

SENATE BILL No. 225

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10; IC 4-23; IC 5-10-8; IC 5-16-7-5; IC 5-22-2-23; IC 5-23; IC 6-1.1-15-4; IC 6-2.5-3-11; IC 8-10-1-3; IC 8-15.5; IC 36-1-12-1.2.

Synopsis: Various state and local financial matters. Provides that if the general assembly has not adopted a budget bill by the end of a budget biennium, the amount of the appropriations or actual allotments (if less), as determined by the budget director in consultation with the state budget committee, for certain specified purposes in the most recent budget act is appropriated on a monthly basis beginning in July. Permits, instead of requires, excess state general fund reserves less than \$50,000,000 to be carried forward to the next year. Reduces from 50 to 25 the number of hard copy documents a state agency must provide to the state library. Permits the state library foundation to choose to have its annual audit performed by an independent certified public accountant or by the state board of accounts. Changes the publisher of the annual report of the meetings of the Indiana Academy of Science from the commission on public records to the Indiana Academy of Science. Changes various copy requirements concerning the Indiana Academy of Science's reports. Repeals the annual appropriation for the printing of the proceedings and papers of the Indiana Academy of Science. Repeals the requirement that the state offer active and retired employee health insurance coverage in the state plan for local government units. Expands the projects that may be carried out using a public-private partnership arrangement. Recognizes multiparty agreements, including agreements with other states and local government units, using a transportation public-private arrangement. Modifies hearing requirements related to public-private partnership arrangements. Allows parties involved in a property tax appeal to agree to receive notices and other material by electronic means. Provides
(Continued next page)

Effective: July 1, 2014.

Kenley

January 9, 2014, read first time and referred to Committee on Appropriations.



Digest Continued

that any excess in use tax collections pertaining to remote sales is to be transferred from the state general fund to the major moves construction fund. Provides that the excess is not to be counted in determining whether an automatic taxpayer refund is to be made. Increases the membership of the ports of Indiana commission from seven to 10 members and requires six members to constitute a quorum and to take official action.



Introduced

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 225

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 4-10-15-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. Whenever there ~~shall~~
3 ~~be is~~ a failure at any regular biennial session of the general assembly
4 to pass an appropriation bill or bills, making appropriations for the
5 objects and purposes ~~hereinafter~~ mentioned **in section 2 of this**
6 **chapter**, it shall be lawful for the governor, secretary, and treasurer of
7 state, until appropriations shall be made by the legislature, to direct the
8 auditor of state to draw ~~his~~ warrants on the state treasury for such sums
9 as they may, from time to time, decide to be necessary for ~~such those~~
10 purposes ~~respectively~~; **mentioned in section 2 of this chapter. not**
11 However, ~~exceeding the maximum amount that may be used for a~~
12 **particular purpose may not exceed** the amounts appropriated for the
13 same ~~objects respectively~~ **purpose** by the last preceding appropriations,
14 **or actual allotments (if less), as determined by the budget director**



1 **in consultation with the budget committee, for each purpose**
 2 **mentioned in section 2 of this chapter**, which shall have been made
 3 by the general assembly, and to pay such warrants as may, from time
 4 to time, be drawn and presented, a sufficient sum of money is ~~hereby~~
 5 appropriated.

6 SECTION 2. IC 4-10-15-2, AS AMENDED BY P.L.218-2005,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2014]: Sec. 2. The warrants may be drawn **under this chapter**
 9 for the necessary and current expenses of **only** the following **and only**
 10 **after the amounts proposed to be needed for each program are**
 11 **reviewed by the budget committee:**

12 (1) All ~~psychiatric hospitals~~ **state institutions** (as defined in
 13 IC 12-7-2-184).

14 (2) The Indiana School for the Deaf, established by IC 20-22-2-1.

15 (3) The Indiana School for the Blind and Visually Impaired,
 16 established by IC 20-21-2-1.

17 (4) The Indiana Veterans' Home.

18 (5) ~~The Plainfield Juvenile state's~~ **correctional Facility: facilities.**

19 (6) **The general assembly, the office of the governor,**
 20 **lieutenant governor, secretary of state, auditor of state, and**
 21 **treasurer of state, and the supreme court but only in the**
 22 **amount necessary to carry out essential constitutional duties**
 23 **at a minimal level, as specified and provided to the budget**
 24 **committee in the form and at the time requested by the budget**
 25 **committee.**

26 (7) **The department of homeland security.**

27 (8) **The Indiana National Guard.**

28 (9) **The state police department.**

29 (10) **For purposes of this subdivision, "necessary" means that**
 30 **life or property must be so endangered that an appropriation**
 31 **and allotment are required. Any program of a state agency**
 32 **that has been identified as a necessary program in a law**
 33 **enacted during the current legislative session. If such a law is**
 34 **enacted, the governor shall provide to the budget committee**
 35 **the details of the program considered necessary under such a**
 36 **law and the amount of funding requested for the program, in**
 37 **the form and at the time requested by the budget committee.**
 38 **If such a law is not enacted, no appropriation is made for any**
 39 **program that could otherwise be funded under this**
 40 **subdivision.**

41 (11) **A program paid for entirely with federal funding as long**
 42 **as those federal funds have been received by the state and the**



- 1 **federal funds for the program were appropriated in the most**
 2 **recently enacted budget or by statute, if such an**
 3 **appropriation is necessary.**
- 4 SECTION 3. IC 4-10-15-3 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. The warrants ~~to~~
 6 ~~be drawn~~ shall be drawn on the general fund **or the dedicated fund**
 7 **from which the appropriation was made in the most recently**
 8 **enacted budget**, and not otherwise, and shall not include any sum or
 9 sums for enlarging ~~said those~~ **institutions, state agencies, or programs**
 10 **mentioned in section 2 of this chapter**, or any or either of them, but
 11 shall be confined strictly to the necessary current expenses of ~~said~~
 12 **those institutions and state agencies**, respectively, and said allowances
 13 shall be made monthly upon the certificate of the ~~president of the~~
 14 ~~proper board of trustees of the said proper officers of those~~
 15 **institutions or state agencies**, respectively, showing in detail the
 16 necessity for the amount demanded, and that it has been approved by
 17 ~~such Board, which certificate shall be countersigned by the~~
 18 ~~Superintendent of the particular Institution for which the expense was~~
 19 ~~incurred.~~ **the appropriate governing body of the institution or state**
 20 **agency, if applicable.**
- 21 SECTION 4. IC 4-10-15-4 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. In making ~~said the~~
 23 monthly allowances **permitted by this chapter**, it ~~shall be~~ **is** the duty
 24 of the **proper officers as aforesaid authorized to make the same**; not to
 25 **make a request that will** exceed in any one **(1)** month one-twelfth
 26 **(1/12)** of the amount appropriated for the current expenses of the ~~same~~
 27 institution, **state agency, or program** for the last preceding year for
 28 which an appropriation ~~shall have been~~ **was** made by the general
 29 assembly.
- 30 SECTION 5. IC 4-10-22-1, AS AMENDED BY P.L.205-2013,
 31 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2014]: Sec. 1. (a) After the end of each odd-numbered state
 33 fiscal year, the office of management and budget shall calculate in the
 34 customary manner the total amount of state reserves as of the end of the
 35 state fiscal year. The office of management and budget shall make the
 36 calculation not later than July 31 of each odd-numbered year.
- 37 (b) The office of management and budget may not consider:
 38 **(1) a balance in the state tuition reserve fund established by**
 39 **IC 4-12-1-15.7; or**
 40 **(2) any excess remote use tax collection amount transferred**
 41 **under IC 6-2.5-3-11;**
 42 when making the calculation required by subsection (a).



1 SECTION 6. IC 4-10-22-3, AS AMENDED BY P.L.205-2013,
 2 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2014]: Sec. 3. After completing the presentation to the state
 4 budget committee described in section 2 of this chapter, ~~the governor~~
 5 ~~shall do~~ the following **apply**:

6 (1) If the amount of excess reserves on June 30 of any year is less
 7 than fifty million dollars (\$50,000,000), the governor ~~shall may~~
 8 carry over the excess reserves to each subsequent year until the
 9 total excess reserves, including any carryover amount, equal at
 10 least fifty million dollars (\$50,000,000). In the year that the total
 11 excess reserves equal at least fifty million dollars (\$50,000,000),
 12 the excess reserves shall be used as provided in subdivision (2).

13 (2) If in any year the amount of the excess reserves is fifty million
 14 dollars (\$50,000,000) or more, the governor shall do the
 15 following:

16 (A) If the year is calendar year 2013, transfer one hundred
 17 percent (100%) of the excess reserves to the pension
 18 stabilization fund established by IC 5-10.4-2-5 for the
 19 purposes of the pension stabilization fund. If the year is
 20 calendar year 2014 or thereafter, transfer fifty percent (50%)
 21 of any excess reserves to the pension stabilization fund
 22 established by IC 5-10.4-2-5 for the purposes of the pension
 23 stabilization fund.

24 (B) If the year is calendar year 2014 or thereafter, use fifty
 25 percent (50%) of any excess reserves for the purposes of
 26 providing an automatic taxpayer refund under section 4 of this
 27 chapter.

28 SECTION 7. IC 4-23-7.1-26 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) Subject to
 30 subsections (b) and (c), every state agency that issues public documents
 31 shall furnish the state library ~~fifty (50)~~ **twenty-five (25)** copies of all
 32 publications issued by them, whether printed ~~mimeographed, or~~
 33 ~~duplicate~~ **in any way, or published electronically**, which are not
 34 issued solely for use within the issuing office. However, if the library
 35 requests, as many as twenty-five (25) additional copies of each public
 36 document shall be supplied.

37 (b) If other provision is made by law for the distribution of the
 38 session laws of the general assembly, the journals of the house and
 39 senate of the general assembly, the supreme court and court of appeals
 40 reports, or the publications of the Indiana historical bureau, any of the
 41 public documents for which distribution is provided are exempted from
 42 the depository requirements under subsection (a). However, two (2)



1 copies of each document exempted under this subsection from the
 2 general depository requirements shall be deposited with the state
 3 library.

