



Reprinted
February 28, 2014

ENGROSSED SENATE BILL No. 225

DIGEST OF SB 225 (Updated February 27, 2014 2:50 pm - DI 92)

Citations Affected: IC 4-10; IC 4-23; IC 5-10; IC 5-10.5; IC 6-1.1; IC 8-15.5; IC 10-13; IC 21-34; IC 36-1.

Synopsis: Various state and local financial matters. Eliminates the requirement that excess state general fund reserves are to be carried over each year for purposes of determining a transfer to the pension stabilization fund and an automatic taxpayer refund. Reduces 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. Provides that Indiana Academy of Science (Academy) shall the publish the Academy's annual report of
(Continued next page)

Effective: Upon passage; July 1, 2014.

Kenley, Charbonneau, Hershman

(HOUSE SPONSORS — BROWN T, GOODIN, TURNER)

January 9, 2014, read first time and referred to Committee on Appropriations.
January 30, 2014, amended, reported favorably — Do Pass.
February 3, 2014, read second time, ordered engrossed. Engrossed.
February 4, 2014, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 10, 2014, read first time and referred to Committee on Ways and Means.
February 24, 2014, amended, reported — Do Pass.
February 27, 2014, read second time, amended, ordered engrossed.

ES 225—LS 6950/DI 58



Digest Continued

the Academy's meetings. Changes various copy requirements concerning the Academy's reports. Repeals the annual appropriation for the printing of the proceedings and papers of the Academy. Repeals the requirement that the state offer active and retired employee health insurance coverage in the state plan for state employees and local government units. Provides that the board of trustees of the Indiana public retirement system may not, before January 1, 2016, enter into an agreement with a third party provider to provide annuities to retiring and retired members of the public employees' retirement fund and the teachers' retirement fund. Allows parties involved in a property tax appeal to agree to receive notices and other material by electronic means. 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. Removes restrictions on how the state police department may use certain appropriations. Modifies per campus limits on the amount of outstanding bonds that a state educational institution may issue for qualified energy savings contracts. Removes the separate limit on the amount of outstanding bonds that Ivy Tech Community College may issue for qualified energy savings contracts. Provides that the amount of outstanding bonds for a state educational institution is limited to the greater of \$15,000,000 or 5% of the total replacement value of all structures located on each campus of the state educational institution.



Reprinted
February 28, 2014

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.

ENGROSSED 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 4-10-22-3, AS AMENDED BY P.L.205-2013,
2 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 3. **If**, after completing the presentation to the state
4 budget committee described in section 2 of this chapter, ~~the governor~~
5 ~~shall do the following:~~
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 carry~~
8 ~~over the excess reserves to each subsequent year until the total~~
9 ~~excess reserves, including any carryover amount, equal at least~~
10 ~~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~~

ES 225—LS 6950/DI 58



- 1 following:
- 2 ~~(A)~~ **(1)** If the year is calendar year 2013, transfer one hundred
- 3 percent (100%) of the excess reserves to the pension stabilization
- 4 fund established by IC 5-10.4-2-5 for the purposes of the pension
- 5 stabilization fund. If the year is calendar year 2014 or thereafter,
- 6 transfer fifty percent (50%) of any excess reserves to the pension
- 7 stabilization fund established by IC 5-10.4-2-5 for the purposes
- 8 of the pension stabilization fund.
- 9 ~~(B)~~ **(2)** If the year is calendar year 2014 or thereafter, use fifty
- 10 percent (50%) of any excess reserves for the purposes of
- 11 providing an automatic taxpayer refund under section 4 of this
- 12 chapter.
- 13 SECTION 2. IC 4-23-7.1-26 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) Subject to
- 15 subsections (b) and (c), every state agency that issues public documents
- 16 shall furnish the state library ~~fifty (50)~~ **twenty-five (25)** copies of all
- 17 publications issued by them, whether printed ~~mimeographed, or~~
- 18 ~~duplicated in any way, or published electronically~~, which are not
- 19 issued solely for use within the issuing office. However, if the library
- 20 requests, as many as twenty-five (25) additional copies of each public
- 21 document shall be supplied.
- 22 (b) If other provision is made by law for the distribution of the
- 23 session laws of the general assembly, the journals of the house and
- 24 senate of the general assembly, the supreme court and court of appeals
- 25 reports, or the publications of the Indiana historical bureau, any of the
- 26 public documents for which distribution is provided are exempted from
- 27 the depository requirements under subsection (a). However, two (2)
- 28 copies of each document exempted under this subsection from the
- 29 general depository requirements shall be deposited with the state
- 30 library.
- 31 (c) If a public document issued by an agency is published in the
- 32 Indiana Register in full or in summary form, the agency is exempt from
- 33 providing copies of the published public document to the state library
- 34 under subsection (a).
- 35 (d) Publications of the various schools, colleges, divisions, and
- 36 departments of the state universities and their regional campuses are
- 37 exempt from the depository requirements under subsection (a).
- 38 However, two (2) copies of each publication of these divisions shall be
- 39 deposited in the state library.
- 40 (e) Publications of state university presses, directives for internal
- 41 administration, intraoffice and interoffice publications, and forms are
- 42 completely exempt from all depository requirements.



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

10 (b) A foundation established under this section:

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

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

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

14 and

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

17 (A) administered by the foundation; and

18 (B) not part of the state treasury.

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

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

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

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

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

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

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

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

38 SECTION 4. IC 4-23-9-1 IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2014]: Sec. 1. The annual reports of the
 40 meetings of the Indiana Academy of Science, beginning with the report
 41 for the year 1894, including all papers of scientific or economic value
 42 presented at such meetings, after they shall have been edited and



1 prepared for publication shall be published by the ~~commission on~~
 2 ~~public records.~~ **Indiana Academy of Science.**

3 SECTION 5. IC 4-23-9-2 IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2014]: Sec. 2. The reports shall be edited and
 5 prepared for publication without expense to the state, by a corps of
 6 editors to be selected and appointed by the Indiana Academy of
 7 Science, who shall not, by reason of such services, have any claim
 8 against the state for compensation. The form, style of binding, paper,
 9 typography, and manner and extent of illustration of the reports shall
 10 be determined by the editors. ~~subject to the approval of the commission~~
 11 ~~on public records.~~ Not less than ~~fifteen~~ **one** hundred ~~(1,500)~~ **(100)** nor
 12 more than three thousand (3,000) copies of each of said reports shall be
 13 published, the ~~size number of the edition to which must be~~
 14 determined by the concurrent ~~action decision~~ of the editors and the
 15 ~~commission on public records.~~ **Indiana state library.**

16 SECTION 6. IC 4-23-9-3 IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2014]: Sec. 3. ~~All except three hundred (300)~~
 18 **(a) The Indiana Academy of Science shall provide** copies of each
 19 volume of said reports ~~shall be placed in the custody of to the Indiana~~
 20 ~~state librarian, who library.~~ **The number of copies provided to the**
 21 **Indiana state library shall be determined by the Indiana Academy**
 22 **of Science and the state librarian. The Indiana state library shall,**
 23 **upon request, furnish one (1) copy thereof to the following:**

- 24 (1) Each public library in the state. ~~one (1) copy to~~
 25 (2) Each university ~~or college or normal school~~ in the state. ~~one~~
 26 ~~(1) copy to each high school in the state having a library. which~~
 27 ~~shall make application therefor, and one (1) copy to such~~
 28 (3) Other institutions, societies, or persons as ~~may be designated~~
 29 by the academy through its editors or its council. ~~The remaining~~
 30 ~~three hundred (300) copies shall be turned over to the academy to~~
 31 ~~be disposed of as it may determine. In order to provide for the~~
 32 ~~preservation of the same, it shall be the duty of the custodian of~~
 33 ~~the state-house to provide and place at the disposal of the~~
 34 ~~academy one (1) of the unoccupied rooms of the state-house, to~~
 35 ~~be designated as the office of the Indiana Academy of Science,~~
 36 ~~wherein said copies of said reports belonging to the academy,~~
 37 ~~together with the original manuscripts, drawings, etc., thereof can~~
 38 ~~be safely kept, and he shall also equip the same with the necessary~~
 39 ~~shelving and furniture.~~

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

42 **(c) To the extent that the Indiana Academy of Science makes**



1 **papers and proceedings of the Indiana Academy of Science**
 2 **available to the public through open electronic access, the Indiana**
 3 **state library has no duty to furnish hard copies of the papers and**
 4 **proceedings.**

5 SECTION 7. IC 4-23-10-1 IS REPEALED [EFFECTIVE JULY 1,
 6 2014]. Sec. 1. Beginning with the first day of October, 1921, and
 7 annually thereafter, there is appropriated the sum of twelve hundred
 8 dollars (\$1,200); said moneys to be used to pay for the printing of the
 9 proceedings and papers of the Indiana Academy of Science; provided
 10 that any unexpended balance of any of said sums shall be carried
 11 forward and be available for the use of said academy for future years.

