontract.

1 (e) A contractor or subcontractor who fails to employ residents
2 of Indiana as at least ninety percent (90%) of the employees who
3 work on the contract or subcontract commits a Class B infraction
4 for each nonresident of Indiana employed that exceeds the number
5 of nonresident employees permitted by this section.

6 (f) If:

7 (1) a contract or subcontract subject to this section is funded
8 in whole or in part with federal funds; and

9 (2) imposing the requirements of this section would cause the
10 state to lose the federal funds for the contract, as determined
11 by the federal agency providing the funds;

12 subsections (a) through (e) do not apply.

13 (g) If an agency of the federal government makes a
14 determination under subsection (f) that causes a contract to be
15 exempted from the requirements of subsections (a) through (e), this
16 section is meant to express the view of the general assembly that
17 expanding employment opportunities for Indiana residents
18 remains a vital part of the state's economy.

19 (h) A contract exempted from the requirements of subsections
20 (a) through (e) may not reference the employment of Indiana
21 residents. The division may not consider the number of
22 employment opportunities for Indiana residents when doing any of
23 the following with respect to a project subject to a contract that is
24 exempted from the requirements of subsections (a) through (e):

25 (1) Issuing a request for proposals.

26 (2) Issuing a bulletin inviting bids for the contract.

27 (3) Prequalifying a contractor for the contract.

28 (4) Evaluating a bid for the contract.

29 (i) This section does not apply to contracts entered into to
30 perform work:

31 (1) resulting from an emergency; or

32 (2) performed by an artisan or by someone in a specialty area
33 with limited persons able to perform the work.

34 SECTION 4. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
36 UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "resident of
37 Indiana" means a person who is at least eighteen (18) years of age
38 and is one (1) of the following:

- 1 **(1) A person who has registered a motor vehicle in Indiana.**
- 2 **(2) A person who is registered to vote in Indiana.**
- 3 **(3) A person who has a child enrolled in an elementary or a**
- 4 **secondary school located in Indiana.**
- 5 **(4) A person who derives more than one-half (1/2) of the**
- 6 **person's gross income (as defined in Section 61 of the Internal**
- 7 **Revenue Code) from sources in Indiana, according to the**
- 8 **provisions applicable to determining the source of adjusted**
- 9 **gross income under IC 6-3-2-2. However, a person who would**
- 10 **otherwise be considered a resident of Indiana under this**
- 11 **subdivision is not a resident of Indiana if a preponderance of**
- 12 **the evidence concerning the factors set forth in subdivisions**
- 13 **(1) through (3) proves that the person is not a resident of**
- 14 **Indiana.**
- 15 **(5) A person who:**
 - 16 **(A) works from an office in Indiana;**
 - 17 **(B) is on a payroll from a business located in Indiana;**
 - 18 **(C) possesses a telephone with a telephone number that has**
 - 19 **an Indiana area code; or**
 - 20 **(D) has a permanent place of doing business in Indiana;**
 - 21 **for at least thirteen (13) months before entering into a**
 - 22 **contract or subcontract under this chapter.**
- 23 **(b) A contract for a public works project under this chapter**
- 24 **may not be awarded to a contractor who does not:**
 - 25 **(1) employ residents of Indiana as at least ninety percent**
 - 26 **(90%) of the employees who work on the contract; and**
 - 27 **(2) enter into subcontracts only with subcontractors who**
 - 28 **employ residents of Indiana as at least ninety percent (90%)**
 - 29 **of the employees who work on the subcontract.**
- 30 **(c) Before August 15, 2013, and before August 15 of each year**
- 31 **thereafter, any state agency entering into contracts under this**
- 32 **chapter shall file with the legislative council a report stating:**
 - 33 **(1) for each contractor awarded a contract under this**
 - 34 **chapter; and**
 - 35 **(2) for each subcontractor with which a contractor referred**
 - 36 **to in subdivision (1) enters into a contract in connection with**
 - 37 **a contract awarded under this chapter;**
 - 38 **the percentage of the employees of the contractor or subcontractor**

1 who work on the contract and are residents of Indiana. The report
2 to the legislative council must be in an electronic format under
3 IC 5-14-6.

4 (d) A contract awarded under this chapter for a public works
5 project is terminated if the state or commission determines that the
6 contractor has failed to:

7 (1) employ residents of Indiana as at least ninety percent
8 (90%) of the employees who work on the contract; and

9 (2) enter into subcontracts only with subcontractors who
10 employ residents of Indiana as at least ninety percent (90%)
11 of the employees who work on the subcontract.

12 (e) A contractor or subcontractor who fails to employ residents
13 of Indiana as at least ninety percent (90%) of the employees who
14 work on the contract or subcontract commits a Class B infraction
15 for each nonresident of Indiana employed that exceeds the number
16 of nonresident employees permitted by this section.