4 (c) If a public document issued by an agency is published in the
 5 Indiana Register in full or in summary form, the agency is exempt from
 6 providing copies of the published public document to the state library
 7 under subsection (a).

8 (d) Publications of the various schools, colleges, divisions, and
 9 departments of the state universities and their regional campuses are
 10 exempt from the depository requirements under subsection (a).
 11 However, two (2) copies of each publication of these divisions shall be
 12 deposited in the state library.

13 (e) Publications of state university presses, directives for internal
 14 administration, intraoffice and interoffice publications, and forms are
 15 completely exempt from all depository requirements.

16 SECTION 8. IC 4-23-7.1-42, AS ADDED BY P.L.47-2011,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2014]: Sec. 42. (a) The board may establish a foundation that
 19 is organized as a nonprofit corporation that is exempt from federal
 20 income taxation under Section 501(c)(3) of the Internal Revenue Code
 21 to solicit and accept private funding, gifts, donations, bequests, devises,
 22 and contributions. The board may transfer private funding, gifts,
 23 donations, bequests, devises, and contributions intended for the state
 24 library that are in the state treasury into the foundation.

25 (b) A foundation established under this section:

26 (1) shall use money received under subsection (a) to:

27 (A) support the state library and libraries in the state; and

28 (B) carry out the purposes and programs under this chapter;
 29 and

30 (2) may deposit money received under subsection (a) in an
 31 account or fund that is:

32 (A) administered by the foundation; and

33 (B) not part of the state treasury.

34 (c) The foundation established under this section is governed by a
 35 board of directors consisting of the following members:

36 (1) Seven (7) voting members appointed by the board of directors.

37 (2) The state treasurer, who shall serve as a nonvoting member.

38 (d) The members appointed under subsection (c)(1) shall be
 39 appointed for a term of three (3) years but may be removed by the
 40 governor for cause.

41 (e) The affirmative votes of at least four (4) members of the board
 42 of directors are required for the foundation to take any official action.



1 (f) Employees of the state library ~~shall~~ **may** provide administrative
2 support for the foundation.

3 (g) ~~All money in under the foundation~~ **foundation's control is**
4 **considered private funding and is not subject to state laws that**
5 **apply to public funds. Money under the foundation's control** at the
6 end of a state fiscal year does not revert to the state general fund.

7 (h) ~~The state board of accounts~~ **The foundation** shall ~~annually~~
8 **submit to an annual** audit. The foundation ~~established under this~~
9 ~~section may choose to have the audit performed by an independent~~
10 **certified public accountant or by the state board of accounts.**

11 SECTION 9. IC 4-23-9-1 IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2014]: Sec. 1. The annual reports of the
13 meetings of the Indiana Academy of Science, beginning with the report
14 for the year 1894, including all papers of scientific or economic value
15 presented at such meetings, after they shall have been edited and
16 prepared for publication shall be published by the ~~commission on~~
17 **public records: Indiana Academy of Science.**

18 SECTION 10. IC 4-23-9-2 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. The reports shall be
20 edited and prepared for publication without expense to the state, by a
21 corps of editors to be selected and appointed by the Indiana Academy
22 of Science, who shall not, by reason of such services, have any claim
23 against the state for compensation. The form, style of binding, paper,
24 typography, and manner and extent of illustration of the reports shall
25 be determined by the editors. ~~subject to the approval of the commission~~
26 **on public records.** Not less than ~~fifteen~~ **one** hundred (~~1,500~~) (**100**) nor
27 more than three thousand (3,000) copies of each of said reports shall be
28 published, the ~~size number of the edition to which must be~~
29 **determined by the concurrent action decision** of the editors and the
30 ~~commission on public records: Indiana state library.~~

31 SECTION 11. IC 4-23-9-3 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. ~~All except three~~
33 ~~hundred (300)~~ **(a) The Indiana Academy of Science shall provide**
34 **copies of each volume of said reports shall be placed in the custody of**
35 **to the Indiana state librarian, who library. The number of copies**
36 **provided to the Indiana state library shall be determined by the**
37 **Indiana Academy of Science and the state librarian. The Indiana**
38 **state library shall, upon request, furnish one (1) copy thereof to the**
39 **following:**

- 40 (1) Each public library in the state. ~~one (1) copy to~~
41 (2) Each university or college ~~or normal school~~ in the state. ~~one~~
42 ~~(1) copy to each high school in the state having a library. which~~



1 shall make application therefor, and one (1) copy to such
 2 (3) Other institutions, societies, or persons as may be designated
 3 by the academy through its editors or its council. The remaining
 4 three hundred (300) copies shall be turned over to the academy to
 5 be disposed of as it may determine. In order to provide for the
 6 preservation of the same, it shall be the duty of the custodian of
 7 the state-house to provide and place at the disposal of the
 8 academy one (1) of the unoccupied rooms of the state-house, to
 9 be designated as the office of the Indiana Academy of Science,
 10 wherein said copies of said reports belonging to the academy,
 11 together with the original manuscripts, drawings, etc., thereof can
 12 be safely kept, and he shall also equip the same with the necessary
 13 shelving and furniture.

14 (b) The Indiana Academy of Science shall pay for shipping of a
 15 report under subsection (a) to a recipient located outside Indiana.

16 (c) To the extent that the Indiana Academy of Science makes
 17 papers and proceedings of the Indiana Academy of Science
 18 available to the public through open electronic access, the Indiana
 19 state library has no duty to furnish hard copies of the papers and
 20 proceedings.

21 SECTION 12. IC 4-23-10-1 IS REPEALED [EFFECTIVE JULY 1,
 22 2014]. Sec. 1. Beginning with the first day of October, 1921, and
 23 annually thereafter, there is appropriated the sum of twelve hundred
 24 dollars (\$1,200); said moneys to be used to pay for the printing of the
 25 proceedings and papers of the Indiana Academy of Science, provided
 26 that any unexpended balance of any of said sums shall be carried
 27 forward and be available for the use of said academy for future years.

28 SECTION 13. IC 5-10-8-0.5 IS REPEALED [EFFECTIVE JULY
 29 1, 2014]. Sec. 0.5. Notwithstanding the amendments made to sections
 30 2.2 and 2.6 of this chapter, and IC 20-5-2-2 (before its repeal; now
 31 codified at IC 20-26-5-4); and the addition of section 6.6 of this chapter
 32 by P.L.286-2001, the coverage that may be elected under section 6.6 of
 33 this chapter, as added by P.L.286-2001:

34 (1) need not be made available before January 1, 2002; but

35 (2) must be made available not later than January 1, 2002.

36 SECTION 14. IC 5-10-8-2.2, AS AMENDED BY P.L.182-2009(ss),
 37 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2014]: Sec. 2.2. (a) As used in this section, "dependent"
 39 means a natural child, stepchild, or adopted child of a public safety
 40 employee who:

41 (1) is less than eighteen (18) years of age;

42 (2) is at least eighteen (18) years of age and has a physical or



1 mental disability (using disability guidelines established by the
2 Social Security Administration); or
3 (3) is at least eighteen (18) and less than twenty-three (23) years
4 of age and is enrolled in and regularly attending a secondary
5 school or is a full-time student at an accredited college or
6 university.

7 (b) As used in this section, "public safety employee" means a
8 full-time firefighter, police officer, county police officer, or sheriff.

9 (c) This section applies only to local unit public employers and their
10 public safety employees.

11 (d) A local unit public employer may provide programs of group
12 health insurance for its active and retired public safety employees
13 through one (1) of the following methods:

14 (1) By purchasing policies of group insurance.

15 (2) By establishing self-insurance programs.

16 ~~(3) By electing to participate in the local unit group of local units
17 that offer the state employee health plan under section 6.6 of this
18 chapter.~~

19 ~~(4)~~ (3) If the local unit public employer is a school corporation, by
20 electing to provide the coverage through a state employee health
21 plan under section 6.7 of this chapter.

22 A local unit public employer may provide programs of group insurance
23 other than group health insurance for the local unit public employer's
24 active and retired public safety employees by purchasing policies of
25 group insurance and by establishing self-insurance programs. However,
26 the establishment of a self-insurance program is subject to the approval
27 of the unit's fiscal body.

28 (e) A local unit public employer may pay a part of the cost of group
29 insurance for its active and retired public safety employees. However,
30 a local unit public employer that provides group life insurance for its
31 active and retired public safety employees shall pay a part of the cost
32 of that insurance.

33 (f) A local unit public employer may not cancel an insurance
34 contract under this section during the policy term of the contract.

35 (g) After June 30, 1989, a local unit public employer that provides
36 a group health insurance program for its active public safety employees
37 shall also provide a group health insurance program to the following
38 persons:

39 (1) Retired public safety employees.

40 (2) Public safety employees who are receiving disability benefits
41 under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.

42 (3) Surviving spouses and dependents of public safety employees



- 1 who die while in active service or after retirement.
- 2 (h) A public safety employee who is retired or has a disability and
 3 is eligible for group health insurance coverage under subsection (g)(1)
 4 or (g)(2):
- 5 (1) may elect to have the person's spouse, dependents, or spouse
 6 and dependents covered under the group health insurance
 7 program at the time the person retires or becomes disabled;
- 8 (2) must file a written request for insurance coverage with the
 9 employer within ninety (90) days after the person retires or begins
 10 receiving disability benefits; and
- 11 (3) must pay an amount equal to the total of the employer's and
 12 the employee's premiums for the group health insurance for an
 13 active public safety employee (however, the employer may elect
 14 to pay any part of the person's premiums).
- 15 (i) Except as provided in IC 36-8-6-9.7(f), IC 36-8-6-10.1(h),
 16 IC 36-8-7-12.3(g), IC 36-8-7-12.4(j), IC 36-8-7.5-13.7(h),
 17 IC 36-8-7.5-14.1(i), IC 36-8-8-13.9(d), IC 36-8-8-14.1(h), and
 18 IC 36-8-10-16.5 for a surviving spouse or dependent of a public safety
 19 employee who dies in the line of duty, a surviving spouse or dependent
 20 who is eligible for group health insurance under subsection (g)(3):
- 21 (1) may elect to continue coverage under the group health
 22 insurance program after the death of the public safety employee;
- 23 (2) must file a written request for insurance coverage with the
 24 employer within ninety (90) days after the death of the public
 25 safety employee; and
- 26 (3) must pay the amount that the public safety employee would
 27 have been required to pay under this section for coverage selected
 28 by the surviving spouse or dependent (however, the employer may
 29 elect to pay any part of the surviving spouse's or dependents'
 30 premiums).
- 31 (j) The eligibility for group health insurance under this section for
 32 a public safety employee who is retired or has a disability ends on the
 33 earlier of the following:
- 34 (1) When the public safety employee becomes eligible for
 35 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- 36 (2) When the employer terminates the health insurance program
 37 for active public safety employees.
- 38 (k) A surviving spouse's eligibility for group health insurance under
 39 this section ends on the earliest of the following:
- 40 (1) When the surviving spouse becomes eligible for Medicare
 41 coverage as prescribed by 42 U.S.C. 1395 et seq.
- 42 (2) When the unit providing the insurance terminates the health



1 insurance program for active public safety employees.