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

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

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

20 SECTION 9. IC 5-10-8-2.2, AS AMENDED BY P.L.182-2009(ss),
 21 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 2.2. (a) As used in this section, "dependent"
 23 means a natural child, stepchild, or adopted child of a public safety
 24 employee who:

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

26 (2) is at least eighteen (18) years of age and has a physical or
 27 mental disability (using disability guidelines established by the
 28 Social Security Administration); or

29 (3) is at least eighteen (18) and less than twenty-three (23) years
 30 of age and is enrolled in and regularly attending a secondary
 31 school or is a full-time student at an accredited college or
 32 university.

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

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

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

40 (1) By purchasing policies of group insurance.

41 (2) By establishing self-insurance programs.

42 (3) By electing to participate in the local unit group of local units



- 1 that offer the state employee health plan under section 6.6 of this
 2 chapter.
 3 ~~(4)~~ (3) If the local unit public employer is a school corporation, by
 4 electing to provide the coverage through a state employee health
 5 plan under section 6.7 of this chapter.
 6 A local unit public employer may provide programs of group insurance
 7 other than group health insurance for the local unit public employer's
 8 active and retired public safety employees by purchasing policies of
 9 group insurance and by establishing self-insurance programs. However,
 10 the establishment of a self-insurance program is subject to the approval
 11 of the unit's fiscal body.
 12 (e) A local unit public employer may pay a part of the cost of group
 13 insurance for its active and retired public safety employees. However,
 14 a local unit public employer that provides group life insurance for its
 15 active and retired public safety employees shall pay a part of the cost
 16 of that insurance.
 17 (f) A local unit public employer may not cancel an insurance
 18 contract under this section during the policy term of the contract.
 19 (g) After June 30, 1989, a local unit public employer that provides
 20 a group health insurance program for its active public safety employees
 21 shall also provide a group health insurance program to the following
 22 persons:
 23 (1) Retired public safety employees.
 24 (2) Public safety employees who are receiving disability benefits
 25 under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.
 26 (3) Surviving spouses and dependents of public safety employees
 27 who die while in active service or after retirement.
 28 (h) A public safety employee who is retired or has a disability and
 29 is eligible for group health insurance coverage under subsection (g)(1)
 30 or (g)(2):
 31 (1) may elect to have the person's spouse, dependents, or spouse
 32 and dependents covered under the group health insurance
 33 program at the time the person retires or becomes disabled;
 34 (2) must file a written request for insurance coverage with the
 35 employer within ninety (90) days after the person retires or begins
 36 receiving disability benefits; and
 37 (3) must pay an amount equal to the total of the employer's and
 38 the employee's premiums for the group health insurance for an
 39 active public safety employee (however, the employer may elect
 40 to pay any part of the person's premiums).
 41 (i) Except as provided in IC 36-8-6-9.7(f), IC 36-8-6-10.1(h),
 42 IC 36-8-7-12.3(g), IC 36-8-7-12.4(j), IC 36-8-7.5-13.7(h),



1 IC 36-8-7.5-14.1(i), IC 36-8-8-13.9(d), IC 36-8-8-14.1(h), and
2 IC 36-8-10-16.5 for a surviving spouse or dependent of a public safety
3 employee who dies in the line of duty, a surviving spouse or dependent
4 who is eligible for group health insurance under subsection (g)(3):

5 (1) may elect to continue coverage under the group health
6 insurance program after the death of the public safety employee;

7 (2) must file a written request for insurance coverage with the
8 employer within ninety (90) days after the death of the public
9 safety employee; and

10 (3) must pay the amount that the public safety employee would
11 have been required to pay under this section for coverage selected
12 by the surviving spouse or dependent (however, the employer may
13 elect to pay any part of the surviving spouse's or dependents'
14 premiums).

15 (j) The eligibility for group health insurance under this section for
16 a public safety employee who is retired or has a disability ends on the
17 earlier of the following:

18 (1) When the public safety employee becomes eligible for
19 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

20 (2) When the employer terminates the health insurance program
21 for active public safety employees.

22 (k) A surviving spouse's eligibility for group health insurance under
23 this section ends on the earliest of the following:

24 (1) When the surviving spouse becomes eligible for Medicare
25 coverage as prescribed by 42 U.S.C. 1395 et seq.

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

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

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

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

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

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

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

39 (4) When health insurance becomes available to the dependent
40 through employment.

41 (m) A public safety employee who is on leave without pay is entitled
42 to participate for ninety (90) days in any group health insurance



1 program maintained by the local unit public employer for active public
 2 safety employees if the public safety employee pays an amount equal
 3 to the total of the employer's and the employee's premiums for the
 4 insurance. However, the employer may pay all or part of the employer's
 5 premium for the insurance.

6 (n) A local unit public employer may provide group health
 7 insurance for retired public safety employees or their spouses not
 8 covered by subsections (g) through (l) and may provide group health
 9 insurance that contains provisions more favorable to retired public
 10 safety employees and their spouses than required by subsections (g)
 11 through (l). A local unit public employer may provide group health
 12 insurance to a public safety employee who is on leave without pay for
 13 a longer period than required by subsection (m), and may continue to
 14 pay all or a part of the employer's premium for the insurance while the
 15 employee is on leave without pay.

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

22 (b) A public employer may provide programs of group insurance for
 23 its employees and retired employees. The public employer may,
 24 however, exclude part-time employees and persons who provide
 25 services to the unit under contract from any group insurance coverage
 26 that the public employer provides to the employer's full-time
 27 employees. A public employer may provide programs of group health
 28 insurance under this section through one (1) of the following methods:

29 (1) By purchasing policies of group insurance.

30 (2) By establishing self-insurance programs.

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

34 ~~(4)~~ (3) If the local unit public employer is a school corporation, by
 35 electing to provide the coverage through a state employee health
 36 plan under section 6.7 of this chapter.

37 A public employer may provide programs of group insurance other
 38 than group health insurance under this section by purchasing policies
 39 of group insurance and by establishing self-insurance programs.
 40 However, the establishment of a self-insurance program is subject to
 41 the approval of the unit's fiscal body.

42 (c) A public employer may pay a part of the cost of group insurance,



1 but shall pay a part of the cost of group life insurance for local
 2 employees. A public employer may pay, as supplemental wages, an
 3 amount equal to the deductible portion of group health insurance as
 4 long as payment of the supplemental wages will not result in the
 5 payment of the total cost of the insurance by the public employer.

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

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

12 (1) whose retirement date is:

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

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

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

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

26 (4) who will have completed at least fifteen (15) years of
 27 participation in the retirement plan of which the employee is a
 28 member on or before the employee's retirement date.

29 (f) A group health insurance program required by subsection (e)
 30 must be equal in coverage to that offered active employees and must
 31 permit the retired employee to participate if the retired employee pays
 32 an amount equal to the total of the employer's and the employee's
 33 premiums for the group health insurance for an active employee and if
 34 the employee, within ninety (90) days after the employee's retirement
 35 date, files a written request with the employer for insurance coverage.
 36 However, the employer may elect to pay any part of the retired
 37 employee's premiums.

38 (g) A retired employee's eligibility to continue insurance under
 39 subsection (e) ends when the employee becomes eligible for Medicare
 40 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
 41 employer terminates the health insurance program. A retired employee
 42 who is eligible for insurance coverage under subsection (e) may elect



1 to have the employee's spouse covered under the health insurance
 2 program at the time the employee retires. If a retired employee's spouse
 3 pays the amount the retired employee would have been required to pay
 4 for coverage selected by the spouse, the spouse's subsequent eligibility
 5 to continue insurance under this section is not affected by the death of
 6 the retired employee. The surviving spouse's eligibility ends on the
 7 earliest of the following:

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

10 (2) When the employer terminates the health insurance program.

