



January 31, 2014

SENATE BILL No. 225

DIGEST OF SB 225 (Updated January 30, 2014 10:18 am - DI 58)

Citations Affected: IC 4-10; IC 4-23; IC 5-10; IC 5-10.3; IC 6-1.1; IC 6-2.5; IC 8-15.5; IC 36-1.

Synopsis: Various state and local financial matters. Permits, instead of requires, excess state general fund reserves less than \$50,000,000 to be carried forward to the next year. Reduces from 50 to 25 the number of hard copy documents a state agency must provide to the state library. Permits the state library foundation to choose to have its annual audit performed by an independent certified public accountant or by the state board of accounts. Changes the publisher of the annual report of the meetings of the Indiana Academy of Science from the commission on public records to the Indiana Academy of Science. Changes various copy requirements concerning the Indiana Academy of Science's reports. Repeals the annual appropriation for the printing of the proceedings and papers of the Indiana Academy of Science. Repeals the requirement that the state offer active and retired employee health insurance coverage in the state plan for state employees and local government units. Recognizes multiparty agreements, including
(Continued next page)

Effective: June 30, 2014; July 1, 2014.

Kenley

January 9, 2014, read first time and referred to Committee on Appropriations.
January 30, 2014, amended, reported favorably — Do Pass.

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Digest Continued

agreements with other states and local government units, using a transportation public-private arrangement. Modifies hearing requirements related to public-private partnership arrangements. Allows parties involved in a property tax appeal to agree to receive notices and other material by electronic means. Provides that any excess in use tax collections pertaining to remote sales is to be transferred from the state general fund to the major moves construction fund. Provides that the excess is not to be counted in determining whether an automatic taxpayer refund is to be made.



January 31, 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.

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 4-10-22-1, AS AMENDED BY P.L.205-2013,
2 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 1. (a) After the end of each odd-numbered state
4 fiscal year, the office of management and budget shall calculate in the
5 customary manner the total amount of state reserves as of the end of the
6 state fiscal year. The office of management and budget shall make the
7 calculation not later than July 31 of each odd-numbered year.
8 (b) The office of management and budget may not consider:
9 (1) a balance in the state tuition reserve fund established by
10 IC 4-12-1-15.7; or
11 (2) any excess remote use tax collection amount transferred
12 under IC 6-2.5-3-11;
13 when making the calculation required by subsection (a).
14 SECTION 2. IC 4-10-22-3, AS AMENDED BY P.L.205-2013,

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1 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2014]: Sec. 3. After completing the presentation to the state
3 budget committee described in section 2 of this chapter, ~~the governor~~
4 ~~shall do~~ the following **apply**:

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

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

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

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

27 SECTION 3. IC 4-23-7.1-26 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) Subject to
29 subsections (b) and (c), every state agency that issues public documents
30 shall furnish the state library ~~fifty (50)~~ **twenty-five (25)** copies of all
31 publications issued by them, whether printed ~~mimeographed, or~~
32 ~~duplicate~~ **in any way, or published electronically**, which are not
33 issued solely for use within the issuing office. However, if the library
34 requests, as many as twenty-five (25) additional copies of each public
35 document shall be supplied.

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



1 general depository requirements shall be deposited with the state
2 library.

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

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

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

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

24 (b) A foundation established under this section:

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

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

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

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

31 (A) administered by the foundation; and

32 (B) not part of the state treasury.

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

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

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

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

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

42 (f) Employees of the state library ~~shall~~ may provide administrative



1 support for the foundation.

