

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1007 be amended to read as follows:

- 1 Page 3, between lines 40 and 41, begin a new paragraph and insert:
- 2 "SECTION 2. IC 5-1-16-42 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 42. (a) When the
- 4 authority, the board of trustees or board of managers of the hospital, the
- 5 board of commissioners of the county, and a majority of the county
- 6 council have agreed upon the terms and conditions of any lease
- 7 proposed to be entered into under section 38 or 39 of this chapter, and
- 8 before the final execution of the lease, the county auditor shall give
- 9 notice by publication of a public hearing to be held in the county by the
- 10 board of commissioners. The hearing shall take place on a day not
- 11 earlier than ten (10) days after the publication of the notice. The notice
- 12 of the hearing shall be published one (1) time in a newspaper of general
- 13 circulation printed in the English language and published in the county.
- 14 The notice shall do the following:
- 15 (1) Name the day, place, and hour of the hearing.
- 16 (2) Set forth a brief summary of the principal terms of the lease
- 17 agreed upon, including the character and location of the property
- 18 to be leased, the lease rental to be paid, and the number of years
- 19 the contract is to be in effect.
- 20 (3) State a location where the proposed lease, drawings, plans,
- 21 specifications, and estimates may be examined.
- 22 The proposed lease and the drawings, plans, specifications, and
- 23 estimates of construction cost for the building shall be open to
- 24 inspection by the public during the ten (10) day period and at the

hearing. All interested persons shall have a right to be heard at the hearing on the necessity for the execution of the lease and whether the lease rental under the lease is fair and reasonable. The hearing may be adjourned to a later date with the place of the hearing fixed prior to adjournment. Following the hearing, the board of commissioners may either authorize the execution of the lease as originally agreed upon or may make modifications that are agreed upon by the authority, the board of trustees or board of managers of the hospital, and the county council. The authorization shall be by an order that is entered in the official records of the board of commissioners. The lease contract shall be executed on behalf of the county by the board of commissioners.

(b) If the execution of the lease as originally agreed upon or as modified by agreement is authorized, notice of the signing of the lease shall be given on behalf of the county by publication one (1) time in a newspaper of general circulation printed in the English language and published in the county. Except as provided in subsection (d), ten (10) or more taxpayers in the county whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease or that the lease rental under the lease is not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease that sets forth the taxpayers' objections and facts supporting those objections. Upon the filing of a petition, the county auditor shall immediately certify a copy of the petition together with such other data as may be necessary in order to present the questions involved to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place in the affected county for the hearing of the matter that is not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the department of local government finance to the board of county commissioners and to the first ten (10) taxpayer petitioners upon the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing.

(c) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease, or if an appeal has been taken to the department of local government finance, then within thirty (30) days after the decision of the department.

(d) The authority for taxpayers to object to a proposed lease under subsection (b) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in ~~IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.~~ **IC 6-1.1-20."**

Page 15, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 13. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in:

(A) IC 6-1.1-20-3 (before its repeal); or

(B) IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2 **(in the case of a preliminary determination made before July 1, 2007, to issue bonds or enter into a lease); or**

(C) IC 6-1.1-20-3.5 through IC 6-1.1-20-3.6 **(in the case of a preliminary determination made after June 30, 2007, to issue bonds or enter into a lease).**

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).

(7) To meet the requirements of the county hospital care for the indigent fund.

(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric

residential treatment services (as defined in IC 12-19-7.5-1).

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment, a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection."

Page 17, line 35, strike "IC 6-1.1-20-3.1(2);" and insert "**IC 6-1.1-20-3.1(b)(2);**".

Page 17, line 35, delete "or".

Page 17, between lines 35 and 36, begin a new line block indented and insert:

"(2) IC 6-1.1-20-3.5(b)(2); or".

Page 17, line 36, delete "(2)" and insert "(3)".