11 (3) Two (2) years after the date of the employee's death.

12 (4) The date of the spouse's remarriage.

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

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

30 SECTION 11. IC 5-10-8-6.6 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6.6. (a) As used in this
 32 section, "local unit group" means all of the local units that elect to
 33 provide coverage for health care services for active and retired:

34 (1) elected or appointed officers and officials;

35 (2) full-time employees; and

36 (3) part-time employees;

37 of the local unit under this section.

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

39 (1) an accident and sickness insurance policy (as defined in
 40 IC 27-8-5.6-1) purchased through the state personnel department
 41 under section 7(a) of this chapter; or

42 (2) a contract with a prepaid health care delivery plan entered into



- 1 by the state personnel department under section 7(c) of this
2 chapter.
- 3 (c) The state personnel department shall allow a local unit to
4 participate in the local unit group by electing to provide coverage of
5 health care services for active and retired:
6 (1) elected or appointed officers and officials;
7 (2) full-time employees; and
8 (3) part-time employees;
9 of the local unit under a state employee health plan. **This subsection**
10 **expires July 1, 2014.**
- 11 (d) If a local unit elects to provide coverage under subsection (c):
12 (1) the local unit group must be treated as a single group that is
13 separate from the group of state employees that is covered under
14 a state employee health plan;
15 (2) the state personnel department shall:
16 (A) establish:
17 (i) the premium costs, as determined by an accident and
18 sickness insurer or a prepaid health care delivery plan under
19 which coverage is provided under this section;
20 (ii) the administrative costs; and
21 (iii) any other costs;
22 of the coverage provided under this section, including the cost
23 of obtaining insurance or reinsurance, for the local unit group
24 as a whole; and
25 (B) establish a uniform premium schedule for each accident
26 and sickness insurance policy or prepaid health care delivery
27 plan under which coverage is provided under this section for
28 the local unit group; and
29 (3) the local unit shall provide for payment of the cost of the
30 coverage as provided in sections 2.2 and 2.6 of this chapter.
31 The premium determined under subdivision (2) and paid by an
32 individual local unit shall not be determined based on claims made by
33 the local unit. **This subsection expires July 1, 2014.**
- 34 (e) The state personnel department shall provide an annual
35 opportunity for local units to elect to provide or terminate coverage
36 under subsection (c). **This subsection expires July 1, 2014.**
- 37 (f) The state personnel department may adopt rules under IC 4-22-2
38 to establish minimum participation and contribution requirements for
39 participation in a state employee health plan under this section. **This**
40 **subsection expires July 1, 2014.**
- 41 (g) **The state personnel department shall not, after June 30,**
42 **2014, amend or renew:**



1 (1) an accident and sickness insurance policy; or
 2 (2) a prepaid health care delivery plan;
 3 that is in effect on June 30, 2014, to provide coverage under this
 4 section for the local unit group.

5 (h) An accident and sickness insurance policy or a prepaid
 6 health care delivery plan that is in effect on June 30, 2014, to
 7 provide coverage under this section for the local unit group
 8 terminates on the first policy or plan renewal date occurring after
 9 June 30, 2014.

10 SECTION 12. IC 5-10-8-7, AS AMENDED BY P.L.138-2012,
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2014]: Sec. 7. (a) The state, excluding state educational
 13 institutions, may not purchase or maintain a policy of group insurance,
 14 except:

- 15 (1) life insurance for the state's employees;
 16 (2) long term care insurance under a long term care insurance
 17 policy (as defined in IC 27-8-12-5), for the state's employees;
 18 (3) an accident and sickness insurance policy (as defined in
 19 IC 27-8-5.6-1) that:

20 (A) is in effect on June 30, 2014; and

21 (B) covers individuals to whom coverage is provided by a
 22 local unit under section 6.6 of this chapter;

23 may be maintained until the first policy renewal date after
 24 June 30, 2014; or

25 (4) an insurance policy that provides coverage that supplements
 26 coverage provided under a United States military health care plan.

27 (b) With the consent of the governor, the state personnel department
 28 may establish self-insurance programs to provide group insurance other
 29 than life or long term care insurance for state employees and retired
 30 state employees. The state personnel department may contract with a
 31 private agency, business firm, limited liability company, or corporation
 32 for administrative services. A commission may not be paid for the
 33 placement of the contract. The department may require, as part of a
 34 contract for administrative services, that the provider of the
 35 administrative services offer to an employee terminating state
 36 employment the option to purchase, without evidence of insurability,
 37 an individual policy of insurance.

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

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

42 (2) may maintain a contract:



- 1 **(A) for health services for** individuals to whom coverage is
 2 provided by a local unit under section 6.6 of this chapter
 3 through one (1) or more prepaid health care delivery plans;
 4 **and**
 5 **(B) that is in effect on June 30, 2014;**
 6 **until the first policy renewal date after June 30, 2014.**
 7 (d) The state personnel department shall adopt rules under IC 4-22-2
 8 to establish long term and short term disability plans for state
 9 employees (except employees who hold elected offices (as defined by
 10 IC 3-5-2-17)). The plans adopted under this subsection may include
 11 any provisions the department considers necessary and proper and
 12 must:
- 13 (1) require participation in the plan by employees with six (6)
 14 months of continuous, full-time service;
 - 15 (2) require an employee to make a contribution to the plan in the
 16 form of a payroll deduction;
 - 17 (3) require that an employee's benefits under the short term
 18 disability plan be subject to a thirty (30) day elimination period
 19 and that benefits under the long term plan be subject to a six (6)
 20 month elimination period;
 - 21 (4) prohibit the termination of an employee who is eligible for
 22 benefits under the plan;
 - 23 (5) provide, after a seven (7) day elimination period, eighty
 24 percent (80%) of base biweekly wages for an employee disabled
 25 by injuries resulting from tortious acts, as distinguished from
 26 passive negligence, that occur within the employee's scope of
 27 state employment;
 - 28 (6) provide that an employee's benefits under the plan may be
 29 reduced, dollar for dollar, if the employee derives income from:
 - 30 (A) Social Security;
 - 31 (B) the public employees' retirement fund;
 - 32 (C) the Indiana state teachers' retirement fund;
 - 33 (D) pension disability;
 - 34 (E) worker's compensation;
 - 35 (F) benefits provided from another employer's group plan; or
 - 36 (G) remuneration for employment entered into after the
 37 disability was incurred.
 - 38 (The department of state revenue and the department of workforce
 39 development shall cooperate with the state personnel department
 40 to confirm that an employee has disclosed complete and accurate
 41 information necessary to administer subdivision (6).);
 - 42 (7) provide that an employee will not receive benefits under the



- 1 plan for a disability resulting from causes specified in the rules;
 2 and
 3 (8) provide that, if an employee refuses to:
 4 (A) accept work assignments appropriate to the employee's
 5 medical condition;
 6 (B) submit information necessary for claim administration; or
 7 (C) submit to examinations by designated physicians;
 8 the employee forfeits benefits under the plan.
 9 (e) This section does not affect insurance for retirees under
 10 IC 5-10.3 or IC 5-10.4.
 11 (f) The state may pay part of the cost of self-insurance or prepaid
 12 health care delivery plans for its employees.
 13 (g) A state agency may not provide any insurance benefits to its
 14 employees that are not generally available to other state employees,
 15 unless specifically authorized by law.
 16 (h) The state may pay a part of the cost of group medical and life
 17 coverage for its employees.
 18 (i) To carry out the purposes of this section, a trust fund may be
 19 established. The trust fund established under this subsection is
 20 considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be
 21 transferred, assigned, or otherwise removed from the trust fund
 22 established under this subsection by the state board of finance, the
 23 budget agency, or any other state agency. Money in a trust fund
 24 established under this subsection does not revert to the state general
 25 fund at the end of any state fiscal year. The trust fund established under
 26 this subsection consists of appropriations, revenues, or transfers to the
 27 trust fund under IC 4-12-1. Contributions to the trust fund are
 28 irrevocable. The trust fund must be limited to providing prefunding of
 29 annual required contributions and to cover OPEB liability for covered
 30 individuals. Funds may be used only for these purposes and not to
 31 increase benefits or reduce premiums. The trust fund shall be
 32 established to comply with and be administered in a manner that
 33 satisfies the Internal Revenue Code requirements concerning a trust
 34 fund for prefunding annual required contributions and for covering
 35 OPEB liability for covered individuals. All assets in the trust fund
 36 established under this subsection:
 37 (1) are dedicated exclusively to providing benefits to covered
 38 individuals and their beneficiaries according to the terms of the
 39 health plan; and
 40 (2) are exempt from levy, sale, garnishment, attachment, or other
 41 legal process.
 42 The trust fund established under this subsection shall be administered



1 by the state personnel department. The expenses of administering the
 2 trust fund shall be paid from money in the trust fund. The treasurer of
 3 state shall invest the money in the trust fund not currently needed to
 4 meet the obligations of the trust fund in the same manner as other
 5 public money may be invested.