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

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

10 SECTION 5. IC 4-23-9-1 IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2014]: Sec. 1. The annual reports of the
 12 meetings of the Indiana Academy of Science, beginning with the report
 13 for the year 1894, including all papers of scientific or economic value
 14 presented at such meetings, after they shall have been edited and
 15 prepared for publication shall be published by the ~~commission on~~
 16 **public records: Indiana Academy of Science.**

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

30 SECTION 7. IC 4-23-9-3 IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2014]: Sec. 3. ~~All except three hundred (300)~~
 32 **(a) The Indiana Academy of Science shall provide** copies of each
 33 volume of said reports ~~shall be placed in the custody of to the Indiana~~
 34 ~~state librarian, who~~ **library. The number of copies provided to the**
 35 **Indiana state library shall be determined by the Indiana Academy**
 36 **of Science and the state librarian. The Indiana state library shall,**
 37 **upon request, furnish one (1) copy thereof to the following:**

- 38 (1) Each public library in the state. ~~one (1) copy to~~
 39 (2) Each university ~~or college or normal school~~ in the state. ~~one~~
 40 ~~(1) copy to each high school in the state having a library: which~~
 41 ~~shall make application therefor, and one (1) copy to such~~
 42 (3) Other institutions, societies, or persons ~~as may be~~ designated



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

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

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

19 SECTION 8. IC 4-23-10-1 IS REPEALED [EFFECTIVE JULY 1,
 20 2014]. Sec. 1. Beginning with the first day of October, 1921, and
 21 annually thereafter, there is appropriated the sum of twelve hundred
 22 dollars (\$1,200); said moneys to be used to pay for the printing of the
 23 proceedings and papers of the Indiana Academy of Science, provided
 24 that any unexpended balance of any of said sums shall be carried
 25 forward and be available for the use of said academy for future years.

26 SECTION 9. IC 5-10-8-0.5 IS REPEALED [EFFECTIVE JULY 1,
 27 2014]. Sec. 0.5: Notwithstanding the amendments made to sections 2.2
 28 and 2.6 of this chapter, and IC 20-5-2-2 (before its repeal, now codified
 29 at IC 20-26-5-4); and the addition of section 6.6 of this chapter by
 30 P.L.286-2001, the coverage that may be elected under section 6.6 of
 31 this chapter, as added by P.L.286-2001:

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

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

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

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

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



- 1 (3) is at least eighteen (18) and less than twenty-three (23) years
 2 of age and is enrolled in and regularly attending a secondary
 3 school or is a full-time student at an accredited college or
 4 university.
- 5 (b) As used in this section, "public safety employee" means a
 6 full-time firefighter, police officer, county police officer, or sheriff.
- 7 (c) This section applies only to local unit public employers and their
 8 public safety employees.
- 9 (d) A local unit public employer may provide programs of group
 10 health insurance for its active and retired public safety employees
 11 through one (1) of the following methods:
- 12 (1) By purchasing policies of group insurance.
 13 (2) By establishing self-insurance programs.
 14 ~~(3) By electing to participate in the local unit group of local units~~
 15 ~~that offer the state employee health plan under section 6.6 of this~~
 16 ~~chapter.~~
 17 ~~(4)~~ (3) If the local unit public employer is a school corporation, by
 18 electing to provide the coverage through a state employee health
 19 plan under section 6.7 of this chapter.
- 20 A local unit public employer may provide programs of group insurance
 21 other than group health insurance for the local unit public employer's
 22 active and retired public safety employees by purchasing policies of
 23 group insurance and by establishing self-insurance programs. However,
 24 the establishment of a self-insurance program is subject to the approval
 25 of the unit's fiscal body.
- 26 (e) A local unit public employer may pay a part of the cost of group
 27 insurance for its active and retired public safety employees. However,
 28 a local unit public employer that provides group life insurance for its
 29 active and retired public safety employees shall pay a part of the cost
 30 of that insurance.
- 31 (f) A local unit public employer may not cancel an insurance
 32 contract under this section during the policy term of the contract.
- 33 (g) After June 30, 1989, a local unit public employer that provides
 34 a group health insurance program for its active public safety employees
 35 shall also provide a group health insurance program to the following
 36 persons:
- 37 (1) Retired public safety employees.
 38 (2) Public safety employees who are receiving disability benefits
 39 under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.
 40 (3) Surviving spouses and dependents of public safety employees
 41 who die while in active service or after retirement.
- 42 (h) A public safety employee who is retired or has a disability and