17 (f) If:

18 (1) a contract or subcontract subject to this section is funded
19 in whole or in part with federal funds; and

20 (2) imposing the requirements of this section would cause the
21 state to lose the federal funds for the contract, as determined
22 by the federal agency providing the funds;

23 subsections (a) through (e) do not apply.

24 (g) If an agency of the federal government makes a
25 determination under subsection (f) that causes a contract to be
26 exempted from the requirements of subsections (a) through (e), this
27 section is meant to express the view of the general assembly that
28 expanding employment opportunities for Indiana residents
29 remains a vital part of the state's economy.

30 (h) A contract exempted from the requirements of subsections
31 (a) through (e) may not reference the employment of Indiana
32 residents. The state or a commission may not consider the number
33 of employment opportunities for Indiana residents when doing any
34 of the following with respect to a project subject to a contract that
35 is exempted from the requirements of subsections (a) through (e):

36 (1) Issuing a request for proposals.

37 (2) Issuing a bulletin inviting bids for the contract.

38 (3) Prequalifying a contractor for the contract.

- 1 **(4) Evaluating a bid for the contract.**
- 2 **(i) This section does not apply to contracts entered into to**
- 3 **perform work:**
- 4 **(1) resulting from an emergency; or**
- 5 **(2) performed by an artisan or by someone in a specialty area**
- 6 **with limited persons able to perform the work.**
- 7 SECTION 5. IC 5-16-1-9 IS ADDED TO THE INDIANA CODE
- 8 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 9 **UPON PASSAGE]: Sec. 9. (a) As used in this section, "Indiana**
- 10 **business" refers to any of the following:**
- 11 **(1) A business whose principal place of business is located in**
- 12 **Indiana.**
- 13 **(2) A business that pays a majority of its payroll (in dollar**
- 14 **volume) to residents of Indiana.**
- 15 **(3) A business that employs residents of Indiana as a majority**
- 16 **of its employees.**
- 17 **(4) A business that makes significant capital investments in**
- 18 **Indiana as determined by the Indiana department of**
- 19 **administration.**
- 20 **(5) A business that has a substantial positive economic impact**
- 21 **on Indiana as determined by the Indiana department of**
- 22 **administration.**
- 23 **(b) There is a price preference for an Indiana business that:**
- 24 **(1) submits a bid for the performance of the work on a public**
- 25 **works project;**
- 26 **(2) competes for the contract against at least one (1) bidder**
- 27 **domiciled in a state that provides a price preference to**
- 28 **bidders from that state; and**
- 29 **(3) claims the preference under subsection (e).**
- 30 **The amount of the preference provided by this subsection is equal**
- 31 **to the price preference provided by the state in which the**
- 32 **out-of-state bidder is domiciled. If bidders from two (2) or more**
- 33 **states granting preferences to in-state bidders bid for the contract,**
- 34 **the amount of the preference is equal to the highest preference**
- 35 **provided among those states.**
- 36 **(c) Notwithstanding any statute that requires the award of a**
- 37 **contract to the lowest responsive and responsible bidder or the**
- 38 **lowest responsive and responsible quoter, but subject to subsection**

1 (d), a contract shall be awarded to the lowest responsive and
2 responsible Indiana business that claims the preference provided
3 by this section.

4 (d) Notwithstanding subsection (c), a contract shall be awarded
5 to the lowest responsive and responsible bidder or quoter,
6 regardless of the preference provided in this section, if the lowest
7 responsive and responsible bidder or quoter is an Indiana business.

8 (e) A business that wants to claim a preference provided under
9 this section must do all of the following:

10 (1) State in the business's bid that the business claims the
11 preference provided by this section.

12 (2) Provide the following information to the awarding officer,
13 commission, or agent and the Indiana department of
14 administration:

15 (A) The location of the business's principal place of
16 business. If the business claims the preference as an
17 Indiana business described in subsection (a)(1), a statement
18 explaining the reasons the business considers the location
19 named as the business's principal place of business.

20 (B) The amount of the business's total payroll and the
21 amount of the business's payroll paid to residents of
22 Indiana.

23 (C) The number of the business's employees and the
24 number of the business's employees who are residents of
25 Indiana.

26 (D) If the business claims the preference as an Indiana
27 business described in subsection (a)(4), a description of the
28 capital investments made in Indiana and a statement of the
29 amount of those capital investments.

30 (E) If the business claims the preference as an Indiana
31 business described in subsection (a)(5), a description of the
32 substantial positive economic impact the business has on
33 Indiana.

34 SECTION 6. IC 5-28-29-36 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
36 UPON PASSAGE]: Sec. 36. (a) The definitions in P.L.229-2011,
37 SECTION 1 apply throughout this section.