6 SECTION 13. IC 5-10-8-8, AS AMENDED BY P.L.43-2007,
 7 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2014]: Sec. 8. (a) This section applies only to the state and
 9 employees who are not covered by a plan established under section 6
 10 of this chapter.

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

13 (1) whose retirement date is:

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

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

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

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

24 (3) who:

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

27 (i) twenty (20) years of creditable employment with a public
 28 employer on or before the employee's retirement date, ten
 29 (10) years of which shall have been completed immediately
 30 preceding the retirement; and

31 (ii) at least fifteen (15) years of participation in the
 32 retirement plan of which the employee is a member on or
 33 before the employee's retirement date; or

34 (B) for an employee who retires after December 31, 2006, will
 35 have completed fifteen (15) years of creditable employment
 36 with a public employer on or before the employee's retirement
 37 date, ten (10) years of which shall have been completed
 38 immediately preceding the retirement.

39 (c) The state shall provide a group health insurance program to each
 40 retired employee:

41 (1) who is a retired judge;

42 (2) whose retirement date is after June 30, 1990;

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- 1 (3) who is at least sixty-two (62) years of age;
 2 (4) who is not eligible for Medicare coverage as prescribed by 42
 3 U.S.C. 1395 et seq.; and
 4 (5) who has at least eight (8) years of service credit as a
 5 participant in the Indiana judges' retirement fund, with at least
 6 eight (8) years of that service credit completed immediately
 7 preceding the judge's retirement.
- 8 (d) The state shall provide a group health insurance program to each
 9 retired employee:
- 10 (1) who is a retired participant under the prosecuting attorneys
 11 retirement fund;
 12 (2) whose retirement date is after January 1, 1990;
 13 (3) who is at least sixty-two (62) years of age;
 14 (4) who is not eligible for Medicare coverage as prescribed by 42
 15 U.S.C. 1395 et seq.; and
 16 (5) who has at least ten (10) years of service credit as a participant
 17 in the prosecuting attorneys retirement fund, with at least ten (10)
 18 years of that service credit completed immediately preceding the
 19 participant's retirement.
- 20 (e) The state shall make available a group health insurance program
 21 to each former member of the general assembly or surviving spouse of
 22 each former member, if the former member:
- 23 (1) is no longer a member of the general assembly;
 24 (2) is not eligible for Medicare coverage as prescribed by 42
 25 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the
 26 surviving spouse is not eligible for Medicare coverage as
 27 prescribed by 42 U.S.C. 1395 et seq.; and
 28 (3) has at least ten (10) years of service credit as a member in the
 29 general assembly.
- 30 A former member or surviving spouse of a former member who obtains
 31 insurance under this section is responsible for paying both the
 32 employer and the employee share of the cost of the coverage.
- 33 (f) The group health insurance program required under subsections
 34 (b) through (e) and subsection (k) must be equal to that offered active
 35 employees. The retired employee may participate in the group health
 36 insurance program if the retired employee pays an amount equal to the
 37 employer's and the employee's premium for the group health insurance
 38 for an active employee and if the retired employee within ninety (90)
 39 days after the employee's retirement date files a written request for
 40 insurance coverage with the employer. Except as provided in
 41 subsection (l), the employer may elect to pay any part of the retired
 42 employee's premium with respect to insurance coverage under this



- 1 chapter.
- 2 (g) Except as provided in subsection (j), a retired employee's
 3 eligibility to continue insurance under this section ends when the
 4 employee becomes eligible for Medicare coverage as prescribed by 42
 5 U.S.C. 1395 et seq., or when the employer terminates the health
 6 insurance program. A retired employee who is eligible for insurance
 7 coverage under this section may elect to have the employee's spouse
 8 covered under the health insurance program at the time the employee
 9 retires. If a retired employee's spouse pays the amount the retired
 10 employee would have been required to pay for coverage selected by the
 11 spouse, the spouse's subsequent eligibility to continue insurance under
 12 this section is not affected by the death of the retired employee. The
 13 surviving spouse's eligibility ends on the earliest of the following:
- 14 (1) When the spouse becomes eligible for Medicare coverage as
 15 prescribed by 42 U.S.C. 1395 et seq.
 - 16 (2) When the employer terminates the health insurance program.
 - 17 (3) Two (2) years after the date of the employee's death.
 - 18 (4) The date of the spouse's remarriage.
- 19 (h) This subsection does not apply to an employee who is entitled
 20 to group insurance coverage under IC 20-28-10-2(b). An employee
 21 who is on leave without pay is entitled to participate for ninety (90)
 22 days in any health insurance program maintained by the employer for
 23 active employees if the employee pays an amount equal to the total of
 24 the employer's and the employee's premiums for the insurance.
- 25 (i) An employer may provide group health insurance for retired
 26 employees or their spouses not covered by this section and may provide
 27 group health insurance that contains provisions more favorable to
 28 retired employees and their spouses than required by this section. A
 29 public employer may provide group health insurance to an employee
 30 who is on leave without pay for a longer period than required by
 31 subsection (h).
- 32 (j) An employer may elect to permit former employees and their
 33 spouses, including surviving spouses, to continue to participate in a
 34 group health insurance program under this chapter after the former
 35 employee (who is otherwise qualified under this chapter to participate
 36 in a group insurance program) or spouse has become eligible for
 37 Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. ~~An~~
 38 ~~employer who makes an election under this section may require a~~
 39 ~~person who continues coverage under this subsection to participate in~~
 40 ~~a retiree health benefit plan developed under section 8.3 of this chapter.~~
- 41 (k) The state shall provide a group health insurance program to each
 42 retired employee:



- 1 (1) who was employed as a teacher in a state institution under:
 2 (A) IC 11-10-5;
 3 (B) IC 12-24-3;
 4 (C) IC 16-33-3;
 5 (D) IC 16-33-4;
 6 (E) IC 20-21-2-1; or
 7 (F) IC 20-22-2-1;
 8 (2) who is at least fifty-five (55) years of age on or before the
 9 employee's retirement date;
 10 (3) who is not eligible for Medicare coverage as prescribed by 42
 11 U.S.C. 1395 et seq.; and
 12 (4) who:
 13 (A) has at least fifteen (15) years of service credit as a
 14 participant in the retirement fund of which the employee is a
 15 member on or before the employee's retirement date; or
 16 (B) completes at least ten (10) years of service credit as a
 17 participant in the retirement fund of which the employee is a
 18 member immediately before the employee's retirement.
 19 (l) The president pro tempore of the senate and the speaker of the
 20 house of representatives may not elect to pay any part of the premium
 21 for insurance coverage under this chapter for a former member of the
 22 general assembly or the spouse of a former member of the general
 23 assembly whose last day of service as a member of the general
 24 assembly is after July 31, 2007.
 25 SECTION 14. IC 5-10-8-8.3 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8.3. (a) As used in this
 27 section, "department" refers to the state personnel department.
 28 (b) The department shall establish, or contract for the establishment
 29 of, at least two (2) retiree health benefit plans to be available for former
 30 employees of:
 31 (1) the state; and
 32 (2) the legislative branch of government;
 33 whose employer elects under section 8(j) of this chapter to permit its
 34 former employees to continue to participate in a health insurance
 35 program under this chapter after the employees have become eligible
 36 for Medicare coverage. At least one (1) of the plans offered to former
 37 employees must include coverage for prescription drugs comparable to
 38 a Medicare plan that provides prescription drug benefits. **This**
 39 **subsection expires July 1, 2014.**
 40 (c) **The department shall not, after June 30, 2014, amend or**
 41 **renew a retiree health benefit plan described in subsection (b) that**
 42 **is in effect on June 30, 2014.**



