

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 173

AN ACT to amend the Indiana Code concerning transportation.

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

SECTION 1. IC 8-22-2-2, AS AMENDED BY P.L.134-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) This subsection applies only in counties that contain a consolidated city or at least one (1) second class city. To be eligible to be a member of the board of aviation commissioners, a person must:

- (1) be at least eighteen (18) years of age;
- (2) be a resident of the county in which the eligible entity is located;
- (3) not be actively engaged ~~or employed as~~:
 - (A) a principal owner;
 - (B) a majority member or majority shareholder;
 - (C) a director;
 - (D) an officer; or
 - (E) an employee with managerial or supervisory responsibilities;of any entity engaged in commercial aeronautics;
- (4) not hold any other governmental office (by appointment or election) that has statutory fiscal or management review of the board's actions; and
- (5) not serve as a member of any other agency, board, commission, department, or other governmental entity that:

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- (A) is located within the jurisdiction of the department of aviation; and
- (B) has statutory fiscal or management review of the board's actions.

(b) This subsection does not apply to a county if the county contains a consolidated city or a second class city. To be eligible to be a member of the board of aviation commissioners, a person must:

- (1) be at least eighteen (18) years of age;
- (2) be a resident of the county in which the eligible entity is located; and
- (3) not be actively engaged or employed as:
 - (A) a principal owner;
 - (B) a majority member or majority shareholder;
 - (C) a director;
 - (D) an officer; or
 - (E) an employee with managerial or supervisory responsibilities;

of any entity engaged in commercial aeronautics in a county that the board serves.

SECTION 2. IC 8-22-2-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18.5. (a) The board may negotiate terms and borrow money from any source for the payment of the costs of airport capital improvements, including the acquisition of real property or construction or improvement of revenue producing buildings or facilities located on an airport and owned and operated by the eligible entity, subject to the following requirements:

- (1) The loan contract must be approved by resolution of the board and the fiscal body of the eligible entity that established the board.
- (2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.
- (3) The loan contract must state that the indebtedness is that of the board, is payable solely from revenues of the board that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the district.
- (4) The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan contract within thirty (30) days after the contract is submitted for review. The action taken by the department of local government finance

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on the proposed loan contract is final.

(b) A loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on the contract, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(c) After a board enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.

SECTION 3. IC 8-22-3-5, AS AMENDED BY P.L.134-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This subsection applies only in counties that contain a consolidated city or at least one (1) second class city. To be eligible to be a member of the board, a person must have the following qualifications:

- (1) Be at least eighteen (18) years old.
- (2) Except as provided in section 4.1 of this chapter, be a resident of the county in which the eligible entity is located.
- (3) Not be actively engaged ~~or employed as~~:
 - (A) a principal owner;**
 - (B) a majority member or majority shareholder;**
 - (C) a director;**
 - (D) an officer; or**
 - (E) an employee with managerial or supervisory responsibilities;**
- of any entity engaged** in commercial aeronautics.
- (4) Not hold any other governmental office (by appointment or election) that has statutory fiscal or management review of the board's actions.
- (5) Not serve as a member of any other agency, board, commission, department, or other governmental entity that:
 - (A) is located within the jurisdiction of the authority; and
 - (B) has statutory fiscal or management review of the authority's actions.

(b) This subsection does not apply to a county if the county contains a consolidated city or a second class city. To be eligible to be a member of the board, a person must:

- (1) be at least eighteen (18) years of age;
- (2) be a resident of the county in which the eligible entity is located; and



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- (3) not be actively engaged or employed as:
- (A) a principal owner;
 - (B) a majority member or majority shareholder;
 - (C) a director;
 - (D) an officer; or
 - (E) an employee with managerial or supervisory responsibilities;
- of any entity engaged** in commercial aeronautics in a county that the board serves.

SECTION 4. IC 8-22-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) Temporary loans may be made by the board in anticipation of the collection of taxes of the authority actually levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

- (b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:
- (1) The loan contract must be approved by resolution of the board.
 - (2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.
 - (3) The loan contract must state that the indebtedness is that of the authority, is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the district.
 - (4) The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan contract within thirty (30) days after it is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.



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(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(d) After the board of an authority enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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