Page 19, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-20-1.1, AS AMENDED BY P.L.2-2006, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will not cost the political subdivision more than ~~two million dollars (\$2,000,000); the lesser of:~~

(A) two percent (2%) of the political subdivision's total gross certified assessed value; or

(B) fifty million dollars (\$50,000,000).

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

SECTION 18. IC 6-1.1-20-3.1, AS AMENDED BY P.L.2-2006, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.1. **(a) This section applies only to a controlled project for which the proper officers of a political subdivision**

make a preliminary determination before July 1, 2007, to issue bonds or enter into a lease.

(b) A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in

IC 20-45-1-16) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) one hundred (100) owners of real property within the political subdivision; or

(B) five percent (5%) of the owners of real property within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition forms to be used solely in the petition process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (7).

(7) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the

political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into."

Page 19, delete lines 8 through 27, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-20-3.2, AS AMENDED BY P.L.2-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. **(a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination before July 1, 2007, to issue bonds or enter into a lease.**

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in ~~section 3.1(1)(B)~~ **section 3.1(b)(1)(B)** of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1."

Page 21, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.5. **(a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination after June 30, 2007, to issue bonds or enter into a lease.**

(b) A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices;

of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds

1 or enter into a lease and shall conduct a public hearing on a
 2 preliminary determination before adoption of the ordinance
 3 or resolution.

4 (2) Whenever the proper officers of a political subdivision
 5 make a preliminary determination to issue bonds or enter into
 6 a lease, the officers shall give notice of the preliminary
 7 determination by:

8 (A) publication in accordance with IC 5-3-1; and

9 (B) first class mail to the organizations described in
 10 subdivision (1)(B).

11 (3) A notice under subdivision (2) of the preliminary
 12 determination of the political subdivision to issue bonds or
 13 enter into a lease must include the following information:

14 (A) The maximum term of the bonds or lease.

15 (B) The maximum principal amount of the bonds or the
 16 maximum lease rental for the lease.

17 (C) The estimated interest rates that will be paid and the
 18 total interest costs associated with the bonds or lease.

19 (D) The purpose of the bonds or lease.

20 (E) A statement that any owners of real property within
 21 the political subdivision who want to initiate a local public
 22 question on the proposed debt service or lease payments
 23 must file a petition that complies with subdivisions (4) and
 24 (5) not later than thirty (30) days after publication in
 25 accordance with IC 5-3-1.

26 (F) With respect to bonds issued or a lease entered into to
 27 open:

28 (i) a new school facility; or

29 (ii) an existing facility that has not been used for at least
 30 three (3) years and that is being reopened to provide
 31 additional classroom space;

32 the estimated costs the school corporation expects to
 33 annually incur to operate the facility.

34 (G) A statement of whether the school corporation expects
 35 to appeal for a new facility adjustment (as defined in
 36 IC 20-45-1-16) for an increased maximum permissible
 37 tuition support levy to pay any estimated costs described
 38 in clause (F).

39 (4) After notice is given, a petition requesting the initiation of
 40 a local public question may be filed by the lesser of:

41 (A) five hundred (500) owners of real property within the
 42 political subdivision; or

43 (B) five percent (5%) of the owners of real property within
 44 the political subdivision.

45 (5) The state board of accounts shall design and, upon request
 46 by the county auditor, deliver to the county auditor or the
 47 county auditor's designated printer the petition forms to be

used solely in the petition process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (7).

(7) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a local public question. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

If a sufficient petition requesting a local public question is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 21. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.6. (a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination after June 30, 2007, to issue bonds or enter into a lease.

(b) If a sufficient petition requesting a local public question has been filed by owners of real property as set forth in section 3.5 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) The following question shall be submitted to the voters at the election conducted under this section:

"Shall _____ (insert the name of the political subdivision) issue bonds or enter into a lease to finance _____ (insert the name of the controlled project)?".