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

4 SECTION 15. IC 5-10.5-4-2.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. Notwithstanding any**
 7 **other provision in this article, IC 5-10.2, IC 5-10.3, or IC 5-10.4,**
 8 **the board may not, before January 1, 2016, enter into an**
 9 **agreement with a third party provider to provide annuities for**
 10 **retiring members of:**

11 **(1) the public employees' retirement fund; or**

12 **(2) the teachers' retirement fund.**

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

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

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



- 1 board's instructions for completing the form prescribed under section
2 3 of this chapter.
- 3 (d) After the hearing, the Indiana board shall give the taxpayer, the
4 county assessor, and any entity that filed an amicus curiae brief:
- 5 (1) notice, by mail, of its final determination; and
6 (2) for parties entitled to appeal the final determination, notice of
7 the procedures they must follow in order to obtain court review
8 under section 5 of this chapter.
- 9 (e) Except as provided in subsection (f), the Indiana board shall
10 conduct a hearing not later than nine (9) months after a petition in
11 proper form is filed with the Indiana board, excluding any time due to
12 a delay reasonably caused by the petitioner.
- 13 (f) With respect to an appeal of a real property assessment that takes
14 effect on the assessment date on which a reassessment of real property
15 takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the Indiana board
16 shall conduct a hearing not later than one (1) year after a petition in
17 proper form is filed with the Indiana board, excluding any time due to
18 a delay reasonably caused by the petitioner.
- 19 (g) Except as provided in subsection (h), the Indiana board shall
20 make a determination not later than the later of:
- 21 (1) ninety (90) days after the hearing; or
22 (2) the date set in an extension order issued by the Indiana board.
- 23 (h) With respect to an appeal of a real property assessment that
24 takes effect on the assessment date on which a reassessment of real
25 property takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the Indiana
26 board shall make a determination not later than the later of:
- 27 (1) one hundred eighty (180) days after the hearing; or
28 (2) the date set in an extension order issued by the Indiana board.
- 29 (i) The Indiana board may not extend the final determination date
30 under subsection (g) or (h) by more than one hundred eighty (180)
31 days. If the Indiana board fails to make a final determination within the
32 time allowed by this section, the entity that initiated the petition may:
- 33 (1) take no action and wait for the Indiana board to make a final
34 determination; or
35 (2) petition for judicial review under section 5 of this chapter.
- 36 (j) A final determination must include separately stated findings of
37 fact for all aspects of the determination. Findings of ultimate fact must
38 be accompanied by a concise statement of the underlying basic facts of
39 record to support the findings. Findings must be based exclusively
40 upon the evidence on the record in the proceeding and on matters
41 officially noticed in the proceeding. Findings must be based upon a
42 preponderance of the evidence.



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

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

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

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

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

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

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

30 (2) specify a limited precedential value of a final determination
 31 under this subsection.

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

38 SECTION 17. IC 8-15.5-1-2, AS AMENDED BY P.L.205-2013,
 39 SECTION 136, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) This article contains full and
 41 complete authority for public-private agreements between the authority,
 42 ~~and~~ a private entity, **and, where applicable, a governmental entity.**



1 Except as provided in this article, no law, procedure, proceeding,
 2 publication, notice, consent, approval, order, or act by the authority or
 3 any other officer, department, agency, or instrumentality of the state or
 4 any political subdivision is required for the authority to enter into a
 5 public-private agreement with a private entity under this article, or for
 6 a project that is the subject of a public-private agreement to be
 7 constructed, acquired, maintained, repaired, operated, financed,
 8 transferred, or conveyed.

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

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

23 (2) The addition of toll lanes, including high occupancy toll lanes,
 24 to a highway, roadway, or other facility in existence on July 1,
 25 2011, if the number of nontolled lanes on the highway, roadway,
 26 or facility as of July 1, 2011, does not decrease due to the addition
 27 of the toll lanes.

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

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

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

37 (1) Carrying out construction for Interstate Highway 69 in a
 38 township having a population of more than one hundred thousand
 39 (100,000) and less than one hundred ten thousand (110,000)
 40 located in a county having a consolidated city.

41 (2) Imposing tolls on motor vehicles for use of Interstate Highway
 42 69.



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

5 (d) Except as provided in subsection (c)(1), the general assembly is
 6 not required to enact a statute authorizing the authority or the
 7 department to issue a request for proposals or enter into a
 8 public-private agreement for a freeway project.

9 SECTION 18. IC 8-15.5-2-3.5, AS ADDED BY P.L.85-2010,
 10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2014]: Sec. 3.5. "Governmental entity" means:

12 (1) any state;

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

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

18 SECTION 19. IC 8-15.5-2-6, AS ADDED BY P.L.47-2006,
 19 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2014]: Sec. 6. "Private entity" means any individual, sole
 21 proprietorship, corporation, limited liability company, joint venture,
 22 general partnership, limited partnership, nonprofit entity, or other
 23 private legal entity. A **public agency governmental entity** may provide
 24 services to a private entity without affecting the private status of the
 25 private entity and the ability to enter into a public-private agreement.

26 SECTION 20. IC 8-15.5-2-8, AS AMENDED BY P.L.205-2013,
 27 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2014]: Sec. 8. "Public-private agreement"
 29 means an agreement under this article between a private entity and the
 30 authority under which the private entity, acting on behalf of the
 31 authority (**and, where applicable, a governmental entity**) as lessee,
 32 licensee, or franchisee, will plan, design, acquire, construct,
 33 reconstruct, improve, extend, expand, lease, operate, repair, manage,
 34 maintain, or finance a project.

35 SECTION 21. IC 8-15.5-3-1, AS AMENDED BY P.L.205-2013,
 36 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2014]: Sec. 1. Subject to the other provisions
 38 of this article, the authority, **a governmental entity**, and a private
 39 entity may enter into a public-private agreement with respect to a
 40 project. Subject to the requirements of this article, a public-private
 41 agreement may provide that the private entity is partially or entirely
 42 responsible for any combination of the following activities with respect



- 1 to the project:
- 2 (1) Planning.
- 3 (2) Design.
- 4 (3) Acquisition.
- 5 (4) Construction.
- 6 (5) Reconstruction.
- 7 (6) Improvement.
- 8 (7) Extension or expansion.
- 9 (8) Operation.
- 10 (9) Repair.
- 11 (10) Management.
- 12 (11) Maintenance.
- 13 (12) Financing.

14 SECTION 22. IC 8-15.5-4-1.5, AS AMENDED BY P.L.205-2013,
 15 SECTION 144, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2014]: Sec. 1.5. (a) This section does not apply
 17 to a freeway project.

18 (b) The authority may not issue a request for proposals for a toll
 19 road project under this article unless the authority has received a
 20 preliminary feasibility study and an economic impact study for the
 21 project from the department. ~~prepared in the same manner as required~~
 22 ~~by IC 8-15.7-4-1.~~

23 (c) The economic impact study must, at a minimum, include an
 24 analysis of the following matters with respect to the proposed project:

- 25 (1) Economic impacts on existing commercial and industrial
 26 development.
- 27 (2) Potential impacts on employment.
- 28 (3) Potential for future development near the project area,
 29 including consideration of locations for interchanges that will
 30 maximize opportunities for development.
- 31 (4) Fiscal impacts on revenues to local units of government.
- 32 (5) Demands on government services, such as public safety,
 33 public works, education, zoning and building, and local airports.

34 The authority shall post a copy of the economic impact study on the
 35 authority's Internet web site and shall also provide copies of the study
 36 to the governor and the legislative council (in an electronic format
 37 under IC 5-14-6).