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



- 1 (4) When health insurance becomes available to the surviving
 2 spouse through employment.
- 3 (l) A dependent's eligibility for group health insurance under this
 4 section ends on the earliest of the following:
- 5 (1) When the dependent becomes eligible for Medicare coverage
 6 as prescribed by 42 U.S.C. 1395 et seq.
- 7 (2) When the unit providing the insurance terminates the health
 8 insurance program for active public safety employees.
- 9 (3) When the dependent no longer meets the criteria set forth in
 10 subsection (a).
- 11 (4) When health insurance becomes available to the dependent
 12 through employment.
- 13 (m) A public safety employee who is on leave without pay is entitled
 14 to participate for ninety (90) days in any group health insurance
 15 program maintained by the local unit public employer for active public
 16 safety employees if the public safety employee pays an amount equal
 17 to the total of the employer's and the employee's premiums for the
 18 insurance. However, the employer may pay all or part of the employer's
 19 premium for the insurance.
- 20 (n) A local unit public employer may provide group health
 21 insurance for retired public safety employees or their spouses not
 22 covered by subsections (g) through (l) and may provide group health
 23 insurance that contains provisions more favorable to retired public
 24 safety employees and their spouses than required by subsections (g)
 25 through (l). A local unit public employer may provide group health
 26 insurance to a public safety employee who is on leave without pay for
 27 a longer period than required by subsection (m), and may continue to
 28 pay all or a part of the employer's premium for the insurance while the
 29 employee is on leave without pay.
- 30 SECTION 11. IC 5-10-8-2.6, AS AMENDED BY P.L.182-2009(ss),
 31 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2014]: Sec. 2.6. (a) This section applies only to local unit
 33 public employers and their employees. This section does not apply to
 34 public safety employees, surviving spouses, and dependents covered by
 35 section 2.2 of this chapter.
- 36 (b) A public employer may provide programs of group insurance for
 37 its employees and retired employees. The public employer may,
 38 however, exclude part-time employees and persons who provide
 39 services to the unit under contract from any group insurance coverage
 40 that the public employer provides to the employer's full-time
 41 employees. A public employer may provide programs of group health
 42 insurance under this section through one (1) of the following methods:



1 (1) By purchasing policies of group insurance.

2 (2) By establishing self-insurance programs.

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

6 ~~(4)~~ (3) If the local unit public employer is a school corporation, by
 7 electing to provide the coverage through a state employee health
 8 plan under section 6.7 of this chapter.

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

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

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

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

26 (1) whose retirement date is:

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

29 or

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

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

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

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



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

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

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

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

35 (i) A public employer may provide group health insurance for
36 retired employees or their spouses not covered by subsections (e)
37 through (g) and may provide group health insurance that contains
38 provisions more favorable to retired employees and their spouses than
39 required by subsections (e) through (g). A public employer may
40 provide group health insurance to an employee who is on leave without
41 pay for a longer period than required by subsection (h), and may
42 continue to pay all or a part of the employer's premium for the



- 1 insurance while the employee is on leave without pay.
- 2 SECTION 12. IC 5-10-8-6.6 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6.6. (a) As used in this
- 4 section, "local unit group" means all of the local units that elect to
- 5 provide coverage for 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 this section.
- 10 (b) As used in this section, "state employee health plan" means:
- 11 (1) an accident and sickness insurance policy (as defined in
- 12 IC 27-8-5.6-1) purchased through the state personnel department
- 13 under section 7(a) of this chapter; or
- 14 (2) a contract with a prepaid health care delivery plan entered into
- 15 by the state personnel department under section 7(c) of this
- 16 chapter.
- 17 (c) The state personnel department shall allow a local unit to
- 18 participate in the local unit group by electing to provide coverage of
- 19 health care services for active and retired:
- 20 (1) elected or appointed officers and officials;
- 21 (2) full-time employees; and
- 22 (3) part-time employees;
- 23 of the local unit under a state employee health plan. **This subsection**
- 24 **expires July 1, 2014.**
- 25 (d) If a local unit elects to provide coverage under subsection (c):
- 26 (1) the local unit group must be treated as a single group that is
- 27 separate from the group of state employees that is covered under
- 28 a state employee health plan;
- 29 (2) the state personnel department shall:
- 30 (A) establish:
- 31 (i) the premium costs, as determined by an accident and
- 32 sickness insurer or a prepaid health care delivery plan under
- 33 which coverage is provided under this section;
- 34 (ii) the administrative costs; and
- 35 (iii) any other costs;
- 36 of the coverage provided under this section, including the cost
- 37 of obtaining insurance or reinsurance, for the local unit group
- 38 as a whole; and
- 39 (B) establish a uniform premium schedule for each accident
- 40 and sickness insurance policy or prepaid health care delivery
- 41 plan under which coverage is provided under this section for
- 42 the local unit group; and