38 (b) In addition to the appropriations made to the Indiana

1 economic development corporation by P.L.229-2011, the budget
 2 agency shall transfer twenty million dollars (\$20,000,000) from
 3 amounts that would otherwise be reverted from other funds to the
 4 Indiana economic development corporation for the total operating
 5 expenses of the capital access program established under this
 6 chapter. The budget agency shall exercise the agency's authority
 7 under IC 4-12-1-12 to reassign appropriations made from other
 8 funds to carry out the transfer required by this section before July
 9 1, 2012.

10 (c) The amount transferred under subsection (b) may not be
 11 used for administrative expenses. The amount transferred shall be
 12 deposited in the reserve fund and used to provide capital to
 13 businesses, particularly small and medium sized businesses, to
 14 foster economic development in Indiana.

15 (d) Notwithstanding any other law or the expiration of this
 16 section, the amount transferred under subsection (b):

17 (1) may not be transferred or reassigned to another purpose
 18 or fund;

19 (2) does not revert to the state general fund or any other fund
 20 at the end of a state fiscal year and remains available in
 21 subsequent state fiscal years for the purposes of the capital
 22 access program established under this chapter; and

23 (3) may be allotted and expended only for the purposes of the
 24 capital access program established under this chapter.

25 IC 4-13-2-18(f) does not apply to an amount reassigned under this
 26 section or any other amount transferred or allotted to the purposes
 27 of the capital access program established under this chapter.

28 (e) This section expires July 1, 2019.

29 SECTION 7. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE
 30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2012 (RETROACTIVE)]:

32 **Chapter 34. Hoosier Job Creation Tax Credit**

33 **Sec. 1.** As used in this chapter, "base employment period" of a
 34 small business refers to the six (6) month period beginning January
 35 1, 2010. However, if a small business began doing business in
 36 Indiana after January 1, 2010, the term refers to the initial period
 37 before January 1, 2012, in which the small business employed
 38 full-time employees in Indiana in the trade or business of the small

1 business, not to exceed six (6) months.

2 Sec. 2. As used in this chapter, "department" refers to the
3 department of state revenue or the department of insurance,
4 whichever is obligated to administer the tax against which a tax
5 credit is applied.

6 Sec. 3. As used in this chapter, "full-time employee" means an
7 individual who:

8 (1) is employed for consideration for at least thirty-five (35)
9 hours each week or who renders any other standard of service
10 generally accepted by custom or specified by contract as
11 full-time employment; and

12 (2) earns income for service described in subdivision (1) that
13 is subject to withholding under IC 6-3 (before the application
14 of any earned income tax credit) in an amount that is the
15 equivalent of at least two hundred percent (200%) of the
16 federal hourly minimum wage in effect during the week of
17 employment.

18 Sec. 4. As used in this chapter, "qualified new employee" refers
19 to a full-time employee described in section 14 of this chapter.

20 Sec. 5. As used in this chapter, "small business" refers to a small
21 business (as defined in IC 5-28-2-6) that existed and employed
22 full-time employees in Indiana in its trade or business before
23 January 1, 2012.

24 Sec. 6. As used in this chapter, "state tax liability" means a
25 taxpayer's total tax liability that is incurred under:

- 26 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 27 (2) IC 27-1-18-2 (the insurance premiums tax); and
- 28 (3) IC 6-5.5 (the financial institutions tax);

29 as computed after the application of the credits that under
30 IC 6-3.1-1-2 are to be applied before the credit provided by this
31 chapter.

32 Sec. 7. As used in this chapter, "tax credit" refers to a tax credit
33 granted by this chapter against state tax liability.

34 Sec. 8. As used in this chapter, "taxpayer" means an individual
35 or entity that has state tax liability.

36 Sec. 9. (a) This section applies only to taxable years beginning
37 after December 31, 2011, and before January 1, 2015.

38 (b) Subject to this chapter, a small business that employs a

1 qualified new employee in Indiana in a taxable year is eligible for
 2 a tax credit against the state tax liability imposed against the small
 3 business for the taxable year if, on average, the small business
 4 employed a greater number of full-time employees in Indiana in
 5 the taxable year than the small business employed in Indiana, on
 6 average, in the small business's base employment period.

7 **Sec. 10.** The amount of the tax credit to which a small business
 8 is entitled in a taxable year is equal to the lesser of the following:

9 (1) Three thousand dollars (\$3,000) multiplied by the lesser
 10 of:

11 (A) the average number of qualified new employees that
 12 the small business employed in Indiana during the taxable
 13 year in the trade or business of the small business; or

14 (B) the average number of additional full-time employees
 15 that the small business employed in Indiana in the trade or
 16 business of the small business during the taxable year in
 17 excess of the average number of full-time employees that
 18 the small business employed in Indiana in its trade or
 19 business during the small business's base employment
 20 period.

21 (2) One hundred thousand dollars (\$100,000).

22 However, if the taxable year of the small business is less than
 23 twelve (12) months, the amounts of three thousand dollars (\$3,000)
 24 and one hundred thousand dollars (\$100,000) are reduced in
 25 proportion to the amount by which the taxable year of the small
 26 business is shortened.