(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of the county that contains the greatest percentage of population of the political subdivision. After the public question is certified, the public question shall be placed on the ballot at the next primary or general election in which all voters of the political subdivision are entitled to vote.

(e) The circuit court clerk shall certify the results of the public question to the following:

(1) The county auditor of each county in which the political subdivision is located.

(2) The department of local government finance.

(f) If a majority of the voters voting on the public question vote in favor of the public question, the department of local government finance shall take prompt and appropriate steps to notify the political subdivision that the political subdivision may issue the proposed bonds or enter into the proposed lease rental.

(g) If a majority of the voters voting on the public question vote in opposition to the public question, both of the following apply:

(1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.

(2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than one (1) year after the date of the election.

(h) IC 3, to the extent not inconsistent with this section, applies to an election held under this section."

Page 23, delete lines 28 through 33, begin a new line blocked left and insert:

"until the expiration of the latter of: after:

(1) the expiration of the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue in the case of a proposed issue that is subject to section 3.1 of this chapter;

(2) the proposed issue is approved in an election on a local public question held under section 3.6 of this chapter in the case of a proposed issue that is subject to section 3.5 of this

1 **chapter; or**

2 ~~(2)~~ **(3)** the time period during which a petition for review of the
3 proposed issue is pending before the department of local
4 government finance."

5 Page 24, between lines 5 and 6, begin a new paragraph and insert:

6 "SECTION 23. IC 6-1.1-20-10, AS AMENDED BY P.L.162-2006,
7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2007]: Sec. 10. (a) This section applies **only** to a political
9 subdivision that adopts an ordinance or a resolution making a
10 preliminary determination **before July 1, 2007**, to issue bonds or enter
11 into a lease. During the period commencing with the adoption of the
12 ordinance or resolution and, if a petition and remonstrance process is
13 commenced under section 3.2 of this chapter, continuing through the
14 sixty (60) day period commencing with the notice under ~~section 3.2(1)~~
15 **section 3.2(b)(1)** of this chapter, the political subdivision seeking to
16 issue bonds or enter into a lease for the proposed controlled project
17 may not promote a position on the petition or remonstrance by doing
18 any of the following:

19 (1) Allowing facilities or equipment, including mail and
20 messaging systems, owned by the political subdivision to be used
21 for public relations purposes to promote a position on the petition
22 or remonstrance, unless equal access to the facilities or equipment
23 is given to persons with a position opposite to that of the political
24 subdivision.

25 (2) Making an expenditure of money from a fund controlled by
26 the political subdivision to promote a position on the petition or
27 remonstrance or to pay for the gathering of signatures on a
28 petition or remonstrance. This subdivision does not prohibit a
29 political subdivision from making an expenditure of money to an
30 attorney, an architect, a construction manager, or a financial
31 adviser for professional services provided with respect to a
32 controlled project.

33 (3) Using an employee to promote a position on the petition or
34 remonstrance during the employee's normal working hours or paid
35 overtime, or otherwise compelling an employee to promote a
36 position on the petition or remonstrance at any time.

37 (4) In the case of a school corporation, promoting a position on a
38 petition or remonstrance by:

39 (A) using students to transport written materials to their
40 residences or in any way directly involving students in a
41 school organized promotion of a position; or

42 (B) including a statement within another communication sent
43 to the students' residences.

44 However, this section does not prohibit an employee of the political
45 subdivision from carrying out duties with respect to a petition or
46 remonstrance that are part of the normal and regular conduct of the

1 employee's office or agency.

2 (b) A person may not solicit or collect signatures for a petition or
3 remonstrance on property owned or controlled by the political
4 subdivision.

5 (c) The staff and employees of a school corporation may not
6 personally identify a student as the child of a parent or guardian who
7 supports or opposes a petition or remonstrance.

8 (d) A person or an organization that has a contract or arrangement
9 (whether formal or informal) with a school corporation for the use of
10 any of the school corporation's facilities may not spend any money to
11 promote a position on the petition or remonstrance. A person or an
12 organization that violates this subsection commits a Class A infraction.