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



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

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

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

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

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

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

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

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

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

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

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

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

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

42 (6) provide that an employee's benefits under the plan may be



1 reduced, dollar for dollar, if the employee derives income from:

2 (A) Social Security;

3 (B) the public employees' retirement fund;

4 (C) the Indiana state teachers' retirement fund;

5 (D) pension disability;

6 (E) worker's compensation;

7 (F) benefits provided from another employer's group plan; or

8 (G) remuneration for employment entered into after the
9 disability was incurred.

10 (The department of state revenue and the department of workforce
11 development shall cooperate with the state personnel department
12 to confirm that an employee has disclosed complete and accurate
13 information necessary to administer subdivision (6).);

14 (7) provide that an employee will not receive benefits under the
15 plan for a disability resulting from causes specified in the rules;
16 and

17 (8) provide that, if an employee refuses to:

18 (A) accept work assignments appropriate to the employee's
19 medical condition;

20 (B) submit information necessary for claim administration; or

21 (C) submit to examinations by designated physicians;

22 the employee forfeits benefits under the plan.

23 (e) This section does not affect insurance for retirees under
24 IC 5-10.3 or IC 5-10.4.

25 (f) The state may pay part of the cost of self-insurance or prepaid
26 health care delivery plans for its employees.

27 (g) A state agency may not provide any insurance benefits to its
28 employees that are not generally available to other state employees,
29 unless specifically authorized by law.

30 (h) The state may pay a part of the cost of group medical and life
31 coverage for its employees.

32 (i) To carry out the purposes of this section, a trust fund may be
33 established. The trust fund established under this subsection is
34 considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be
35 transferred, assigned, or otherwise removed from the trust fund
36 established under this subsection by the state board of finance, the
37 budget agency, or any other state agency. Money in a trust fund
38 established under this subsection does not revert to the state general
39 fund at the end of any state fiscal year. The trust fund established under
40 this subsection consists of appropriations, revenues, or transfers to the
41 trust fund under IC 4-12-1. Contributions to the trust fund are
42 irrevocable. The trust fund must be limited to providing prefunding of



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

- 9 (1) are dedicated exclusively to providing benefits to covered
 10 individuals and their beneficiaries according to the terms of the
 11 health plan; and
 12 (2) are exempt from levy, sale, garnishment, attachment, or other
 13 legal process.

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

20 SECTION 14. IC 5-10-8-8, AS AMENDED BY P.L.43-2007,
 21 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 8. (a) This section applies only to the state and
 23 employees who are not covered by a plan established under section 6
 24 of this chapter.

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

- 27 (1) whose retirement date is:
 28 (A) after June 29, 1986, for a retired employee who was a
 29 member of the field examiners' retirement fund;
 30 (B) after May 31, 1986, for a retired employee who was a
 31 member of the Indiana state teachers' retirement fund; or
 32 (C) after June 30, 1986, for a retired employee not covered by
 33 clause (A) or (B);
 34 (2) who will have reached fifty-five (55) years of age on or before
 35 the employee's retirement date but who will not be eligible on that
 36 date for Medicare coverage as prescribed by 42 U.S.C. 1395 et
 37 seq.; and
 38 (3) who:
 39 (A) for an employee who retires before January 1, 2007, will
 40 have completed:
 41 (i) twenty (20) years of creditable employment with a public
 42 employer on or before the employee's retirement date, ten