27 **Sec. 11.** (a) If the amount of a tax credit to which a small
 28 business is entitled in a taxable year exceeds the small business's
 29 state tax liability for that taxable year, the small business may
 30 carry the excess over to not more than three (3) subsequent taxable
 31 years. The amount of the credit carryover from a taxable year shall
 32 be reduced to the extent that the carryover is used by the small
 33 business to obtain a credit under this chapter for any subsequent
 34 taxable year.

35 (b) A small business is not entitled to a carryback or refund of
 36 any unused credit.

37 **Sec. 12.** If a small business is a pass through entity that does not
 38 have state tax liability against which a tax credit may be applied,

1 a shareholder, partner, fiduciary, or member of the pass through
2 entity is entitled to a tax credit equal to:

3 (1) the tax credit that the pass through entity would be
4 entitled to for the taxable year if the pass through entity were
5 a taxpayer; multiplied by

6 (2) the percentage of the pass through entity's distributive
7 income to which the shareholder, partner, fiduciary, or
8 member is entitled.

9 Sec. 13. To receive a tax credit, a taxpayer must claim the credit
10 on the taxpayer's annual state tax return or returns in the manner
11 prescribed by the department. The taxpayer shall maintain the
12 records required by the department for the period specified by the
13 department to substantiate the taxpayer's eligibility for a tax
14 credit.

15 Sec. 14. To be a qualified new employee in a particular taxable
16 year, an individual must meet all the following criteria:

17 (1) Be initially hired into a position as a full-time employee by
18 the small business for the first time after December 31, 2011.

19 (2) Be, at the time the small business initially employs the
20 individual after December 31, 2011:

21 (A) an individual who is receiving state or federal
22 unemployment insurance benefits or has exhausted the
23 individual's eligibility for state or federal unemployment
24 insurance benefits since last becoming unemployed; or

25 (B) a former member of the military services of the United
26 States who served on active duty in any branch of the
27 armed forces of the United States or National Guard and
28 who at no time received a discharge or separation under
29 other than honorable conditions, except corrected
30 separation or discharge to read "honorable" as evidenced
31 by appropriate records presented from the United States
32 Department of Defense or appropriate branch of the
33 military service;

34 or both.

35 (3) Is not an individual who was employed by a related
36 member (as defined in IC 6-3.1-13-8) of the small business (or
37 another business entity that would be a related member (as
38 defined in IC 6-3.1-13-8) if the other entity were a

1 corporation) within twelve (12) months of being initially
2 employed by the small business.

3 (4) Is not a child, grandchild, parent, or spouse (other than a
4 spouse who is legally separated from the individual) of any
5 individual who is an employee of the small business or who
6 has a direct or an indirect ownership interest of at least five
7 percent (5%) in the profits, capital, or value of the small
8 business or a related member (as defined in IC 6-3.1-13-8) of
9 the small business (or another business entity that would be a
10 related member (as defined in IC 6-3.1-13-8) if the other
11 entity were a corporation). An ownership interest shall be
12 determined in accordance with Section 1563 of the Internal
13 Revenue Code and regulations prescribed under Section 1563
14 of the Internal Revenue Code.

15 Sec. 15. The tax credit to which a taxpayer would otherwise be
16 entitled under this chapter in a taxable year is reduced by the sum
17 of the following tax credits received for the same qualified new
18 employee:

19 (1) The economic development for a growing economy tax
20 credits (IC 6-3.1-13) allowable to the taxpayer in a taxable
21 year and attributable to the same employee for which a tax
22 credit would otherwise be granted under this chapter.

23 (2) The Hoosier business investment tax credits (IC 6-3.1-26)
24 allowable to the taxpayer in a taxable year and attributable to
25 the same employee for which a tax credit would otherwise be
26 granted under this chapter.

27 (3) The amount of federal or state training grants used in the
28 taxable year to train an employee for which a tax credit would
29 otherwise be granted under this chapter.

30 Sec. 16. A small business (or if section 12 of this chapter applies,
31 a shareholder, partner, fiduciary, or member of a small business)
32 forfeits fifty percent (50%) of the amount of the tax credits
33 attributable to the employment of a qualified new employee, if
34 within eighteen (18) months after the qualified new employee was
35 initially hired:

36 (1) the qualified new employee is terminated, laid off, or
37 otherwise reclassified to a position that is not a full-time
38 employment position with the small business; or

1 (2) the position created for the qualified new employee is
2 eliminated.

3 For purposes of this section, the replacement, within a reasonable
4 time as determined by the department, of a qualified new employee
5 with another qualified new employee shall be treated as continuous
6 employment of a qualified new employee from the date of the
7 hiring or rehiring of the initial qualified new employee.

8 Sec. 17. The amount due to the department from a forfeiture
9 under section 16 of this chapter shall be treated as due to the state
10 on the date the taxpayer's annual return or informational return
11 is due for the taxable year in which the reduction in employment
12 occurred.