2 (3) The date of the surviving spouse's remarriage.

3 (4) When health insurance becomes available to the surviving
4 spouse through employment.

5 (l) A dependent's eligibility for group health insurance under this
6 section ends on the earliest of the following:

7 (1) When the dependent becomes eligible for Medicare coverage
8 as prescribed by 42 U.S.C. 1395 et seq.

9 (2) When the unit providing the insurance terminates the health
10 insurance program for active public safety employees.

11 (3) When the dependent no longer meets the criteria set forth in
12 subsection (a).

13 (4) When health insurance becomes available to the dependent
14 through employment.

15 (m) A public safety employee who is on leave without pay is entitled
16 to participate for ninety (90) days in any group health insurance
17 program maintained by the local unit public employer for active public
18 safety employees if the public safety employee pays an amount equal
19 to the total of the employer's and the employee's premiums for the
20 insurance. However, the employer may pay all or part of the employer's
21 premium for the insurance.

22 (n) A local unit public employer may provide group health
23 insurance for retired public safety employees or their spouses not
24 covered by subsections (g) through (l) and may provide group health
25 insurance that contains provisions more favorable to retired public
26 safety employees and their spouses than required by subsections (g)
27 through (l). A local unit public employer may provide group health
28 insurance to a public safety employee who is on leave without pay for
29 a longer period than required by subsection (m), and may continue to
30 pay all or a part of the employer's premium for the insurance while the
31 employee is on leave without pay.

32 SECTION 15. IC 5-10-8-2.6, AS AMENDED BY P.L. 182-2009(ss),
33 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2014]: Sec. 2.6. (a) This section applies only to local unit
35 public employers and their employees. This section does not apply to
36 public safety employees, surviving spouses, and dependents covered by
37 section 2.2 of this chapter.

38 (b) A public employer may provide programs of group insurance for
39 its employees and retired employees. The public employer may,
40 however, exclude part-time employees and persons who provide
41 services to the unit under contract from any group insurance coverage
42 that the public employer provides to the employer's full-time



1 employees. A public employer may provide programs of group health
2 insurance under this section through one (1) of the following methods:

3 (1) By purchasing policies of group insurance.

4 (2) By establishing self-insurance programs.

5 ~~(3) By electing to participate in the local unit group of local units~~
6 ~~that offer the state employee health plan under section 6.6 of this~~
7 ~~chapter:~~

8 ~~(4) (3) If the local unit public employer is a school corporation, by~~
9 ~~electing to provide the coverage through a state employee health~~
10 ~~plan under section 6.7 of this chapter.~~

11 A public employer may provide programs of group insurance other
12 than group health insurance under this section by purchasing policies
13 of group insurance and by establishing self-insurance programs.
14 However, the establishment of a self-insurance program is subject to
15 the approval of the unit's fiscal body.

16 (c) A public employer may pay a part of the cost of group insurance,
17 but shall pay a part of the cost of group life insurance for local
18 employees. A public employer may pay, as supplemental wages, an
19 amount equal to the deductible portion of group health insurance as
20 long as payment of the supplemental wages will not result in the
21 payment of the total cost of the insurance by the public employer.

22 (d) An insurance contract for local employees under this section
23 may not be canceled by the public employer during the policy term of
24 the contract.

25 (e) After June 30, 1986, a public employer shall provide a group
26 health insurance program under subsection (g) to each retired
27 employee:

28 (1) whose retirement date is:

29 (A) after May 31, 1986, for a retired employee who was a
30 teacher (as defined in IC 20-18-2-22) for a school corporation;
31 or

32 (B) after June 30, 1986, for a retired employee not covered by
33 clause (A);

34 (2) who will have reached fifty-five (55) years of age on or before
35 the employee's retirement date but who will not be eligible on that
36 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
37 seq.;

38 (3) who will have completed twenty (20) years of creditable
39 employment with a public employer on or before the employee's
40 retirement date, ten (10) years of which must have been
41 completed immediately preceding the retirement date; and

42 (4) who will have completed at least fifteen (15) years of



1 participation in the retirement plan of which the employee is a
2 member on or before the employee's retirement date.

3 (f) A group health insurance program required by subsection (e)
4 must be equal in coverage to that offered active employees and must
5 permit the retired employee to participate if the retired employee pays
6 an amount equal to the total of the employer's and the employee's
7 premiums for the group health insurance for an active employee and if
8 the employee, within ninety (90) days after the employee's retirement
9 date, files a written request with the employer for insurance coverage.
10 However, the employer may elect to pay any part of the retired
11 employee's premiums.

12 (g) A retired employee's eligibility to continue insurance under
13 subsection (e) ends when the employee becomes eligible for Medicare
14 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
15 employer terminates the health insurance program. A retired employee
16 who is eligible for insurance coverage under subsection (e) may elect
17 to have the employee's spouse covered under the health insurance
18 program at the time the employee retires. If a retired employee's spouse
19 pays the amount the retired employee would have been required to pay
20 for coverage selected by the spouse, the spouse's subsequent eligibility
21 to continue insurance under this section is not affected by the death of
22 the retired employee. The surviving spouse's eligibility ends on the
23 earliest of the following:

- 24 (1) When the spouse becomes eligible for Medicare coverage as
25 prescribed by 42 U.S.C. 1395 et seq.
26 (2) When the employer terminates the health insurance program.
27 (3) Two (2) years after the date of the employee's death.
28 (4) The date of the spouse's remarriage.

29 (h) This subsection does not apply to an employee who is entitled
30 to group insurance coverage under IC 20-28-10-2(b). An employee
31 who is on leave without pay is entitled to participate for ninety (90)
32 days in any group health insurance program maintained by the public
33 employer for active employees if the employee pays an amount equal
34 to the total of the employer's and the employee's premiums for the
35 insurance. However, the employer may pay all or part of the employer's
36 premium for the insurance.

37 (i) A public employer may provide group health insurance for
38 retired employees or their spouses not covered by subsections (e)
39 through (g) and may provide group health insurance that contains
40 provisions more favorable to retired employees and their spouses than
41 required by subsections (e) through (g). A public employer may
42 provide group health insurance to an employee who is on leave without



1 pay for a longer period than required by subsection (h), and may
 2 continue to pay all or a part of the employer's premium for the
 3 insurance while the employee is on leave without pay.

4 SECTION 16. IC 5-10-8-6.6 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6.6. (a) As used in this
 6 section, "local unit group" means all of the local units that elect to
 7 provide coverage for health care services for active and retired:

- 8 (1) elected or appointed officers and officials;
- 9 (2) full-time employees; and
- 10 (3) part-time employees;

11 of the local unit under this section.

12 (b) As used in this section, "state employee health plan" means:

- 13 (1) an accident and sickness insurance policy (as defined in
 14 IC 27-8-5.6-1) purchased through the state personnel department
 15 under section 7(a) of this chapter; or
- 16 (2) a contract with a prepaid health care delivery plan entered into
 17 by the state personnel department under section 7(c) of this
 18 chapter.

19 (c) The state personnel department shall allow a local unit to
 20 participate in the local unit group by electing to provide coverage of
 21 health care services for active and retired:

- 22 (1) elected or appointed officers and officials;
- 23 (2) full-time employees; and
- 24 (3) part-time employees;

25 of the local unit under a state employee health plan. **This subsection**
 26 **expires July 1, 2014.**

27 (d) If a local unit elects to provide coverage under subsection (c):

- 28 (1) the local unit group must be treated as a single group that is
 29 separate from the group of state employees that is covered under
 30 a state employee health plan;
- 31 (2) the state personnel department shall:

32 (A) establish:

- 33 (i) the premium costs, as determined by an accident and
 34 sickness insurer or a prepaid health care delivery plan under
 35 which coverage is provided under this section;
- 36 (ii) the administrative costs; and
- 37 (iii) any other costs;

38 of the coverage provided under this section, including the cost
 39 of obtaining insurance or reinsurance, for the local unit group
 40 as a whole; and

41 (B) establish a uniform premium schedule for each accident
 42 and sickness insurance policy or prepaid health care delivery



- 1 plan under which coverage is provided under this section for
 2 the local unit group; and
 3 (3) the local unit shall provide for payment of the cost of the
 4 coverage as provided in sections 2.2 and 2.6 of this chapter.
 5 The premium determined under subdivision (2) and paid by an
 6 individual local unit shall not be determined based on claims made by
 7 the local unit. **This subsection expires July 1, 2014.**
- 8 (e) The state personnel department shall provide an annual
 9 opportunity for local units to elect to provide or terminate coverage
 10 under subsection (c). **This subsection expires July 1, 2014.**
- 11 (f) The state personnel department may adopt rules under IC 4-22-2
 12 to establish minimum participation and contribution requirements for
 13 participation in a state employee health plan under this section. **This**
 14 **subsection expires July 1, 2014.**
- 15 (g) **The state personnel department shall not, after June 30,**
 16 **2014, amend or renew:**
 17 (1) **an accident and sickness insurance policy; or**
 18 (2) **a prepaid health care delivery plan;**
 19 **that is in effect on June 30, 2014, to provide coverage under this**
 20 **section for the local unit group.**
- 21 (h) **An accident and sickness insurance policy or a prepaid**
 22 **health care delivery plan that is in effect on June 30, 2014, to**
 23 **provide coverage under this section for the local unit group**
 24 **terminates on the first policy or plan renewal date occurring after**
 25 **June 30, 2014.**
- 26 SECTION 17. IC 5-10-8-7, AS AMENDED BY P.L.138-2012,
 27 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2014]: Sec. 7. (a) The state, excluding state educational
 29 institutions, may not purchase or maintain a policy of group insurance,
 30 except:
 31 (1) life insurance for the state's employees;
 32 (2) long term care insurance under a long term care insurance
 33 policy (as defined in IC 27-8-12-5), for the state's employees;
 34 (3) an accident and sickness insurance policy (as defined in
 35 IC 27-8-5.6-1) that:
 36 (A) **is in effect on June 30, 2014; and**
 37 (B) covers individuals to whom coverage is provided by a
 38 local unit under section 6.6 of this chapter;
 39 **may be maintained until the first policy renewal date after**
 40 **June 30, 2014; or**
 41 (4) an insurance policy that provides coverage that supplements
 42 coverage provided under a United States military health care plan.