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



- 1 general assembly.
- 2 A former member or surviving spouse of a former member who obtains
- 3 insurance under this section is responsible for paying both the
- 4 employer and the employee share of the cost of the coverage.
- 5 (f) The group health insurance program required under subsections
- 6 (b) through (e) and subsection (k) must be equal to that offered active
- 7 employees. The retired employee may participate in the group health
- 8 insurance program if the retired employee pays an amount equal to the
- 9 employer's and the employee's premium for the group health insurance
- 10 for an active employee and if the retired employee within ninety (90)
- 11 days after the employee's retirement date files a written request for
- 12 insurance coverage with the employer. Except as provided in
- 13 subsection (l), the employer may elect to pay any part of the retired
- 14 employee's premium with respect to insurance coverage under this
- 15 chapter.
- 16 (g) Except as provided in subsection (j), a retired employee's
- 17 eligibility to continue insurance under this section ends when the
- 18 employee becomes eligible for Medicare coverage as prescribed by 42
- 19 U.S.C. 1395 et seq., or when the employer terminates the health
- 20 insurance program. A retired employee who is eligible for insurance
- 21 coverage under this section may elect to have the employee's spouse
- 22 covered under the health insurance program at the time the employee
- 23 retires. If a retired employee's spouse pays the amount the retired
- 24 employee would have been required to pay for coverage selected by the
- 25 spouse, the spouse's subsequent eligibility to continue insurance under
- 26 this section is not affected by the death of the retired employee. The
- 27 surviving spouse's eligibility ends on the earliest of the following:
- 28 (1) When the spouse becomes eligible for Medicare coverage as
- 29 prescribed by 42 U.S.C. 1395 et seq.
- 30 (2) When the employer terminates the health insurance program.
- 31 (3) Two (2) years after the date of the employee's death.
- 32 (4) The date of the spouse's remarriage.
- 33 (h) This subsection does not apply to an employee who is entitled
- 34 to group insurance coverage under IC 20-28-10-2(b). An employee
- 35 who is on leave without pay is entitled to participate for ninety (90)
- 36 days in any health insurance program maintained by the employer for
- 37 active employees if the employee pays an amount equal to the total of
- 38 the employer's and the employee's premiums for the insurance.
- 39 (i) An employer may provide group health insurance for retired
- 40 employees or their spouses not covered by this section and may provide
- 41 group health insurance that contains provisions more favorable to
- 42 retired employees and their spouses than required by this section. A



1 public employer may provide group health insurance to an employee
 2 who is on leave without pay for a longer period than required by
 3 subsection (h).

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

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

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

16 (A) IC 11-10-5;

17 (B) IC 12-24-3;

18 (C) IC 16-33-3;

19 (D) IC 16-33-4;

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

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

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

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

26 (4) who:

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

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

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

39 SECTION 15. IC 5-10-8-8.3 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8.3. (a) As used in this
 41 section, "department" refers to the state personnel department.

42 (b) The department shall establish, or contract for the establishment



1 of, at least two (2) retiree health benefit plans to be available for former
2 employees of:

- 3 (1) the state; and
4 (2) the legislative branch of government;

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

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

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

18 SECTION 16. IC 5-10.3-8-14, AS AMENDED BY P.L.205-2013,
19 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JUNE 30, 2014]: Sec. 14. (a) Except as provided in subsection (c), this
21 section applies to employees of the state (as defined in
22 IC 5-10.3-7-1(d)) who are:

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

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

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

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

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

39 (d) The board shall adopt provisions to establish a retirement
40 medical benefits account within the fund under Section 401(h) or as a
41 separate fund under another applicable section of the Internal Revenue
42 Code for the purpose of converting unused excess accrued leave to a



1 monetary contribution for an employee of the state to fund on a pretax
 2 basis benefits for sickness, accident, hospitalization, and medical
 3 expenses for the employee and the spouse and dependents of the
 4 employee after the employee's retirement. The state may match all or
 5 a portion of an employee's contributions to the retirement medical
 6 benefits account established under this section.