13 Sec. 18. (a) Employment levels shall be determined using the
14 total number of employees reported by the small business on the
15 quarterly payroll report submitted by the small business to the
16 department of workforce development. The department of
17 workforce development shall give the information to the
18 department on the schedule and in the form requested by the
19 department.

20 (b) A small business shall use the method prescribed by the
21 department to determine the average number of full-time
22 employees or qualified new employees that the small business
23 employed during the small business's base employment period.

24 Sec. 19. The department may adopt rules under IC 4-22-2,
25 including emergency rules under IC 4-22-2-37.1, to implement this
26 chapter.

27 Sec. 20. This chapter expires January 1, 2021.

28 SECTION 8. IC 8-10-1-7.7 IS ADDED TO THE INDIANA CODE
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 7.7. (a) As used in this section, "resident of
31 Indiana" means a person who is at least eighteen (18) years of age
32 and is one (1) of the following:

- 33 (1) A person who has registered a motor vehicle in Indiana.
- 34 (2) A person who is registered to vote in Indiana.
- 35 (3) A person who has a child enrolled in an elementary or a
36 secondary school located in Indiana.
- 37 (4) A person who derives more than one-half (1/2) of the
38 person's gross income (as defined in Section 61 of the Internal

1 Revenue Code) from sources in Indiana, according to the
2 provisions applicable to determining the source of adjusted
3 gross income under IC 6-3-2-2. However, a person who would
4 otherwise be considered a resident of Indiana under this
5 subdivision is not a resident of Indiana if a preponderance of
6 the evidence concerning the factors set forth in subdivisions
7 (1) through (3) proves that the person is not a resident of
8 Indiana.

- 9 (5) A person who:
10 (A) works from an office in Indiana;
11 (B) is on a payroll from a business located in Indiana;
12 (C) possesses a telephone with a telephone number that has
13 an Indiana area code; or
14 (D) has a permanent place of doing business in Indiana;
15 for at least thirteen (13) months before entering into a
16 contract or subcontract under this chapter.

- 17 (b) A contract for a public works project under this chapter
18 may not be awarded to a contractor who does not:
19 (1) employ residents of Indiana as at least ninety percent
20 (90%) of the employees of the contractor who work on the
21 contract; and
22 (2) enter into subcontracts only with subcontractors who
23 employ residents of Indiana as at least ninety percent (90%)
24 of the employees who work on the subcontract.

25 (c) Before August 15, 2013, and before August 15 of each year
26 thereafter, the commission shall file with the legislative council a
27 report stating:

- 28 (1) for each contractor awarded a contract under this
29 chapter; and
30 (2) for each subcontractor with which a contractor referred
31 to in subdivision (1) enters into a contract in connection with
32 a contract awarded under this chapter;

33 the percentage of the employees of the contractor or subcontractor
34 who work on the contract and are residents of Indiana. The report
35 to the legislative council must be in an electronic format under
36 IC 5-14-6.

37 (d) A contract awarded under this chapter for a public works
38 project is terminated if the commission determines that the

- 1 contractor has failed to:
- 2 (1) employ residents of Indiana as at least ninety percent
- 3 (90%) of the employees who work on the contract; and
- 4 (2) enter into subcontracts only with subcontractors who
- 5 employ residents of Indiana as at least ninety percent (90%)
- 6 of the employees who work on the subcontract.
- 7 (e) A contractor or subcontractor who fails to employ residents
- 8 of Indiana as at least ninety percent (90%) of the employees who
- 9 work on the contract or subcontract commits a Class B infraction
- 10 for each nonresident of Indiana employed that exceeds the number
- 11 of nonresident employees permitted by this section.
- 12 (f) If:
- 13 (1) a contract or subcontract subject to this section is funded
- 14 in whole or in part with federal funds; and
- 15 (2) imposing the requirements of this section would cause the
- 16 state to lose the federal funds for the contract, as determined
- 17 by the federal agency providing the funds;
- 18 subsections (a) through (e) do not apply.
- 19 (g) If an agency of the federal government makes a
- 20 determination under subsection (f) that causes a contract to be
- 21 exempted from the requirements of subsections (a) through (e), this
- 22 section is meant to express the view of the general assembly that
- 23 expanding employment opportunities for Indiana residents
- 24 remains a vital part of the state's economy.
- 25 (h) A contract exempted from the requirements of subsections
- 26 (a) through (e) may not reference the employment of Indiana
- 27 residents. The commission may not consider the number of
- 28 employment opportunities for Indiana residents when doing any of
- 29 the following with respect to a project subject to a contract that is
- 30 exempted from the requirements of subsections (a) through (e):
- 31 (1) Issuing a request for proposals.
- 32 (2) Issuing a bulletin inviting bids for the contract.
- 33 (3) Prequalifying a contractor for the contract.
- 34 (4) Evaluating a bid for the contract.
- 35 (i) This section does not apply to contracts entered into to
- 36 perform work:
- 37 (1) resulting from an emergency; or
- 38 (2) performed by an artisan or by someone in a specialty area