1 (b) With the consent of the governor, the state personnel department
 2 may establish self-insurance programs to provide group insurance other
 3 than life or long term care insurance for state employees and retired
 4 state employees. The state personnel department may contract with a
 5 private agency, business firm, limited liability company, or corporation
 6 for administrative services. A commission may not be paid for the
 7 placement of the contract. The department may require, as part of a
 8 contract for administrative services, that the provider of the
 9 administrative services offer to an employee terminating state
 10 employment the option to purchase, without evidence of insurability,
 11 an individual policy of insurance.

12 (c) Notwithstanding subsection (a), with the consent of the
 13 governor, the state personnel department:

14 (1) may contract for health services for state employees **through**
 15 **one (1) or more prepaid health care delivery plans; and**

16 **(2) may maintain a contract:**

17 **(A) for health services for** individuals to whom coverage is
 18 provided by a local unit under section 6.6 of this chapter
 19 through one (1) or more prepaid health care delivery plans;
 20 **and**

21 **(B) that is in effect on June 30, 2014;**

22 **until the first policy renewal date after June 30, 2014.**

23 (d) The state personnel department shall adopt rules under IC 4-22-2
 24 to establish long term and short term disability plans for state
 25 employees (except employees who hold elected offices (as defined by
 26 IC 3-5-2-17)). The plans adopted under this subsection may include
 27 any provisions the department considers necessary and proper and
 28 must:

29 (1) require participation in the plan by employees with six (6)
 30 months of continuous, full-time service;

31 (2) require an employee to make a contribution to the plan in the
 32 form of a payroll deduction;

33 (3) require that an employee's benefits under the short term
 34 disability plan be subject to a thirty (30) day elimination period
 35 and that benefits under the long term plan be subject to a six (6)
 36 month elimination period;

37 (4) prohibit the termination of an employee who is eligible for
 38 benefits under the plan;

39 (5) provide, after a seven (7) day elimination period, eighty
 40 percent (80%) of base biweekly wages for an employee disabled
 41 by injuries resulting from tortious acts, as distinguished from
 42 passive negligence, that occur within the employee's scope of



- 1 state employment;
- 2 (6) provide that an employee's benefits under the plan may be
- 3 reduced, dollar for dollar, if the employee derives income from:
- 4 (A) Social Security;
- 5 (B) the public employees' retirement fund;
- 6 (C) the Indiana state teachers' retirement fund;
- 7 (D) pension disability;
- 8 (E) worker's compensation;
- 9 (F) benefits provided from another employer's group plan; or
- 10 (G) remuneration for employment entered into after the
- 11 disability was incurred.
- 12 (The department of state revenue and the department of workforce
- 13 development shall cooperate with the state personnel department
- 14 to confirm that an employee has disclosed complete and accurate
- 15 information necessary to administer subdivision (6).);
- 16 (7) provide that an employee will not receive benefits under the
- 17 plan for a disability resulting from causes specified in the rules;
- 18 and
- 19 (8) provide that, if an employee refuses to:
- 20 (A) accept work assignments appropriate to the employee's
- 21 medical condition;
- 22 (B) submit information necessary for claim administration; or
- 23 (C) submit to examinations by designated physicians;
- 24 the employee forfeits benefits under the plan.
- 25 (e) This section does not affect insurance for retirees under
- 26 IC 5-10.3 or IC 5-10.4.
- 27 (f) The state may pay part of the cost of self-insurance or prepaid
- 28 health care delivery plans for its employees.
- 29 (g) A state agency may not provide any insurance benefits to its
- 30 employees that are not generally available to other state employees,
- 31 unless specifically authorized by law.
- 32 (h) The state may pay a part of the cost of group medical and life
- 33 coverage for its employees.
- 34 (i) To carry out the purposes of this section, a trust fund may be
- 35 established. The trust fund established under this subsection is
- 36 considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be
- 37 transferred, assigned, or otherwise removed from the trust fund
- 38 established under this subsection by the state board of finance, the
- 39 budget agency, or any other state agency. Money in a trust fund
- 40 established under this subsection does not revert to the state general
- 41 fund at the end of any state fiscal year. The trust fund established under
- 42 this subsection consists of appropriations, revenues, or transfers to the



1 trust fund under IC 4-12-1. Contributions to the trust fund are
 2 irrevocable. The trust fund must be limited to providing prefunding of
 3 annual required contributions and to cover OPEB liability for covered
 4 individuals. Funds may be used only for these purposes and not to
 5 increase benefits or reduce premiums. The trust fund shall be
 6 established to comply with and be administered in a manner that
 7 satisfies the Internal Revenue Code requirements concerning a trust
 8 fund for prefunding annual required contributions and for covering
 9 OPEB liability for covered individuals. All assets in the trust fund
 10 established under this subsection:

11 (1) are dedicated exclusively to providing benefits to covered
 12 individuals and their beneficiaries according to the terms of the
 13 health plan; and

14 (2) are exempt from levy, sale, garnishment, attachment, or other
 15 legal process.

16 The trust fund established under this subsection shall be administered
 17 by the state personnel department. The expenses of administering the
 18 trust fund shall be paid from money in the trust fund. The treasurer of
 19 state shall invest the money in the trust fund not currently needed to
 20 meet the obligations of the trust fund in the same manner as other
 21 public money may be invested.

22 SECTION 18. IC 5-10-8-8, AS AMENDED BY P.L.43-2007,
 23 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2014]: Sec. 8. (a) This section applies only to the state and
 25 employees who are not covered by a plan established under section 6
 26 of this chapter.

27 (b) After June 30, 1986, the state shall provide a group health
 28 insurance plan to each retired employee:

29 (1) whose retirement date is:

30 (A) after June 29, 1986, for a retired employee who was a
 31 member of the field examiners' retirement fund;

32 (B) after May 31, 1986, for a retired employee who was a
 33 member of the Indiana state teachers' retirement fund; or

34 (C) after June 30, 1986, for a retired employee not covered by
 35 clause (A) or (B);

36 (2) who will have reached fifty-five (55) years of age on or before
 37 the employee's retirement date but who will not be eligible on that
 38 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
 39 seq.; and

40 (3) who:

41 (A) for an employee who retires before January 1, 2007, will
 42 have completed:



- 1 (i) twenty (20) years of creditable employment with a public
 2 employer on or before the employee's retirement date, ten
 3 (10) years of which shall have been completed immediately
 4 preceding the retirement; and
 5 (ii) at least fifteen (15) years of participation in the
 6 retirement plan of which the employee is a member on or
 7 before the employee's retirement date; or
 8 (B) for an employee who retires after December 31, 2006, will
 9 have completed fifteen (15) years of creditable employment
 10 with a public employer on or before the employee's retirement
 11 date, ten (10) years of which shall have been completed
 12 immediately preceding the retirement.
- 13 (c) The state shall provide a group health insurance program to each
 14 retired employee:
- 15 (1) who is a retired judge;
 - 16 (2) whose retirement date is after June 30, 1990;
 - 17 (3) who is at least sixty-two (62) years of age;
 - 18 (4) who is not eligible for Medicare coverage as prescribed by 42
 19 U.S.C. 1395 et seq.; and
 - 20 (5) who has at least eight (8) years of service credit as a
 21 participant in the Indiana judges' retirement fund, with at least
 22 eight (8) years of that service credit completed immediately
 23 preceding the judge's retirement.
- 24 (d) The state shall provide a group health insurance program to each
 25 retired employee:
- 26 (1) who is a retired participant under the prosecuting attorneys
 27 retirement fund;
 - 28 (2) whose retirement date is after January 1, 1990;
 - 29 (3) who is at least sixty-two (62) years of age;
 - 30 (4) who is not eligible for Medicare coverage as prescribed by 42
 31 U.S.C. 1395 et seq.; and
 - 32 (5) who has at least ten (10) years of service credit as a participant
 33 in the prosecuting attorneys retirement fund, with at least ten (10)
 34 years of that service credit completed immediately preceding the
 35 participant's retirement.
- 36 (e) The state shall make available a group health insurance program
 37 to each former member of the general assembly or surviving spouse of
 38 each former member, if the former member:
- 39 (1) is no longer a member of the general assembly;
 - 40 (2) is not eligible for Medicare coverage as prescribed by 42
 41 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the
 42 surviving spouse is not eligible for Medicare coverage as



1 prescribed by 42 U.S.C. 1395 et seq.; and
 2 (3) has at least ten (10) years of service credit as a member in the
 3 general assembly.

4 A former member or surviving spouse of a former member who obtains
 5 insurance under this section is responsible for paying both the
 6 employer and the employee share of the cost of the coverage.

7 (f) The group health insurance program required under subsections
 8 (b) through (e) and subsection (k) must be equal to that offered active
 9 employees. The retired employee may participate in the group health
 10 insurance program if the retired employee pays an amount equal to the
 11 employer's and the employee's premium for the group health insurance
 12 for an active employee and if the retired employee within ninety (90)
 13 days after the employee's retirement date files a written request for
 14 insurance coverage with the employer. Except as provided in
 15 subsection (l), the employer may elect to pay any part of the retired
 16 employee's premium with respect to insurance coverage under this
 17 chapter.