38 (d) After completion of the economic impact study, the authority
 39 must conduct a public hearing on the results of the study in the county
 40 seat of the county in which the proposed project would be located. At
 41 least ten (10) days before each public hearing, the authority shall:

- 42 (1) post notice of the public hearing on the authority's Internet



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



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



- 1 considers appropriate to ensure that the project is properly
 2 maintained.
- 3 (4) The basis upon which user fees that may be collected by the
 4 operator, as determined under this article, are established.
- 5 (5) Compliance with applicable state and federal laws and local
 6 ordinances.
- 7 (6) Grounds for termination of the public-private agreement by
 8 the authority or the operator.
- 9 (7) The date of termination of the operator's authority and duties
 10 under this article.
- 11 (8) Procedures for amendment of the agreement.
- 12 (9) Provisions requiring the completion of all environmental
 13 analyses of the project required by state and federal law in the
 14 manner and at the times required by the appropriate state and
 15 federal agencies.
- 16 (10) An expedited method for resolving disputes between or
 17 among the authority, the parties to the public-private agreement,
 18 and units of local government that contain any part of the project,
 19 as required by IC 8-15.5-10-8.
- 20 SECTION 26. IC 8-15.5-5-5, AS ADDED BY P.L.47-2006,
 21 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 5. Notwithstanding any contrary provision of this
 23 article, the authority may enter into a public-private agreement with
 24 multiple private entities **or with another governmental entity**, if the
 25 authority determines in writing that it is in the public interest to do so.
- 26 SECTION 27. IC 8-15.5-5-6, AS ADDED BY P.L.47-2006,
 27 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2014]: Sec. 6. The department or any other state agency **or**
 29 **governmental entity** may perform any duties and exercise any powers
 30 of the authority under this article or the public-private agreement that
 31 have been assigned, subcontracted, or delegated to it by the authority.
- 32 SECTION 28. IC 8-15.5-6-4, AS AMENDED BY P.L.205-2013,
 33 SECTION 159, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2014]: Sec. 4. Each project constructed or
 35 operated **in the state of Indiana** under this article is ~~considered~~ **may**
 36 **be determined by the department** to be part of the state highway
 37 system designated under IC 8-23-4-2 for purposes of identification,
 38 maintenance standards, and enforcement of traffic laws.
- 39 SECTION 29. IC 8-15.5-8-1, AS AMENDED BY P.L.205-2013,
 40 SECTION 161, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2014]: Sec. 1. **Notwithstanding**
 42 **IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law**, a project and



1 tangible personal property used exclusively in connection with a
2 project that are:

- 3 (1) owned by the authority **or a governmental entity** and leased,
4 franchised, licensed, or otherwise conveyed to an operator; or
5 (2) acquired, constructed, or otherwise provided by an operator in
6 connection with ~~the~~ **a project**;

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

13 SECTION 30. IC 8-15.5-8-1.5 IS ADDED TO THE INDIANA
14 CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 1.5. Notwithstanding**
15 **IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law, any interest**
16 **in a project, including all tangible personal property used**
17 **exclusively in connection with a project, that is:**

- 18 (1) owned by:
19 (A) **the authority;**
20 (B) **an adjacent state or commonwealth; or**
21 (C) **a political subdivision or instrumentality of an adjacent**
22 **state or commonwealth; and**
23 (2) **acquired, constructed, or otherwise provided in connection**
24 **with a project by;**
25 (A) **an operator;**
26 (B) **an adjacent state or commonwealth; or**
27 (C) **a political subdivision or instrumentality of an adjacent**
28 **state or commonwealth;**
29

30 **is considered to be public property devoted to an essential public**
31 **and governmental function and purpose. This property, and a**
32 **leasehold estate, franchise, license, or other interests in the**
33 **property, is exempt from all ad valorem property taxes and special**
34 **assessments levied against property by the state or any political**
35 **subdivision of the state.**

36 SECTION 31. IC 8-15.5-10-2, AS ADDED BY P.L.47-2006,
37 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2014]: Sec. 2. (a) The authority may make and enter into all
39 contracts and agreements necessary or incidental to the performance of
40 the authority's duties and the execution of the authority's powers under
41 this article. These contracts or agreements are not subject to any
42 approvals other than the approval of the authority and may be for any



1 term of years and contain any terms that are considered reasonable by
2 the authority.

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

13 SECTION 32. IC 10-13-3-40, AS ADDED BY P.L.190-2006,
14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2014]: Sec. 40. (a) ~~The department may use the appropriations~~
16 ~~described in subsection (b) for either or both of the following purposes:~~

17 (1) ~~Operating and maintaining the central repository for criminal~~
18 ~~history data.~~

19 (2) ~~Establishing, operating, or maintaining an electronic log to~~
20 ~~record the sale of drugs containing ephedrine or pseudoephedrine~~
21 ~~in accordance with IC 35-48-4-14.7.~~

22 (b) ~~If the amount of money that is deposited in the state general fund~~
23 ~~during a state fiscal year from handgun license fees (as described in~~
24 ~~IC 35-47-2-4) exceeds one million one hundred thousand dollars~~
25 ~~(\$1,100,000), the excess is appropriated from the state general fund to~~
26 ~~the department. for the purposes described in subsection (a). An~~
27 ~~appropriation under this section is subject to allotment by the budget~~
28 ~~agency.~~

29 SECTION 33. IC 21-34-10-7, AS AMENDED BY P.L.173-2011,
30 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2014]: Sec. 7. (a) Bonds may be issued by the board of
32 trustees of a state educational institution without the approval of the
33 general assembly to finance a qualified energy savings project if annual
34 operating savings to the state educational institution arising from the
35 implementation of a qualified energy savings project are reasonably
36 expected to be at least equal to annual debt service requirements on
37 bonds issued for this purpose in each fiscal year. However, the amount
38 of bonds outstanding for the state educational institution ~~other than Ivy~~
39 ~~Tech Community College~~ at any time for qualified energy savings
40 projects, other than refunding bonds and exclusive of costs described
41 in sections 3 and 4 of this chapter, may not exceed ~~fifteen million~~
42 ~~dollars (\$15,000,000) for each campus of the state educational~~



1 institution. The amount of bonds outstanding for Ivy Tech Community
 2 College at any time for qualified energy savings projects, other than
 3 refunding bonds and exclusive of costs described in sections 3 and 4 of
 4 this chapter, may not exceed forty-five million dollars (\$45,000,000).
 5 the greater of:

6 (1) fifteen million dollars (\$15,000,000); or

7 (2) the product of:

8 (A) the total replacement value of all structures located on
 9 each campus of the state educational institution; multiplied
 10 by

11 (B) five percent (5%).

12 (b) Bonds issued under this section are not eligible for fee
 13 replacement.

14 SECTION 34. IC 36-1-12-1.2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.2. The following
 16 definitions apply throughout this chapter:

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

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

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

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

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

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

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

34 (8) "Property" means all:

35 (A) personal property, fixtures, furnishings, inventory, and
 36 equipment; and

37 (B) real property.

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

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

41 (B) deposited in a general or special fund of a municipal
 42 corporation, or another political subdivision or agency of a



1 political subdivision.
2 The term does not include funds received by any person managing
3 or operating a public ~~facility~~ **project** under a duly authorized
4 operating agreement under IC 5-23 or proceeds of bonds payable
5 exclusively by a private entity.
6 (10) "Retainage" means the amount to be withheld from a
7 payment to the contractor or subcontractor until the occurrence of
8 a specified event.
9 (11) "Specifications" means a description of the physical
10 characteristics, functional characteristics, extent, or nature of any
11 public work required by the board.
12 (12) "Substantial completion" refers to the date when the
13 construction of a structure is sufficiently completed, in
14 accordance with the plans and specifications, as modified by any
15 complete change orders agreed to by the parties, so that it can be
16 occupied for the use for which it was intended.
17 **SECTION 35. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 225, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 14.

Delete page 2.

Page 3, delete lines 1 through 29.

Page 21, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 20. IC 5-10.3-8-14, AS AMENDED BY P.L.205-2013, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2014]: Sec. 14. (a) Except as provided in subsection (c), this section applies to employees of the state (as defined in IC 5-10.3-7-1(d)) who are:

- (1) members of the fund; and
- (2) paid by the auditor of state by salary warrants.

(b) Except as provided in subsection (c), this section does not apply to the employees of the state (as defined in IC 5-10.3-7-1(d)) employed by:

- (1) a body corporate and politic of the state created by state statute; or
- (2) a state educational institution (as defined in IC 21-7-13-32).

(c) The chief executive officer of a body or institution described in subsection (b) may elect to have this section apply to the employees of the state (as defined in IC 5-10.3-7-1(d)) employed by the body or institution by submitting a written notice of the election to the director. An election under this subsection is effective on the later of:

- (1) the date the notice of the election is received by the director; or
- (2) July 1, 2013.