1 **with limited persons able to perform the work.**
2 SECTION 9. IC 8-10-1-7.9 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 7.9. (a) As used in this section, "Indiana**
5 **business" refers to any of the following:**

6 **(1) A business whose principal place of business is located in**
7 **Indiana.**

8 **(2) A business that pays a majority of its payroll (in dollar**
9 **volume) to residents of Indiana.**

10 **(3) A business that employs residents of Indiana as a majority**
11 **of its employees.**

12 **(4) A business that makes significant capital investments in**
13 **Indiana as determined by the Indiana department of**
14 **administration.**

15 **(5) A business that has a substantial positive economic impact**
16 **on Indiana as determined by the Indiana department of**
17 **administration.**

18 **(b) There is a price preference for an Indiana business that:**

19 **(1) submits a bid for the performance of the work on a public**
20 **works project;**

21 **(2) competes for the contract against at least one (1) bidder**
22 **domiciled in a state that provides a price preference to**
23 **bidders from that state; and**

24 **(3) claims the preference under subsection (e).**

25 **The amount of the preference provided by this subsection is equal**
26 **to the price preference provided by the state in which the**
27 **out-of-state bidder is domiciled. If bidders from two (2) or more**
28 **states granting preferences to in-state bidders bid for the contract,**
29 **the amount of the preference is equal to the highest preference**
30 **provided among those states.**

31 **(c) Notwithstanding any statute that requires the award of a**
32 **contract to the lowest responsive and responsible bidder or the**
33 **lowest responsive and responsible quoter, but subject to subsection**
34 **(d), a contract shall be awarded to the lowest responsive and**
35 **responsible Indiana business that claims the preference provided**
36 **by this section.**

37 **(d) Notwithstanding subsection (c), a contract shall be awarded**
38 **to the lowest responsive and responsible bidder or quoter,**

1 regardless of the preference provided in this section, if the lowest
2 responsive and responsible bidder or quoter is an Indiana business.

3 (e) A business that wants to claim a preference provided under
4 this section must do all of the following:

5 (1) State in the business's bid that the business claims the
6 preference provided by this section.

7 (2) Provide the following information to the commission and
8 the Indiana department of administration:

9 (A) The location of the business's principal place of
10 business. If the business claims the preference as an
11 Indiana business described in subsection (a)(1), a statement
12 explaining the reasons the business considers the location
13 named as the business's principal place of business.

14 (B) The amount of the business's total payroll and the
15 amount of the business's payroll paid to residents of
16 Indiana.

17 (C) The number of the business's employees and the
18 number of the business's employees who are residents of
19 Indiana.

20 (D) If the business claims the preference as an Indiana
21 business described in subsection (a)(4), a description of the
22 capital investments made in Indiana and a statement of the
23 amount of those capital investments.

24 (E) If the business claims the preference as an Indiana
25 business described in subsection (a)(5), a description of the
26 substantial positive economic impact the business has on
27 Indiana.

28 SECTION 10. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 4.6. (a) As used in this section, "resident of
31 Indiana" means a person who is at least eighteen (18) years of age
32 and is one (1) of the following:

33 (1) A person who has registered a motor vehicle in Indiana.

34 (2) A person who is registered to vote in Indiana.

35 (3) A person who has a child enrolled in an elementary or a
36 secondary school located in Indiana.

37 (4) A person who derives more than one-half (1/2) of the
38 person's gross income (as defined in Section 61 of the Internal

1 Revenue Code) from sources in Indiana, according to the
2 provisions applicable to determining the source of adjusted
3 gross income under IC 6-3-2-2. However, a person who would
4 otherwise be considered a resident of Indiana under this
5 subdivision is not a resident of Indiana if a preponderance of
6 the evidence concerning the factors set forth in subdivisions
7 (1) through (3) proves that the person is not a resident of
8 Indiana.

- 9 (5) A person who:
10 (A) works from an office in Indiana;
11 (B) is on a payroll from a business located in Indiana;
12 (C) possesses a telephone with a telephone number that has
13 an Indiana area code; or
14 (D) has a permanent place of doing business in Indiana;
15 for at least thirteen (13) months before entering into a
16 contract or subcontract under this chapter.

- 17 (b) A contract for a public works project under this chapter
18 may not be awarded to a contractor who does not:
19 (1) employ residents of Indiana as at least ninety percent
20 (90%) of the employees of the contractor who work on the
21 contract; and
22 (2) enter into subcontracts only with subcontractors who
23 employ residents of Indiana as at least ninety percent (90%)
24 of the employees working on the subcontract.