18 (g) Except as provided in subsection (j), a retired employee's
 19 eligibility to continue insurance under this section ends when the
 20 employee becomes eligible for Medicare coverage as prescribed by 42
 21 U.S.C. 1395 et seq., or when the employer terminates the health
 22 insurance program. A retired employee who is eligible for insurance
 23 coverage under this section may elect to have the employee's spouse
 24 covered under the health insurance program at the time the employee
 25 retires. If a retired employee's spouse pays the amount the retired
 26 employee would have been required to pay for coverage selected by the
 27 spouse, the spouse's subsequent eligibility to continue insurance under
 28 this section is not affected by the death of the retired employee. The
 29 surviving spouse's eligibility ends on the earliest of the following:

- 30 (1) When the spouse becomes eligible for Medicare coverage as
 31 prescribed by 42 U.S.C. 1395 et seq.
- 32 (2) When the employer terminates the health insurance program.
- 33 (3) Two (2) years after the date of the employee's death.
- 34 (4) The date of the spouse's remarriage.

35 (h) This subsection does not apply to an employee who is entitled
 36 to group insurance coverage under IC 20-28-10-2(b). An employee
 37 who is on leave without pay is entitled to participate for ninety (90)
 38 days in any health insurance program maintained by the employer for
 39 active employees if the employee pays an amount equal to the total of
 40 the employer's and the employee's premiums for the insurance.

41 (i) An employer may provide group health insurance for retired
 42 employees or their spouses not covered by this section and may provide



1 group health insurance that contains provisions more favorable to
 2 retired employees and their spouses than required by this section. A
 3 public employer may provide group health insurance to an employee
 4 who is on leave without pay for a longer period than required by
 5 subsection (h).

6 (j) An employer may elect to permit former employees and their
 7 spouses, including surviving spouses, to continue to participate in a
 8 group health insurance program under this chapter after the former
 9 employee (who is otherwise qualified under this chapter to participate
 10 in a group insurance program) or spouse has become eligible for
 11 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. ~~An~~
 12 ~~employer who makes an election under this section may require a~~
 13 ~~person who continues coverage under this subsection to participate in~~
 14 ~~a retiree health benefit plan developed under section 8.3 of this chapter.~~

15 (k) The state shall provide a group health insurance program to each
 16 retired employee:

17 (1) who was employed as a teacher in a state institution under:

18 (A) IC 11-10-5;

19 (B) IC 12-24-3;

20 (C) IC 16-33-3;

21 (D) IC 16-33-4;

22 (E) IC 20-21-2-1; or

23 (F) IC 20-22-2-1;

24 (2) who is at least fifty-five (55) years of age on or before the
 25 employee's retirement date;

26 (3) who is not eligible for Medicare coverage as prescribed by 42
 27 U.S.C. 1395 et seq.; and

28 (4) who:

29 (A) has at least fifteen (15) years of service credit as a
 30 participant in the retirement fund of which the employee is a
 31 member on or before the employee's retirement date; or

32 (B) completes at least ten (10) years of service credit as a
 33 participant in the retirement fund of which the employee is a
 34 member immediately before the employee's retirement.

35 (l) The president pro tempore of the senate and the speaker of the
 36 house of representatives may not elect to pay any part of the premium
 37 for insurance coverage under this chapter for a former member of the
 38 general assembly or the spouse of a former member of the general
 39 assembly whose last day of service as a member of the general
 40 assembly is after July 31, 2007.

41 SECTION 19. IC 5-10-8-8.3 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8.3. (a) As used in this



1 section, "department" refers to the state personnel department.

2 (b) The department shall establish, or contract for the establishment
3 of, at least two (2) retiree health benefit plans to be available for former
4 employees of:

5 (1) the state; and

6 (2) the legislative branch of government;

7 whose employer elects under section 8(j) of this chapter to permit its
8 former employees to continue to participate in a health insurance
9 program under this chapter after the employees have become eligible
10 for Medicare coverage. At least one (1) of the plans offered to former
11 employees must include coverage for prescription drugs comparable to
12 a Medicare plan that provides prescription drug benefits. **This
13 subsection expires July 1, 2014.**

14 (c) **The department shall not, after June 30, 2014, amend or
15 renew a retiree health benefit plan described in subsection (b) that
16 is in effect on June 30, 2014.**

17 (d) **A retiree health benefit plan described in subsection (b) that
18 is in effect on June 30, 2014, terminates on the first plan renewal
19 date occurring after June 30, 2014.**

20 SECTION 20. IC 5-16-7-5 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) This chapter does
22 not apply to contractors or subcontractors performing public work for
23 Purdue University on agricultural or forestry land owned or occupied
24 by the university and used by it for educational or research purposes if
25 the cost of the work is estimated to be less than fifty thousand dollars
26 (\$50,000).

27 (b) Except as provided in IC 5-23, this chapter does not apply to a
28 person that has entered into an operating agreement with the state, a
29 municipal corporation, or another political subdivision for the
30 management or operation of a public **facility project** under IC 5-23.

31 SECTION 21. IC 5-22-2-23 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 23. (a) "Public funds"
33 means money:

34 (1) derived from the revenue sources of the governmental body;
35 and

36 (2) deposited into the general or a special fund of the
37 governmental body.

38 (b) The term does not include either of the following:

39 (1) Money received by any person managing or operating a public
40 **facility project** under an authorized operating agreement under
41 IC 5-23.

42 (2) Proceeds of bonds payable exclusively by a private entity.



1 SECTION 22. IC 5-23-1-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. This article applies
 3 to the following:

- 4 (1) The state.
 5 (2) A political subdivision in a county containing a consolidated
 6 city.
 7 (3) A political subdivision in a county where:
 8 (A) the legislative body of the political subdivision; or
 9 (B) if the political subdivision does not have a legislative
 10 body, the fiscal body of the political subdivision;
 11 adopts the provisions of this article by resolution or ordinance.

12 **(4) The Indiana finance authority (IC 4-4-11), which may**
 13 **exercise the powers of a governmental body to carry out a**
 14 **public project under this article.**

15 SECTION 23. IC 5-23-2-3 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. "BOT agreement"
 17 means any agreement between a governmental body and an operator to
 18 construct, operate, and maintain a public **facility project** and to transfer
 19 the public **facility project** back to the governmental body at an
 20 established future date.

21 SECTION 24. IC 5-23-2-4 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) "Construction"
 23 means the process of building, renovating, reconstructing, expanding,
 24 modernizing, or assembling a public work, including any material
 25 enhancements or upgrades to an existing public **facility project**.

26 (b) The term does not include normal repair, operation, general
 27 maintenance, or preservation of a public work.

28 SECTION 25. IC 5-23-2-5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. "Cost" means the
 30 cost of entering into any public-private agreement, including, without
 31 limitation, the following:

- 32 (1) The cost of acquisition and construction of any public **facility**
 33 **project** or any modification, improvement, or extension of that
 34 **facility project**.
 35 (2) Any cost incident to the acquisition of any necessary property,
 36 easement, or right-of-way.
 37 (3) Engineering or architectural fees, legal fees, and fiscal agents'
 38 and financial advisers' fees.
 39 (4) Any cost incurred for preliminary planning to determine the
 40 economic or engineering feasibility of a proposed public-private
 41 agreement.
 42 (5) Costs of economic investigations and studies, surveys,



1 preparation of designs, plans, working drawings, specifications,
 2 the inspection and supervision of the construction of any public
 3 ~~facility~~, **project**, and any other cost incurred by the governmental
 4 body.

5 SECTION 26. IC 5-23-2-7 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. "Operating
 7 agreement" means an agreement between an operator and the
 8 governmental body for the operation, maintenance, repair, or
 9 management of a public ~~facility~~. **project**.

10 SECTION 27. IC 5-23-2-11 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 11. "Public ~~facility~~"
 12 **project**" means **any of the following**:

13 (1) A facility located on, or to be located on, real property owned
 14 or leased by a governmental body and upon which a public
 15 service is or may be provided, **including a facility, as defined in**
 16 **IC 4-13.5-1-1(7).**

17 (2) **A park project, as defined in IC 14-14-1-6.**

18 (3) **An airport or aviation related property or facility, as**
 19 **defined in IC 8-21-12.**

20 (4) **An industrial development project, as defined in**
 21 **IC 4-4-10.9-11.**

22 (5) **A passenger or freight railway system.**

23 SECTION 28. IC 5-23-2-15 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. "Public work"
 25 means any public building, highway, street, alley, bridge, sewer, drain,
 26 or any other public ~~facility~~ **project** that is paid for out of public funds.

27 SECTION 29. IC 5-23-3-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. A governmental
 29 body may enter into a BOT agreement with an operator for the
 30 acquisition, planning, design, development, reconstruction, repair,
 31 maintenance, or financing of any public ~~facility~~ **project** on behalf of
 32 the governmental body.

33 SECTION 30. IC 5-23-3-2 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. BOT agreements
 35 may provide the following:

36 (1) The design, construction, operation, management,
 37 maintenance, or financing of the cost of a public ~~facility~~ **project**
 38 shall be partially or entirely the responsibility of the operator.

39 (2) The governmental body shall lease the public ~~facility~~ **project**
 40 and real property owned by the governmental body upon which
 41 the public ~~facility~~ **project** is to be located to the operator for a
 42 predetermined period. The BOT agreement must provide for



1 ownership of all improvements by the governmental body, unless
 2 the governmental body elects to provide for ownership of the
 3 public **facility project** by the operator during the term of the BOT
 4 agreement. In this case, ownership reverts back to the
 5 governmental body upon the termination of the BOT agreement.

6 (3) The BOT agreement must identify which costs are to be the
 7 responsibility of the operator and which costs are to be the
 8 responsibility of the governmental body.

9 (4) The operator may be authorized to retain a mutually agreed
 10 upon percentage of the revenues received in the operation and
 11 management of the public **facility project**, or the operator may be
 12 paid an amount established by the governmental body, which
 13 shall be applied as follows:

14 (A) Capital outlay costs for the public **facility project** and
 15 public service plus interest and principal repayment for any
 16 debt incurred.