(d) The board shall adopt provisions to establish a retirement medical benefits account within the fund under Section 401(h) or as a separate fund under another applicable section of the Internal Revenue Code for the purpose of converting unused excess accrued leave to a monetary contribution for an employee of the state to fund on a pretax basis benefits for sickness, accident, hospitalization, and medical expenses for the employee and the spouse and dependents of the employee after the employee's retirement. The state may match all or a portion of an employee's contributions to the retirement medical benefits account established under this section.

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(e) The board is the trustee of the account described in subsection (d). The account must be qualified, as determined by the Internal Revenue Service, as a separate account within the fund whose benefits are subordinate to the retirement benefits provided by the fund.

(f) The board may adopt rules under IC 5-10.5-4-2 that it considers appropriate or necessary to implement this section after consulting with the state personnel department. The rules adopted by the board under this section must:

- (1) be consistent with the federal and state law that applies to:
 - (A) the account described in subsection (d); and
 - (B) the fund; and
- (2) include provisions concerning:
 - (A) the type and amount of leave that may be converted to a monetary contribution;
 - (B) the conversion formula for valuing any leave that is converted;
 - (C) the manner of employee selection of leave conversion; and
 - (D) the vesting schedule for any leave that is converted.

(g) The board may adopt the following:

- (1) Account provisions governing:
 - (A) the investment of amounts in the account; and
 - (B) the accounting for converted leave.
- (2) Any other provisions that are necessary or appropriate for operation of the account.

(h) The account described in subsection (d) may be implemented only if the board has received from the Internal Revenue Service any rulings or determination letters that the board considers necessary or appropriate.

(i) To the extent allowed by:

- (1) the Internal Revenue Code; and
- (2) rules adopted by:
 - (A) the board under this section; and
 - (B) the state personnel department under IC 5-10-1.1-7.5;

employees of the state may convert unused excess accrued leave to a monetary contribution under this section and under IC 5-10-1.1-7.5.

(j) ~~To the extent allowed by the Internal Revenue Code, the account described in subsection (d) must include provisions that:~~

- ~~(1) require an employee of the state to convert to a monetary contribution to the account at retirement the balance, but not more than thirty (30) days, of unused vacation leave for which the state would otherwise pay an employee in good standing at separation from service (as determined by state personnel department rule);~~



and

(2) allow the state to contribute to the account on the employee's behalf an amount not to exceed two (2) times the amount of the employee's contribution under subdivision (1).

(k) The account described in subsection (d) must be implemented on July 1, 2014."

Delete pages 22 through 24.

Page 25, delete lines 1 through 14.

Page 28, line 6, after "Indiana." insert **"This amount does not include use taxes the state has collected from:**

(A) remote sellers who are required to collect use tax because of having a nexus in Indiana due to a physical presence of the seller or an entity related to the seller; or

(B) purchasers who remit use taxes as required by IC 6-2.5-3-6."

Page 28, delete lines 24 through 42.

Delete page 29.

Page 30, delete lines 1 through 30.

Page 32, line 23, delete "entity, and" and insert "entity and".

Page 32, line 23, delete "and a governmental entity,".

Page 36, between lines 12 and 13, begin a new paragraph and insert:
"SECTION 47. IC 8-15.5-5-5, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. Notwithstanding any contrary provision of this article, the authority may enter into a public-private agreement with multiple private entities **or with another governmental entity**, if the authority determines in writing that it is in the public interest to do so.

SECTION 48. IC 8-15.5-5-6, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. The department or any other state agency **or governmental entity** may perform any duties and exercise any powers of the authority under this article or the public-private agreement that have been assigned, subcontracted, or delegated to it by the authority."

Page 36, line 15, delete "Except for a project involving".

Page 36, line 16, delete "another state, each" and insert "Each".

Page 36, line 16, after "operated" insert **"in the state of Indiana"**.

Page 36, line 17, strike "is considered" and insert **"may be determined by the department"**.

Page 36, line 22, delete "A" and insert **"Notwithstanding IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law, a"**.

Page 36, line 27, strike "the" and insert "a".

Page 36, between lines 33 and 34, begin a new paragraph and insert:



"SECTION 49. IC 8-15.5-8-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 1.5. Notwithstanding IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law, any interest in a project, including all tangible personal property used exclusively in connection with a project, that is:**

(1) owned by:

(A) the authority;

(B) an adjacent state or commonwealth; or

(C) a political subdivision or instrumentality of an adjacent state or commonwealth; and

(2) acquired, constructed, or otherwise provided in connection with a project by;

(A) an operator;

(B) an adjacent state or commonwealth; or

(C) a political subdivision or instrumentality of an adjacent state or commonwealth;

is considered to be public property devoted to an essential public and governmental function and purpose. This property, and a leasehold estate, franchise, license, or other interests in the property, is exempt from all ad valorem property taxes and special assessments levied against property by the state or any political subdivision of the state."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 225 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 225, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 14.

Page 2, delete lines 1 through 26, begin a new paragraph and insert:

"SECTION 1. IC 4-10-22-3, AS AMENDED BY P.L.205-2013, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2014]: Sec. 3. If, after completing the presentation to the state budget committee described in section 2 of this chapter, ~~the governor shall do the following:~~

~~(1) If the amount of excess reserves on June 30 of any year is less than fifty million dollars (\$50,000,000), the governor shall carry over the excess reserves to each subsequent year until the total excess reserves, including any carryover amount, equal at least fifty million dollars (\$50,000,000). In the year that the total excess reserves equal at least fifty million dollars (\$50,000,000), the excess reserves shall be used as provided in subdivision (2).~~
~~(2) If in any year the amount of the excess reserves is fifty million dollars (\$50,000,000) or more, the governor shall do the following:~~

~~(A) (1) If the year is calendar year 2013, transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. If the year is calendar year 2014 or thereafter, transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.~~

~~(B) (2) If the year is calendar year 2014 or thereafter, use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter."~~

Page 19, delete lines 18 through 42.

Delete page 20.

Page 21, delete lines 1 through 12, begin a new paragraph and insert:

"SECTION 15. IC 5-10.2-4-4, AS AMENDED BY P.L.115-2008, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The computation of benefits under this section is subject to IC 5-10.2-2-1.5.

(b) For retirement benefits payable on and after July 1, 1975, for a member retired on and after January 1, 1956, the pension (p) is computed as follows:

STEP ONE: Multiply one and one-tenths percent (1.1%) times the average of the annual compensation (aac) and obtain a product.

STEP TWO: To obtain the pension, multiply the STEP ONE product by the total creditable service (scr) completed by the member on the member's retirement date.

Expressed mathematically:

$p = (.011) \text{ times } (aac) \text{ times } (scr)$

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(c) Unless the member:

- (1) has chosen a lump sum payment under section 2(b) of this chapter;
- (2) has elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5; or
- (3) elects to defer receiving in any form the member's annuity savings account under section 2(c) of this chapter;

the annuity is the amount purchasable on the member's retirement date by the amount credited to the member in the annuity savings account. The amount purchasable is based on actuarial tables adopted by the board under IC 5-10.2-2-10 at an interest rate determined by the board **under IC 5-10.5-4-2.6.**

SECTION 16. IC 5-10.5-4-1, AS ADDED BY P.L.177-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The board shall do all of the following:

- (1) Appoint and fix the salary of a director.
- (2) Employ or contract with employees, auditors, technical experts, legal counsel, and other service providers as the board considers necessary to transact the business of the fund without the approval of any state officer, and fix the compensation of those persons.
- (3) Establish a general office in Indianapolis for board meetings and for administrative personnel.
- (4) Provide for the installation in the general office of a complete system of:
 - (A) books;
 - (B) accounts, including reserve accounts; and
 - (C) records;

to give effect to all the requirements of this article and to ensure the proper operation of the fund.

- (5) Provide for a report at least annually to each member of the amount credited to the member in the annuity savings account in each investment program under IC 5-10.2-2.
- (6) With the advice of the actuary, adopt actuarial tables and compile data needed for actuarial studies that are necessary for the fund's operation.
- (7) Act on applications for benefits and claims of error filed by members.
- (8) Provide to retiring and retired members the option of converting the amount credited to the member's annuity savings account into an annuity that is administered and managed by the fund's employees.**



~~(8)~~ **(9)** Have the accounts of the fund audited annually by the state board of accounts, and if the board determines that it is advisable, have the operation of a public pension or retirement fund of the system audited by a certified public accountant.