25 (c) Before August 15, 2013, and before August 15 of each year
26 thereafter, the department shall file with the legislative council a
27 report stating:

- 28 (1) for each contractor awarded a contract under this
29 chapter; and
30 (2) for each subcontractor with which a contractor referred
31 to in subdivision (1) enters into a contract in connection with
32 a contract awarded under this chapter;

33 the percentage of the employees of the contractor or subcontractor
34 who work on the contract and are residents of Indiana. The report
35 to the legislative council must be in an electronic format under
36 IC 5-14-6.

37 (d) A contract awarded under this chapter for a public works
38 project is terminated if the department determines that the

- 1 contractor has failed to:
- 2 (1) employ residents of Indiana as at least ninety percent
- 3 (90%) of the employees who work on the contract; and
- 4 (2) enter into subcontracts only with subcontractors who
- 5 employ residents of Indiana as at least ninety percent (90%)
- 6 of the employees who work on the subcontract.
- 7 (e) A contractor or subcontractor who fails to employ residents
- 8 of Indiana as at least ninety percent (90%) of the employees who
- 9 work on the contract or subcontract commits a Class B infraction
- 10 for each nonresident of Indiana employed that exceeds the number
- 11 of nonresident employees permitted by this section.
- 12 (f) If:
- 13 (1) a contract or subcontract subject to this section is funded
- 14 in whole or in part with federal funds; and
- 15 (2) imposing the requirements of this section would cause the
- 16 state to lose the federal funds for the contract, as determined
- 17 by the federal agency providing the funds;
- 18 subsections (a) through (e) do not apply.
- 19 (g) If an agency of the federal government makes a
- 20 determination under subsection (f) that causes a contract to be
- 21 exempted from the requirements of subsections (a) through (e), this
- 22 section is meant to express the view of the general assembly that
- 23 expanding employment opportunities for Indiana residents
- 24 remains a vital part of the state's economy.
- 25 (h) A contract exempted from the requirements of subsections
- 26 (a) through (e) may not reference the employment of Indiana
- 27 residents. The department may not consider the number of
- 28 employment opportunities for Indiana residents when doing any of
- 29 the following with respect to a project subject to a contract that is
- 30 exempted from the requirements of subsections (a) through (e):
- 31 (1) Issuing a request for proposals.
- 32 (2) Issuing a bulletin inviting bids for the contract.
- 33 (3) Prequalifying a contractor for the contract.
- 34 (4) Evaluating a bid for the contract.
- 35 (i) This section does not apply to contracts entered into to
- 36 perform work:
- 37 (1) resulting from an emergency; or
- 38 (2) performed by an artisan or by someone in a specialty area

1 **with limited persons able to perform the work.**

2 SECTION 11. IC 8-23-9-23.5 IS ADDED TO THE INDIANA

3 CODE AS A NEW SECTION TO READ AS FOLLOWS

4 [EFFECTIVE UPON PASSAGE]: **Sec. 23.5. (a) As used in this**

5 **section, "Indiana business" refers to any of the following:**

6 **(1) A business whose principal place of business is located in**

7 **Indiana.**

8 **(2) A business that pays a majority of its payroll (in dollar**

9 **volume) to residents of Indiana.**

10 **(3) A business that employs residents of Indiana as a majority**

11 **of its employees.**

12 **(4) A business that makes significant capital investments in**

13 **Indiana as determined by the Indiana department of**

14 **administration.**

15 **(5) A business that has a substantial positive economic impact**

16 **on Indiana as determined by the Indiana department of**

17 **administration.**

18 **(b) Except as prohibited by federal law, there is a price**

19 **preference for an Indiana business that:**

20 **(1) submits a bid for the performance of the work on a public**

21 **works project;**

22 **(2) competes for the contract against at least one (1) bidder**

23 **domiciled in a state that provides a price preference to**

24 **bidders from that state; and**

25 **(3) claims the preference under subsection (e).**

26 **The amount of the preference provided by this subsection is equal**

27 **to the price preference provided by the state in which the**

28 **out-of-state bidder is domiciled. If bidders from two (2) or more**

29 **states granting preferences to in-state bidders bid for the contract,**

30 **the amount of the preference is equal to the highest preference**

31 **provided among those states.**

32 **(c) Notwithstanding any statute that requires the award of a**

33 **contract to the lowest responsive and responsible bidder or the**

34 **lowest responsive and responsible quoter, but subject to subsection**

35 **(d) and any federal statute or regulation to the contrary, a contract**

36 **shall be awarded to the lowest responsive and responsible Indiana**

37 **business that claims the preference provided by this section.**

38 **(d) Notwithstanding subsection (c), a contract shall be awarded**

1 to the lowest responsive and responsible bidder or quoter,
2 regardless of the preference provided in this section, if the lowest
3 responsive and responsible bidder or quoter is an Indiana business.

4 (e) A business that wants to claim a preference provided under
5 this section must do all of the following:

6 (1) State in the business's bid that the business claims the
7 preference provided by this section.