17 (B) Costs associated with the operation, management, and
 18 maintenance of the public **facility project**.

19 (C) Payment to the governmental body for reimbursement of
 20 the costs of maintenance, law enforcement, and other services
 21 if the services are performed by the governmental body under
 22 the BOT agreement.

23 (D) An agreed upon return on investment to the operator.

24 (5) The operator may pay the governmental body either a lease
 25 payment or a percentage of gross revenue per month for the
 26 operator's operation and use of the public **facility project**.

27 (6) The BOT agreement may require a performance bond and
 28 provide for the payment of contractors and subcontractors under
 29 IC 4-13.6-7, IC 5-16-5, or IC 36-1-12, whichever is applicable.

30 SECTION 31. IC 5-23-3-3 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. If a governmental
 32 body enters into a BOT agreement that involves the construction of a
 33 public **facility project** with public funds under this section, the
 34 operator or any contractor or subcontractor engaged in the construction
 35 of that public **facility project** shall pay the common construction wage
 36 as determined under IC 5-16-7.

37 SECTION 32. IC 5-23-3-4 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. If a governmental
 39 body enters into a BOT agreement that involves the construction of a
 40 public **facility project** with public funds under this section, the
 41 construction of that public **facility project** is subject to IC 4-13.6,
 42 IC 5-16, or IC 36-1-12, whichever is applicable.



1 SECTION 33. IC 5-23-4-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. A governmental
 3 body may enter into an operating agreement with an operator for the
 4 operation, maintenance, repair, management, or any combination of
 5 operation, maintenance, repair, or management of any public ~~facility~~
 6 **project** for any public service to be performed on behalf of the
 7 governmental body.

8 SECTION 34. IC 5-23-4-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. If a governmental
 10 body enters into an operating agreement that involves the construction
 11 of a public ~~facility~~ **project** with public funds under this section, the
 12 operator or any contractor or subcontractor engaged in the construction
 13 of that public ~~facility~~ **project** shall pay the common construction wage
 14 as determined under IC 5-16-7.

15 SECTION 35. IC 6-1.1-15-4, AS AMENDED BY P.L.112-2012,
 16 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2014]: Sec. 4. (a) After receiving a petition for review which
 18 is filed under section 3 of this chapter, the Indiana board shall conduct
 19 a hearing at its earliest opportunity. The Indiana board may correct any
 20 errors that may have been made and adjust the assessment or
 21 exemption in accordance with the correction.

22 (b) If the Indiana board conducts a site inspection of the property as
 23 part of its review of the petition, the Indiana board shall give notice to
 24 all parties of the date and time of the site inspection. The Indiana board
 25 is not required to assess the property in question. The Indiana board
 26 shall give notice of the date fixed for the hearing, by mail, to the
 27 taxpayer and to the county assessor. The Indiana board shall give these
 28 notices at least thirty (30) days before the day fixed for the hearing
 29 unless the parties agree to a shorter period. With respect to a petition
 30 for review filed by a county assessor, the county board that made the
 31 determination under review under this section may file an amicus
 32 curiae brief in the review proceeding under this section. The expenses
 33 incurred by the county board in filing the amicus curiae brief shall be
 34 paid from the property reassessment fund under IC 6-1.1-4-27.5. The
 35 executive of a taxing unit may file an amicus curiae brief in the review
 36 proceeding under this section if the property whose assessment or
 37 exemption is under appeal is subject to assessment by that taxing unit.

38 (c) If a petition for review does not comply with the Indiana board's
 39 instructions for completing the form prescribed under section 3 of this
 40 chapter, the Indiana board shall return the petition to the petitioner and
 41 include a notice describing the defect in the petition. The petitioner
 42 then has thirty (30) days from the date on the notice to cure the defect



1 and file a corrected petition. The Indiana board shall deny a corrected
 2 petition for review if it does not substantially comply with the Indiana
 3 board's instructions for completing the form prescribed under section
 4 3 of this chapter.

5 (d) After the hearing, the Indiana board shall give the taxpayer, the
 6 county assessor, and any entity that filed an amicus curiae brief:

7 (1) notice, by mail, of its final determination; and

8 (2) for parties entitled to appeal the final determination, notice of
 9 the procedures they must follow in order to obtain court review
 10 under section 5 of this chapter.

11 (e) Except as provided in subsection (f), the Indiana board shall
 12 conduct a hearing not later than nine (9) months after a petition in
 13 proper form is filed with the Indiana board, excluding any time due to
 14 a delay reasonably caused by the petitioner.

15 (f) With respect to an appeal of a real property assessment that takes
 16 effect on the assessment date on which a reassessment of real property
 17 takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the Indiana board
 18 shall conduct a hearing not later than one (1) year after a petition in
 19 proper form is filed with the Indiana board, excluding any time due to
 20 a delay reasonably caused by the petitioner.

21 (g) Except as provided in subsection (h), the Indiana board shall
 22 make a determination not later than the later of:

23 (1) ninety (90) days after the hearing; or

24 (2) the date set in an extension order issued by the Indiana board.

25 (h) With respect to an appeal of a real property assessment that
 26 takes effect on the assessment date on which a reassessment of real
 27 property takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the Indiana
 28 board shall make a determination not later than the later of:

29 (1) one hundred eighty (180) days after the hearing; or

30 (2) the date set in an extension order issued by the Indiana board.

31 (i) The Indiana board may not extend the final determination date
 32 under subsection (g) or (h) by more than one hundred eighty (180)
 33 days. If the Indiana board fails to make a final determination within the
 34 time allowed by this section, the entity that initiated the petition may:

35 (1) take no action and wait for the Indiana board to make a final
 36 determination; or

37 (2) petition for judicial review under section 5 of this chapter.

38 (j) A final determination must include separately stated findings of
 39 fact for all aspects of the determination. Findings of ultimate fact must
 40 be accompanied by a concise statement of the underlying basic facts of
 41 record to support the findings. Findings must be based exclusively
 42 upon the evidence on the record in the proceeding and on matters



1 officially noticed in the proceeding. Findings must be based upon a
2 preponderance of the evidence.

3 (k) The Indiana board may limit the scope of the appeal to the issues
4 raised in the petition and the evaluation of the evidence presented to
5 the county board in support of those issues only if all parties
6 participating in the hearing required under subsection (a) agree to the
7 limitation. A party participating in the hearing required under
8 subsection (a) is entitled to introduce evidence that is otherwise proper
9 and admissible without regard to whether that evidence has previously
10 been introduced at a hearing before the county board.

11 (l) The Indiana board may require the parties to the appeal:

12 (1) to file not more than five (5) business days before the date of
13 the hearing required under subsection (a) documentary evidence
14 or summaries of statements of testimonial evidence; and

15 (2) to file not more than fifteen (15) business days before the date
16 of the hearing required under subsection (a) lists of witnesses and
17 exhibits to be introduced at the hearing.

18 (m) A party to a proceeding before the Indiana board shall provide
19 to all other parties to the proceeding the information described in
20 subsection (l) if the other party requests the information in writing at
21 least ten (10) days before the deadline for filing of the information
22 under subsection (l).

23 (n) The Indiana board may base its final determination on a
24 stipulation between the respondent and the petitioner. If the final
25 determination is based on a stipulated assessed valuation of tangible
26 property, the Indiana board may order the placement of a notation on
27 the permanent assessment record of the tangible property that the
28 assessed valuation was determined by stipulation. The Indiana board
29 may:

30 (1) order that a final determination under this subsection has no
31 precedential value; or

32 (2) specify a limited precedential value of a final determination
33 under this subsection.

34 **(o) If a party to a proceeding, or a party's authorized**
35 **representative, elects to receive any notice under this section by**
36 **electronic mail, the notice is considered effective in the same**
37 **manner as if the notice had been sent by United States mail, with**
38 **postage prepaid, to the party's or representative's mailing address**
39 **of record.**

40 SECTION 36. IC 6-2.5-3-11 IS ADDED TO THE INDIANA CODE
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
42 1, 2014]: **Sec. 11. (a) As used in this section, "excess" means the**



1 amount determined under subsection (b)(2).

2 (b) The budget agency shall, before July 20, 2014, and again
3 before July 20, 2015, determine the following:

4 (1) The amount of use taxes the state has collected in the
5 previous state fiscal year from remote sellers with respect to
6 remote sales sourced to Indiana.

7 (2) The amount by which the amount determined under
8 subdivision (1) exceeds:

9 (A) fifty million dollars (\$50,000,000), for state fiscal year
10 2013-2014; or

11 (B) seventy-five million dollars (\$75,000,000), for state
12 fiscal year 2014-2015;

13 if any.

14 (c) The budget agency shall before July 20 of each year certify
15 to the state budget committee:

16 (1) whether an excess exists; and

17 (2) the amount of the excess, if any.

18 (d) If the budget agency certifies to the budget committee that
19 there is an excess in use tax collections on remote sales, the excess
20 amount shall be transferred immediately from the state general
21 fund to the major moves construction fund established by
22 IC 8-14-14-5.

23 (e) This section expires July 31, 2015.

24 SECTION 37. IC 8-10-1-3, AS AMENDED BY P.L.98-2008,
25 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2014]: Sec. 3. (a) The ports of Indiana is created as a body
27 both corporate and politic in the state of Indiana, and the exercise of the
28 powers conferred by this article in the construction, operation, and
29 maintenance of a port or project shall be deemed and held to be
30 essential governmental functions of the state.

31 (b) The ports of Indiana shall be governed by a commission
32 consisting of ~~seven (7)~~ **ten (10) voting** members, as follows:

33 (1) **The commissioner of the department of transportation or**
34 **the commissioner's designee.**

35 (2) **The secretary of commerce or the secretary's designee.**

36 (3) **The director of public finance or the director's designee.**

37 (4) **Seven (7) members** appointed by the governor, no more than
38 four (4) of whom shall be members of the same political party.