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

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

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

25 (g) The board may adopt the following:

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

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

35 (i) To the extent allowed by:

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

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

42 (j) To the extent allowed by the Internal Revenue Code, the account



1 described in subsection (d) must include provisions that:

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

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

11 (k) The account described in subsection (d) must be implemented
12 on July 1, 2014:

13 SECTION 17. 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 18. IC 6-2.5-3-11 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2014]: **Sec. 11. (a) As used in this section, "excess" means the**
 41 **amount determined under subsection (b)(2).**

42 **(b) The budget agency shall, before July 20, 2014, and again**



1 before July 20, 2015, determine the following:

2 (1) The amount of use taxes the state has collected in the
3 previous state fiscal year from remote sellers with respect to
4 remote sales sourced to Indiana. This amount does not include
5 use taxes the state has collected from:

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

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

11 (2) The amount by which the amount determined under
12 subdivision (1) exceeds:

13 (A) fifty million dollars (\$50,000,000), for state fiscal year
14 2013-2014; or

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

17 if any.

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

20 (1) whether an excess exists; and

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

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

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

28 SECTION 19. IC 8-15.5-1-2, AS AMENDED BY P.L.205-2013,
29 SECTION 136, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) This article contains full and
31 complete authority for public-private agreements between **and among**
32 the authority, **a governmental entity**, and a private entity. Except as
33 provided in this article, no law, procedure, proceeding, publication,
34 notice, consent, approval, order, or act by the authority or any other
35 officer, department, agency, or instrumentality of the state or any
36 political subdivision is required for the authority to enter into a
37 public-private agreement with a private entity under this article, or for
38 a project that is the subject of a public-private agreement to be
39 constructed, acquired, maintained, repaired, operated, financed,
40 transferred, or conveyed.

41 (b) Before the authority or the department may issue a request for
42 proposals for or enter into a public-private agreement under this article



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

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

13 (2) The addition of toll lanes, including high occupancy toll lanes,
 14 to a highway, roadway, or other facility in existence on July 1,
 15 2011, if the number of nontolled lanes on the highway, roadway,
 16 or facility as of July 1, 2011, does not decrease due to the addition
 17 of the toll lanes.

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

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

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

27 (1) Carrying out construction for Interstate Highway 69 in a
 28 township having a population of more than one hundred thousand
 29 (100,000) and less than one hundred ten thousand (110,000)
 30 located in a county having a consolidated city.

31 (2) Imposing tolls on motor vehicles for use of Interstate Highway
 32 69.

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

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

41 SECTION 20. IC 8-15.5-2-3.5, AS ADDED BY P.L.85-2010,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2014]: Sec. 3.5. "Governmental entity" means:

- 2 (1) any state;
 3 (2) any authority, board, bureau, commission, committee, **agency**,
 4 department, division, or other instrumentality established by any
 5 state, **including a unit of local government**; or
 6 (3) any entity established by the laws of another state in which the
 7 state of Indiana has been invited to participate.

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

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

25 SECTION 23. IC 8-15.5-3-1, AS AMENDED BY P.L.205-2013,
 26 SECTION 142, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2014]: Sec. 1. Subject to the other provisions
 28 of this article, the authority, **a governmental entity**, and a private
 29 entity may enter into a public-private agreement with respect to a
 30 project. Subject to the requirements of this article, a public-private
 31 agreement may provide that the private entity is partially or entirely
 32 responsible for any combination of the following activities with respect
 33 to the project:

- 34 (1) Planning.
 35 (2) Design.
 36 (3) Acquisition.
 37 (4) Construction.
 38 (5) Reconstruction.
 39 (6) Improvement.
 40 (7) Extension or expansion.
 41 (8) Operation.
 42 (9) Repair.

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



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



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



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

10 SECTION 28. IC 8-15.5-5-5, AS ADDED BY P.L.47-2006,
 11 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2014]: Sec. 5. Notwithstanding any contrary provision of this
 13 article, the authority may enter into a public-private agreement with
 14 multiple private entities **or with another governmental entity**, if the
 15 authority determines in writing that it is in the public interest to do so.