8 (2) Provide the following information to the department and
9 the Indiana department of administration:

10 (A) The location of the business's principal place of
11 business. If the business claims the preference as an
12 Indiana business described in subsection (a)(1), a statement
13 explaining the reasons the business considers the location
14 named as the business's principal place of business.

15 (B) The amount of the business's total payroll and the
16 amount of the business's payroll paid to residents of
17 Indiana.

18 (C) The number of the business's employees and the
19 number of the business's employees who are residents of
20 Indiana.

21 (D) If the business claims the preference as an Indiana
22 business described in subsection (a)(4), a description of the
23 capital investments made in Indiana and a statement of the
24 amount of those capital investments.

25 (E) If the business claims the preference as an Indiana
26 business described in subsection (a)(5), a description of the
27 substantial positive economic impact the business has on
28 Indiana.

29 SECTION 12. IC 36-1-12-5.5 IS ADDED TO THE INDIANA
30 CODE AS A NEW SECTION TO READ AS FOLLOWS
31 [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) As used in this section,
32 "resident of Indiana" means a person who is at least eighteen (18)
33 years of age and is one (1) of the following:

34 (1) A person who has registered a motor vehicle in Indiana.

35 (2) A person who is registered to vote in Indiana.

36 (3) A person who has a child enrolled in an elementary or a
37 secondary school located in Indiana.

38 (4) A person who derives more than one-half (1/2) of the

1 person's gross income (as defined in Section 61 of the Internal
2 Revenue Code) from sources in Indiana, according to the
3 provisions applicable to determining the source of adjusted
4 gross income under IC 6-3-2-2. However, a person who would
5 otherwise be considered a resident of Indiana under this
6 subdivision is not a resident of Indiana if a preponderance of
7 the evidence concerning the factors set forth in subdivisions
8 (1) through (3) proves that the person is not a resident of
9 Indiana.

10 (5) A person who:

- 11 (A) works from an office in Indiana;
- 12 (B) is on a payroll from a business located in Indiana;
- 13 (C) possesses a telephone with a telephone number that has
14 an Indiana area code; or
- 15 (D) has a permanent place of doing business in Indiana;
16 for at least thirteen (13) months before entering into a
17 contract or subcontract under this chapter.

18 (b) A contract for a public works project under this chapter
19 may not be awarded to a contractor who does not:

- 20 (1) employ residents of Indiana as at least ninety percent
21 (90%) of the employees of the contractor who work on the
22 contract; and
- 23 (2) enter into subcontracts only with subcontractors who
24 employ residents of Indiana as at least ninety percent (90%)
25 of the employees working on the subcontract.

26 (c) A contract awarded under this chapter for a public works
27 project is terminated if the unit determines that the contractor has
28 failed to:

- 29 (1) employ residents of Indiana as at least ninety percent
30 (90%) of the employees who work on the contract; and
- 31 (2) enter into subcontracts only with subcontractors who
32 employ residents of Indiana as at least ninety percent (90%)
33 of the employees who work on the subcontract.

34 (d) A contractor or subcontractor who fails to employ residents
35 of Indiana as at least ninety percent (90%) of the employees who
36 work on the contract or subcontract commits a Class B infraction
37 for each nonresident of Indiana employed that exceeds the number
38 of nonresident employees permitted by this section.

- 1 (e) If:
- 2 (1) a contract or subcontract subject to this section is funded
- 3 in whole or in part with federal funds; and
- 4 (2) imposing the requirements of this section would cause the
- 5 state to lose the federal funds for the contract, as determined
- 6 by the federal agency providing the funds;
- 7 subsections (a) through (d) do not apply.
- 8 (f) If an agency of the federal government makes a
- 9 determination under subsection (e) that causes a contract to be
- 10 exempted from the requirements of subsections (a) through (d),
- 11 this section is meant to express the view of the general assembly
- 12 that expanding employment opportunities for Indiana residents
- 13 remains a vital part of the state's economy.
- 14 (g) A contract exempted from the requirements of subsections
- 15 (a) through (d) may not reference the employment of Indiana
- 16 residents. A unit may not consider the number of employment
- 17 opportunities for Indiana residents when doing any of the following
- 18 with respect to a project subject to a contract that is exempted
- 19 from the requirements of subsections (a) through (d):
- 20 (1) Issuing a request for proposals.
- 21 (2) Issuing a bulletin inviting bids for the contract.
- 22 (3) Prequalifying a contractor for the contract.
- 23 (4) Evaluating a bid for the contract.
- 24 (h) This section does not apply to contracts entered into to
- 25 perform work:
- 26 (1) resulting from an emergency; or
- 27 (2) performed by an artisan or by someone in a specialty area
- 28 with limited persons able to perform the work.
- 29 SECTION 13. An emergency is declared for this act.
- (Reference is to HB 1001 as introduced.)

and when so amended that said bill do pass.

Representative Kersey