39 The **seven (7) appointed** members shall be residents of the state, and
40 shall have been qualified electors therein for a period of at least five (5)
41 years next preceding their appointment. The members of the
42 commission first appointed shall continue in office for terms expiring,



1 in the case of two (2) members, on July 1, 1962, and in the case of
 2 three (3) members, on July 1, 1963, July 1, 1964, and July 1, 1965, and
 3 the first two (2) members appointed after January 1, 1975, shall
 4 continue in office for terms expiring July 1, 1977, for one (1) member
 5 and July 1, 1979, for the other member, respectively, and until their
 6 respective successors shall be duly appointed and qualified. The term
 7 of any member of the commission first appointed shall be designated
 8 by the governor. The successor of each such member shall be
 9 appointed for a term of four (4) years, except that any person appointed
 10 to fill a vacancy shall be appointed to serve only for the unexpired term
 11 and until a successor is duly appointed and qualified, and a member of
 12 the commission shall be eligible for reappointment. The governor may
 13 at any time remove any **appointed** member of the commission for
 14 misfeasance, nonfeasance, or malfeasance in office. The **appointed**
 15 members of the commission shall, within ten (10) days after their
 16 appointment, meet and qualify by subscribing an oath to discharge
 17 honestly and faithfully the duties of their office as members of the
 18 commission. **A member specified in subdivisions (1) through (3) is**
 19 **not required to take and file an oath of office.** The commission shall
 20 elect one (1) of the members as chairman and another as
 21 vice-chairman, and shall appoint a secretary-treasurer who need not be
 22 a member of the commission. ~~Four (4)~~ **Six (6)** members of the
 23 commission shall constitute a quorum, and the affirmative vote of ~~four~~
 24 ~~(4)~~ **six (6)** members shall be necessary for any official action taken by
 25 the commission. A vacancy in the membership of the commission does
 26 not impair the rights of a quorum to exercise all the rights and perform
 27 all the duties of the commission.

28 (c) Before the issuance of any revenue bonds under the provisions
 29 of this article:

- 30 (1) each ~~appointed~~ member of the commission;
- 31 (2) the secretary-treasurer; and
- 32 (3) any other employee or agent of the ports of Indiana authorized

33 by resolution of the commission to handle funds or sign checks;
 34 shall give a surety bond to the state in the penal sum of fifty thousand
 35 dollars (\$50,000). Each such surety bond must be conditioned upon the
 36 faithful performance of the individual's duties, to be executed by a
 37 surety company authorized to transact business in the state as surety
 38 and to be approved by the governor and filed in the office of the
 39 secretary of state. **The cost of a surety bond required by this**
 40 **subsection is the responsibility of the commission.**

41 (d) Each ~~appointed~~ member of the commission shall receive an
 42 annual salary of seven thousand five hundred dollars (\$7,500), payable



- 1 in monthly instalments.
- 2 (e) (d) Each member:
- 3 (1) shall be reimbursed for the member's actual expenses
- 4 necessarily incurred in the performance of the member's duties;
- 5 **and**
- 6 (2) may not receive a salary.
- 7 (e) **Membership on the commission does not constitute holding**
- 8 **a public office.**
- 9 (f) **Except as provided in this chapter, a member of the**
- 10 **commission:**
- 11 (1) **is not disqualified from holding a public office or position;**
- 12 **and**
- 13 (2) **does not forfeit an office, a position, or employment;**
- 14 **by reason of an appointment to or membership on the commission.**
- 15 (f) (g) All expenses incurred in carrying out the provisions of this
- 16 article shall be payable solely from funds provided under the authority
- 17 of this article and no liability or obligation shall be incurred by the
- 18 ports of Indiana hereunder beyond the extent to which moneys shall
- 19 have been provided under the authority of this article.
- 20 (g) (h) The commission:
- 21 (1) is responsible for implementing the powers and duties of the
- 22 ports of Indiana under this article; and
- 23 (2) may adopt bylaws for the regulation of the affairs of the
- 24 commission and the conduct of the business of the ports of
- 25 Indiana.
- 26 The commission may delegate to staff, including the chief executive,
- 27 such administrative functions as the commission deems necessary or
- 28 desirable to accomplish the purposes of the ports of Indiana under this
- 29 article. The chief executive may delegate the chief executive's authority
- 30 to the appropriate staff.
- 31 SECTION 38. IC 8-15.5-1-2, AS AMENDED BY P.L.205-2013,
- 32 SECTION 136, IS AMENDED TO READ AS FOLLOWS
- 33 [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) This article contains full and
- 34 complete authority for public-private agreements between **and among**
- 35 the authority, **a governmental entity**, and a private entity. Except as
- 36 provided in this article, no law, procedure, proceeding, publication,
- 37 notice, consent, approval, order, or act by the authority or any other
- 38 officer, department, agency, or instrumentality of the state or any
- 39 political subdivision is required for the authority to enter into a
- 40 public-private agreement with a private entity under this article, or for
- 41 a project that is the subject of a public-private agreement to be
- 42 constructed, acquired, maintained, repaired, operated, financed,



1 transferred, or conveyed.

2 (b) Before the authority or the department may issue a request for
3 proposals for or enter into a public-private agreement under this article
4 that would authorize an operator to impose tolls for the operation of
5 motor vehicles on all or part of a toll road project, the general assembly
6 must adopt a statute authorizing the imposition of tolls. However,
7 during the period beginning July 1, 2011, and ending June 30, 2021,
8 and notwithstanding subsection (c), the general assembly is not
9 required to enact a statute authorizing the authority or the department
10 to issue a request for proposals or enter into a public-private agreement
11 to authorize an operator to impose tolls for the operation of motor
12 vehicles on all or part of the following projects:

13 (1) A project on which construction begins after June 30, 2011,
14 not including any part of Interstate Highway 69 other than a part
15 described in subdivision (4).

16 (2) The addition of toll lanes, including high occupancy toll lanes,
17 to a highway, roadway, or other facility in existence on July 1,
18 2011, if the number of nontolled lanes on the highway, roadway,
19 or facility as of July 1, 2011, does not decrease due to the addition
20 of the toll lanes.

21 (3) The Illiana Expressway, a limited access facility connecting
22 Interstate Highway 65 in northwestern Indiana with an interstate
23 highway in Illinois.

24 (4) A project that is located within a metropolitan planning area
25 (as defined by 23 U.S.C. 134) and that connects the state of
26 Indiana with the commonwealth of Kentucky.

27 (c) Before the authority or an operator may carry out any of the
28 following activities under this article, the general assembly must enact
29 a statute authorizing that activity:

30 (1) Carrying out construction for Interstate Highway 69 in a
31 township having a population of more than one hundred thousand
32 (100,000) and less than one hundred ten thousand (110,000)
33 located in a county having a consolidated city.

34 (2) Imposing tolls on motor vehicles for use of Interstate Highway
35 69.

36 (3) Imposing tolls on motor vehicles for use of a nontolled
37 highway, roadway, or other facility in existence or under
38 construction on July 1, 2011, including nontolled interstate
39 highways, U.S. routes, and state routes.

40 (d) Except as provided in subsection (c)(1), the general assembly is
41 not required to enact a statute authorizing the authority or the
42 department to issue a request for proposals or enter into a



1 public-private agreement for a freeway project.

2 SECTION 39. IC 8-15.5-2-3.5, AS ADDED BY P.L.85-2010,
3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2014]: Sec. 3.5. "Governmental entity" means:

5 (1) any state;

6 (2) any authority, board, bureau, commission, committee, **agency**,
7 department, division, or other instrumentality established by any
8 state, **including a unit of local government**; or

9 (3) any entity established by the laws of another state in which the
10 state of Indiana has been invited to participate.

11 SECTION 40. IC 8-15.5-2-6, AS ADDED BY P.L.47-2006,
12 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2014]: Sec. 6. "Private entity" means any individual, sole
14 proprietorship, corporation, limited liability company, joint venture,
15 general partnership, limited partnership, nonprofit entity, or other
16 private legal entity. A ~~public agency~~ **governmental entity** may provide
17 services to a private entity without affecting the private status of the
18 private entity and the ability to enter into a public-private agreement.

19 SECTION 41. IC 8-15.5-2-8, AS AMENDED BY P.L.205-2013,
20 SECTION 139, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2014]: Sec. 8. "Public-private agreement"
22 means an agreement under this article between **and among** a private
23 entity, ~~and~~ the authority, **and a governmental entity**, under which the
24 private entity, acting on behalf of the authority **or governmental entity**
25 as lessee, licensee, or franchisee, will plan, design, acquire, construct,
26 reconstruct, improve, extend, expand, lease, operate, repair, manage,
27 maintain, or finance a project.

28 SECTION 42. IC 8-15.5-3-1, AS AMENDED BY P.L.205-2013,
29 SECTION 142, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2014]: Sec. 1. Subject to the other provisions
31 of this article, the authority, **a governmental entity**, and a private
32 entity may enter into a public-private agreement with respect to a
33 project. Subject to the requirements of this article, a public-private
34 agreement may provide that the private entity is partially or entirely
35 responsible for any combination of the following activities with respect
36 to the project:

37 (1) Planning.

38 (2) Design.

39 (3) Acquisition.

40 (4) Construction.

41 (5) Reconstruction.

42 (6) Improvement.