16 SECTION 29. IC 8-15.5-5-6, AS ADDED BY P.L.47-2006,
 17 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2014]: Sec. 6. The department or any other state agency **or**
 19 **governmental entity** may perform any duties and exercise any powers
 20 of the authority under this article or the public-private agreement that
 21 have been assigned, subcontracted, or delegated to it by the authority.

22 SECTION 30. IC 8-15.5-6-4, AS AMENDED BY P.L.205-2013,
 23 SECTION 159, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2014]: Sec. 4. Each project constructed or
 25 operated **in the state of Indiana** under this article ~~is considered may~~
 26 **be determined by the department** to be part of the state highway
 27 system designated under IC 8-23-4-2 for purposes of identification,
 28 maintenance standards, and enforcement of traffic laws.

29 SECTION 31. IC 8-15.5-8-1, AS AMENDED BY P.L.205-2013,
 30 SECTION 161, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2014]: Sec. 1. **Notwithstanding**
 32 **IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law**, a project and
 33 tangible personal property used exclusively in connection with a
 34 project that are:
 35 (1) owned by the authority **or a governmental entity** and leased,
 36 franchised, licensed, or otherwise conveyed to an operator; or
 37 (2) acquired, constructed, or otherwise provided by an operator in
 38 connection with ~~the a~~ project;
 39 under the terms of a public-private agreement are considered to be
 40 public property devoted to an essential public and governmental
 41 function and purpose and the property, and an operator's leasehold
 42 estate, franchise, license, and other interests in the property, are exempt



1 from all ad valorem property taxes and special assessments levied
2 against property by the state or any political subdivision of the state.

3 SECTION 32. IC 8-15.5-8-1.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2014]: **Sec. 1.5. Notwithstanding**
6 **IC 4-4-11-36.1(b), IC 4-4-11-36.1(c), or any other law, any interest**
7 **in a project, including all tangible personal property used**
8 **exclusively in connection with a project, that is:**

9 (1) owned by:

10 (A) the authority;

11 (B) an adjacent state or commonwealth; or

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

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

16 (A) an operator;

17 (B) an adjacent state or commonwealth; or

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

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

26 SECTION 33. IC 8-15.5-10-2, AS ADDED BY P.L.47-2006,
27 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2014]: Sec. 2. (a) The authority may make and enter into all
29 contracts and agreements necessary or incidental to the performance of
30 the authority's duties and the execution of the authority's powers under
31 this article. These contracts or agreements are not subject to any
32 approvals other than the approval of the authority and may be for any
33 term of years and contain any terms that are considered reasonable by
34 the authority.

35 (b) The department and any other ~~state agency~~ **governmental entity**
36 may make and enter into all contracts and agreements necessary or
37 incidental to the performance of the duties and the execution of the
38 powers granted to the department or the ~~state agency~~ **governmental**
39 **entity** in accordance with this article or the public-private agreement.
40 These contracts or agreements are not subject to any approvals other
41 than the approval of the department or ~~state agency~~ **governmental**
42 **entity** and may be for any term of years and contain any terms that are



1 considered reasonable by the department or the ~~state agency~~.
 2 **governmental entity.**

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

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

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

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

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

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

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

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

23 (8) "Property" means all:

24 (A) personal property, fixtures, furnishings, inventory, and
 25 equipment; and

26 (B) real property.

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

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

30 (B) deposited in a general or special fund of a municipal
 31 corporation, or another political subdivision or agency of a
 32 political subdivision.

33 The term does not include funds received by any person managing
 34 or operating a public ~~facility~~ **project** under a duly authorized
 35 operating agreement under IC 5-23 or proceeds of bonds payable
 36 exclusively by a private entity.

37 (10) "Retainage" means the amount to be withheld from a
 38 payment to the contractor or subcontractor until the occurrence of
 39 a specified event.

40 (11) "Specifications" means a description of the physical
 41 characteristics, functional characteristics, extent, or nature of any
 42 public work required by the board.



1 (12) "Substantial completion" refers to the date when the
2 construction of a structure is sufficiently completed, in
3 accordance with the plans and specifications, as modified by any
4 complete change orders agreed to by the parties, so that it can be
5 occupied for the use for which it was intended.



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.