~~(9)~~ **(10)** Publish for the members a synopsis of the fund's condition.

~~(10)~~ **(11)** Adopt a budget on a calendar year or fiscal year basis that is sufficient, as determined by the board, to perform the board's duties and, as appropriate and reasonable, draw upon fund assets to fund the budget.

~~(11)~~ **(12)** Expend money, including income from the fund's investments, for effectuating the fund's purposes.

~~(12)~~ **(13)** Establish personnel programs and policies for the employees of the system.

~~(13)~~ **(14)** Submit a financial report before November 1 each year to the governor, the pension management oversight commission, and the budget committee. The report under this subdivision must set forth a complete operating and financial statement covering its operations during the most recent fiscal year, and include any other information requested by the chair of the pension management oversight commission. The report must be submitted to the pension management oversight commission in an electronic format pursuant to IC 5-14-6.

~~(14)~~ **(15)** Provide the necessary forms for administering the fund.

~~(15)~~ **(16)** Submit to the auditor of state or the treasurer of state vouchers or reports necessary to claim an amount due from the state to the system.

SECTION 17. IC 5-10.5-4-2, AS ADDED BY P.L.23-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board may do any of the following:

- (1) Establish and amend rules and regulations:
 - (A) for the administration and regulation of the fund and the board's affairs; and
 - (B) to effectuate the powers and purposes of the board; without adopting a rule under IC 4-22-2.
- (2) Make contracts and sue and be sued as the board of trustees of the Indiana public retirement system.
- (3) Delegate duties to its employees.
- (4) Enter into agreements with one (1) or more insurance companies to provide life, hospitalization, surgical, medical, dental, vision, long term care, or supplemental Medicare insurance, utilizing individual or group insurance policies for



retired members of the fund, and, upon authorization of the respective member, deduct premium payments for such policies from the members' retirement benefits and remit the payments to the insurance companies.

~~(5)~~ Enter into agreements with one ~~(1)~~ or more insurance companies to provide annuities for retired members of the fund; and, upon a member's authorization, transfer the amount credited to the member in the annuity savings account to the insurance companies.

~~(6)~~ **(5)** For the 1977 police officers' and firefighters' pension and disability fund, deduct from benefits paid and remit to the appropriate entities amounts authorized by IC 36-8-8-17.2.

~~(7)~~ **(6)** Whenever the fund's membership is sufficiently large for actuarial valuation, establish an employer's contribution rate for all employers, including employers with special benefit provisions for certain employees.

~~(8)~~ **(7)** Amortize prior service liability over a period of forty ~~(40)~~ years or less.

~~(9)~~ **(8)** Recover payments made under false or fraudulent representation.

~~(10)~~ **(9)** Give bond for an employee for the fund's protection.

~~(11)~~ **(10)** Receive the state's share of the cost of the pension contribution from the federal government for a member on leave of absence in order to work in a federally supported educational project.

~~(12)~~ **(11)** Summon and examine witnesses when adjusting claims.

~~(13)~~ **(12)** When adjusting disability claims, require medical examinations by doctors approved or appointed by the board. Not more than two ~~(2)~~ examinations may be conducted in one ~~(1)~~ year.

~~(14)~~ **(13)** Conduct investigations to help determine the merit of a claim.

~~(15)~~ **(14)** Meet an emergency that may arise in the administration of the board's trust.

~~(16)~~ **(15)** Determine other matters regarding the board's trust that are not specified.

~~(17)~~ **(16)** Exercise all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes and to conduct its business.

(b) This subsection does not apply to investments of the board. A contract under subsection (a)(2) may be for a term of not more than five ~~(5)~~ years, with an ability to renew thereafter.



(c) An agreement under subsection (a)(4) may be for a duration of three (3) years.

SECTION 18. IC 5-10.5-4-2.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.6. (a) The board shall establish on April 1 and October 1 each year, beginning on October 1, 2014, the interest rate used to determine the annuity amount purchasable by a member of:**

- (1) the public employees' retirement fund; or
- (2) the teachers' retirement fund;

who elects to receive, as part of the member's retirement or disability benefit, an annuity provided by the amount credited to the member in the member's annuity savings account.

(b) The interest rate established under subsection (a) on a specified date is equal to:

- (1) the average nominal interest rate on ten (10) year United States Treasury notes for the ten (10) years immediately preceding the specified date; plus
- (2) two percent (2%).

SECTION 19. IC 5-10.5-4-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.7. Notwithstanding any other provision in this article, IC 5-10.2, IC 5-10.3, or IC 5-10.4, the board may not enter into an agreement with a third party provider to provide annuities for retiring members of:**

- (1) the public employees' retirement fund; or
- (2) the teachers' retirement fund."

Page 23, delete lines 38 through 42.

Delete page 24.

Page 25, delete lines 1 through 40, begin a new paragraph and insert:

"SECTION 21. IC 8-15.5-1-2, AS AMENDED BY P.L.205-2013, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 2. (a) This article contains full and complete authority for public-private agreements between the authority, and a private entity, and, where applicable, a governmental entity.** Except as provided in this article, no law, procedure, proceeding, publication, notice, consent, approval, order, or act by the authority or any other officer, department, agency, or instrumentality of the state or any political subdivision is required for the authority to enter into a public-private agreement with a private entity under this article, or for a project that is the subject of a public-private agreement to be



constructed, acquired, maintained, repaired, operated, financed, transferred, or conveyed.

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

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

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

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

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

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

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

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

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

(d) Except as provided in subsection (c)(1), the general assembly is not required to enact a statute authorizing the authority or the



department to issue a request for proposals or enter into a public-private agreement for a freeway project."

Page 26, delete lines 16 through 24, begin a new paragraph and insert:

"SECTION 18. IC 8-15.5-2-8, AS AMENDED BY P.L.205-2013, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. "Public-private agreement" means an agreement under this article between a private entity and the authority under which the private entity, acting on behalf of the authority **(and, where applicable, a governmental entity)** as lessee, licensee, or franchisee, will plan, design, acquire, construct, reconstruct, improve, extend, expand, lease, operate, repair, manage, maintain, or finance a project."

Page 32, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 34. IC 10-13-3-40, AS ADDED BY P.L.190-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 40. (a) ~~The department may use the appropriations described in subsection (b) for either or both of the following purposes:~~

(1) ~~Operating and maintaining the central repository for criminal history data.~~

(2) ~~Establishing, operating, or maintaining an electronic log to record the sale of drugs containing ephedrine or pseudoephedrine in accordance with IC 35-48-4-14.7.~~

~~(b) If the amount of money that is deposited in the state general fund during a state fiscal year from handgun license fees (as described in IC 35-47-2-4) exceeds one million one hundred thousand dollars (\$1,100,000), the excess is appropriated from the state general fund to the department. for the purposes described in subsection (a): An appropriation under this section is subject to allotment by the budget agency.~~

SECTION 35. IC 21-34-10-7, AS AMENDED BY P.L.173-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution ~~other than Ivy Tech Community College~~ at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described



in sections 3 and 4 of this chapter, may not exceed ~~fifteen million dollars (\$15,000,000)~~ for each campus of the state educational institution. The amount of bonds outstanding for Ivy Tech Community College at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ~~forty-five million dollars (\$45,000,000)~~; **the greater of:**

(1) fifteen million dollars (\$15,000,000); or

(2) the product of:

(A) the total replacement value of all structures located on each campus of the state educational institution; multiplied by

(B) five percent (5%).

(b) Bonds issued under this section are not eligible for fee replacement."

Page 33, after line 5, begin a new paragraph and insert:

"SECTION 40. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 225 as printed January 31, 2014.)

BROWN T, Chair

Committee Vote: yeas 20, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 225 be amended to read as follows:

Page 19, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 15. IC 5-10.5-4-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. Notwithstanding any other provision in this article, IC 5-10.2, IC 5-10.3, or IC 5-10.4, the board may not, before January 1, 2016, enter into an agreement with a third party provider to provide annuities for retiring members of:

(1) the public employees' retirement fund; or

(2) the teachers' retirement fund."

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Delete pages 20 through 22.

Page 23, delete lines 1 through 2.

Renumber all SECTIONS consecutively.

(Reference is to ESB 225 as printed February 24, 2014.)

BROWN T