- 1 (7) Extension or expansion.
 2 (8) Operation.
 3 (9) Repair.
 4 (10) Management.
 5 (11) Maintenance.
 6 (12) Financing.
- 7 SECTION 43. IC 8-15.5-4-1.5, AS AMENDED BY P.L.205-2013,
 8 SECTION 144, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2014]: Sec. 1.5. (a) This section does not apply
 10 to a freeway project.
- 11 (b) The authority may not issue a request for proposals for a toll
 12 road project under this article unless the authority has received a
 13 preliminary feasibility study and an economic impact study for the
 14 project from the department. ~~prepared in the same manner as required~~
 15 ~~by IC 8-15.7-4-1.~~
- 16 (c) The economic impact study must, at a minimum, include an
 17 analysis of the following matters with respect to the proposed project:
 18 (1) Economic impacts on existing commercial and industrial
 19 development.
 20 (2) Potential impacts on employment.
 21 (3) Potential for future development near the project area,
 22 including consideration of locations for interchanges that will
 23 maximize opportunities for development.
 24 (4) Fiscal impacts on revenues to local units of government.
 25 (5) Demands on government services, such as public safety,
 26 public works, education, zoning and building, and local airports.
 27 The authority shall post a copy of the economic impact study on the
 28 authority's Internet web site and shall also provide copies of the study
 29 to the governor and the legislative council (in an electronic format
 30 under IC 5-14-6).
- 31 (d) After completion of the economic impact study, the authority
 32 must conduct a public hearing on the results of the study in the county
 33 seat of the county in which the proposed project would be located. At
 34 least ten (10) days before each public hearing, the authority shall:
 35 (1) post notice of the public hearing on the authority's Internet
 36 web site;
 37 (2) publish notice of the public hearing one (1) time in accordance
 38 with IC 5-3-1 in two (2) newspapers of general circulation in the
 39 county; and
 40 (3) include in the notices under subdivisions (1) and (2):
 41 (A) the date, time, and place of the hearing;
 42 (B) the subject matter of the hearing;



- 1 (C) a description of the purpose of the economic impact study;
 2 (D) a description of the proposed project and its location; and
 3 (E) a statement concerning the availability of the study on the
 4 authority's Internet web site.
- 5 At the hearing, the authority shall allow the public to be heard on the
 6 economic impact study and the proposed project.
- 7 SECTION 44. IC 8-15.5-4-9, AS AMENDED BY P.L.205-2013,
 8 SECTION 147, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) If the authority makes a
 10 preliminary selection of an operator under section 8 of this chapter, the
 11 authority shall schedule a public hearing on the preliminary selection
 12 and the terms of the public-private agreement for the project. The
 13 hearing shall be conducted in the county seat of ~~the~~ **any Indiana**
 14 county in which the proposed project is to be located.
- 15 (b) At least ten (10) days before the public hearing, the authority
 16 shall post on its Internet web site:
- 17 (1) the proposal submitted by the offeror that has been
 18 preliminarily selected as the operator for the project, except for
 19 those parts of the proposal that are confidential under this article;
 20 and
 21 (2) the proposed public-private agreement for the project.
- 22 (c) At least ten (10) days before the public hearing, the authority
 23 shall:
- 24 (1) post notice of the public hearing on the authority's Internet
 25 web site; and
 26 (2) publish notice of the hearing one (1) time in accordance with
 27 IC 5-3-1 in two (2) newspapers of general circulation in the
 28 **Indiana** county in which the proposed project is to be located.
- 29 (d) The notices required by subsection (c) must include the
 30 following:
- 31 (1) The date, time, and place of the hearing.
 32 (2) The subject matter of the hearing.
 33 (3) A description of the project and of the public-private
 34 agreement to be awarded.
 35 (4) The identity of the offeror that has been preliminarily selected
 36 as the operator for the project.
 37 (5) The address and telephone number of the authority.
 38 (6) A statement indicating that, subject to section 6 of this
 39 chapter, and except for those portions that are confidential under
 40 this chapter, the following are available on the authority's Internet
 41 web site and are also available for public inspection and copying
 42 at the principal office of the authority during regular business



- 1 hours:
- 2 (A) The selected offer.
- 3 (B) An explanation of the basis upon which the preliminary
- 4 selection was made.
- 5 (C) The proposed public-private agreement for the project.
- 6 (e) At the hearing, the authority shall allow the public to be heard
- 7 on the preliminary selection of the operator for the proposed project
- 8 and the terms of the public-private agreement for the proposed project.
- 9 SECTION 45. IC 8-15.5-4-12, AS ADDED BY P.L.47-2006,
- 10 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 11 JULY 1, 2014]: Sec. 12. Any action to contest the validity of a
- 12 public-private agreement **or any underlying agreement related to the**
- 13 **public-private project that is** entered into under this ~~chapter~~ **article**
- 14 may not be brought after the fifteenth day following the publication of
- 15 the notice of the designation of an operator under the public-private
- 16 agreement as provided in section 11 of this chapter.
- 17 SECTION 46. IC 8-15.5-5-2, AS AMENDED BY P.L.205-2013,
- 18 SECTION 150, IS AMENDED TO READ AS FOLLOWS
- 19 [EFFECTIVE JULY 1, 2014]: Sec. 2. A public-private agreement
- 20 entered into under this article must provide for the following:
- 21 (1) The original term of the public-private agreement, which may
- 22 not exceed seventy-five (75) years.
- 23 (2) Provisions for a:
- 24 (A) lease, franchise, or license of the project and the real
- 25 property owned by the authority upon which the project is
- 26 located or is to be located; or
- 27 (B) management agreement or other contract to operate the
- 28 project and the real property owned by the authority upon
- 29 which the project is located or is to be located;
- 30 for a predetermined period. The public-private agreement must
- 31 provide for ownership of all improvements and real property by
- 32 the authority in the name of the state **or by a governmental**
- 33 **entity, or both.**
- 34 (3) Monitoring of the operator's maintenance practices by the
- 35 authority and the taking of actions by the authority that it
- 36 considers appropriate to ensure that the project is properly
- 37 maintained.
- 38 (4) The basis upon which user fees that may be collected by the
- 39 operator, as determined under this article, are established.
- 40 (5) Compliance with applicable state and federal laws and local
- 41 ordinances.
- 42 (6) Grounds for termination of the public-private agreement by



- 1 the authority or the operator.
 2 (7) The date of termination of the operator's authority and duties
 3 under this article.
 4 (8) Procedures for amendment of the agreement.
 5 (9) Provisions requiring the completion of all environmental
 6 analyses of the project required by state and federal law in the
 7 manner and at the times required by the appropriate state and
 8 federal agencies.
 9 (10) An expedited method for resolving disputes between or
 10 among the authority, the parties to the public-private agreement,
 11 and units of local government that contain any part of the project,
 12 as required by IC 8-15.5-10-8.

13 SECTION 47. IC 8-15.5-6-4, AS AMENDED BY P.L.205-2013,
 14 SECTION 159, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2014]: Sec. 4. **Except for a project involving**
 16 **another state**, each project constructed or operated under this article
 17 is considered to be part of the state highway system designated under
 18 IC 8-23-4-2 for purposes of identification, maintenance standards, and
 19 enforcement of traffic laws.

20 SECTION 48. IC 8-15.5-8-1, AS AMENDED BY P.L.205-2013,
 21 SECTION 161, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2014]: Sec. 1. A project and tangible personal
 23 property used exclusively in connection with a project that are:

- 24 (1) owned by the authority **or a governmental entity** and leased,
 25 franchised, licensed, or otherwise conveyed to an operator; or
 26 (2) acquired, constructed, or otherwise provided by an operator in
 27 connection with the project;

28 under the terms of a public-private agreement are considered to be
 29 public property devoted to an essential public and governmental
 30 function and purpose and the property, and an operator's leasehold
 31 estate, franchise, license, and other interests in the property, are exempt
 32 from all ad valorem property taxes and special assessments levied
 33 against property by the state or any political subdivision of the state.

34 SECTION 49. IC 8-15.5-10-2, AS ADDED BY P.L.47-2006,
 35 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2014]: Sec. 2. (a) The authority may make and enter into all
 37 contracts and agreements necessary or incidental to the performance of
 38 the authority's duties and the execution of the authority's powers under
 39 this article. These contracts or agreements are not subject to any
 40 approvals other than the approval of the authority and may be for any
 41 term of years and contain any terms that are considered reasonable by
 42 the authority.



1 (b) The department and any other ~~state agency~~ **governmental entity**
 2 may make and enter into all contracts and agreements necessary or
 3 incidental to the performance of the duties and the execution of the
 4 powers granted to the department or the ~~state agency~~ **governmental**
 5 **entity** in accordance with this article or the public-private agreement.
 6 These contracts or agreements are not subject to any approvals other
 7 than the approval of the department or ~~state agency~~ **governmental**
 8 **entity** and may be for any term of years and contain any terms that are
 9 considered reasonable by the department or the ~~state agency~~.
 10 **governmental entity.**

11 SECTION 50. IC 36-1-12-1.2 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.2. The following
 13 definitions apply throughout this chapter:

14 (1) "Board" means the board or officer of a political subdivision
 15 or an agency having the power to award contracts for public work.

16 (2) "Contractor" means a person who is a party to a public work
 17 contract with the board.

18 (3) "Subcontractor" means a person who is a party to a contract
 19 with the contractor and furnishes and performs labor on the public
 20 work project. The term includes material men who supply
 21 contractors or subcontractors.

22 (4) "Escrowed income" means the value of all property held in an
 23 escrow account over the escrowed principal in the account.

24 (5) "Escrowed principal" means the value of all cash and
 25 securities or other property placed in an escrow account.

26 (6) "Operating agreement" has the meaning set forth in
 27 IC 5-23-2-7.

28 (7) "Person" means any association, corporation, limited liability
 29 company, fiduciary, individual, joint venture, partnership, sole
 30 proprietorship, or any other legal entity.

31 (8) "Property" means all:

32 (A) personal property, fixtures, furnishings, inventory, and
 33 equipment; and

34 (B) real property.

35 (9) "Public fund" means all funds that are:

36 (A) derived from the established revenue sources of a political
 37 subdivision or an agency of a political subdivision; and

38 (B) deposited in a general or special fund of a municipal
 39 corporation, or another political subdivision or agency of a
 40 political subdivision.

41 The term does not include funds received by any person managing
 42 or operating a public ~~facility~~ **project** under a duly authorized



1 operating agreement under IC 5-23 or proceeds of bonds payable
2 exclusively by a private entity.
3 (10) "Retainage" means the amount to be withheld from a
4 payment to the contractor or subcontractor until the occurrence of
5 a specified event.
6 (11) "Specifications" means a description of the physical
7 characteristics, functional characteristics, extent, or nature of any
8 public work required by the board.
9 (12) "Substantial completion" refers to the date when the
10 construction of a structure is sufficiently completed, in
11 accordance with the plans and specifications, as modified by any
12 complete change orders agreed to by the parties, so that it can be
13 occupied for the use for which it was intended.