13 (e) An attorney, an architect, a construction manager, or a financial
14 adviser for professional services provided with respect to a controlled
15 project may not spend any money to promote a position on the petition
16 or remonstrance. A person who violates this subsection:

- 17 (1) commits a Class A infraction; and
- 18 (2) is barred from performing any services with respect to the
19 controlled project.

20 SECTION 24. IC 6-1.1-20-10.1 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2007]: **Sec. 10.1. (a) This section applies only**
23 **to a political subdivision that, after June 30, 2007, adopts an**
24 **ordinance or a resolution making a preliminary determination to**
25 **issue bonds or enter into a lease.**

26 (b) **During the period beginning with the adoption of the**
27 **ordinance or resolution and continuing through the day on which**
28 **a local public question is submitted to the voters of the political**
29 **subdivision under section 3.6 of this chapter, the political**
30 **subdivision seeking to issue bonds or enter into a lease for the**
31 **proposed controlled project may not promote a position on the**
32 **local public question by doing any of the following:**

33 (1) **Allowing facilities or equipment, including mail and**
34 **messaging systems, owned by the political subdivision to be**
35 **used for public relations purposes to promote a position on**
36 **the local public question, unless equal access to the facilities**
37 **or equipment is given to persons with a position opposite to**
38 **that of the political subdivision.**

39 (2) **Making an expenditure of money from a fund controlled**
40 **by the political subdivision to promote a position on the local**
41 **public question. This subdivision does not prohibit a political**
42 **subdivision from making an expenditure of money to an**
43 **attorney, an architect, a construction manager, or a financial**
44 **adviser for professional services provided with respect to a**
45 **controlled project.**

46 (3) **Using an employee to promote a position on the local**
47 **public question during the employee's normal working hours**

or paid overtime, or otherwise compelling an employee to promote a position on the local public question at any time.

(4) In the case of a school corporation, promoting a position on a local public question by:

(A) using students to transport written materials to their residences or in any way directly involving students in a school organized promotion of a position; or

(B) including a statement within another communication sent to the students' residences.

However, this section does not prohibit an employee of the political subdivision from carrying out duties with respect to a local public question that are part of the normal and regular conduct of the employee's office or agency.

(c) The staff and employees of a school corporation may not personally identify a student as the child of a parent or guardian who supports or opposes a controlled project subject to a local public question held under section 3.6 of this chapter.

(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on a local public question. A person or an organization that violates this subsection commits a Class A infraction.

(e) An attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project may not spend any money to promote a position on a local public question. A person who violates this subsection:

(1) commits a Class A infraction; and

(2) is barred from performing any services with respect to the controlled project."

Page 75, delete lines 7 through 8, begin a new line block indented and insert:

"(2) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; or

(B) vote on the proposed issuance of bonds in an election on a local public question;".

Page 76, line 26, delete "," and insert "(before its repeal),".

Page 76, line 29, delete "," and insert "(before its repeal),".

Page 77, delete lines 6 through 16, begin a new paragraph and insert:

"(d) The provisions of IC 6-1.1-20 and IC 5-1 relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice of them;

(2) the giving of notice of determination to issue bonds;

(3) the giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be

1 heard on the proposed appropriation;

2 **(4) the approval of the appropriation by the ~~department of local~~**
 3 **~~government finance; local government capital project property~~**
 4 **tax control board under IC 6-1.1-17.5;**

5 **(5) the right of taxpayers to:**

6 **(A) remonstrate against the issuance of bonds; or**

7 **(B) vote on the proposed issuance of bonds in an election**
 8 **on a local public question; and**

9 **(6) the sale of bonds at public sale for not less than par value;**

10 are applicable to proceedings under this chapter for the issuance of
 11 general obligation bonds.".

12 Page 85, delete lines 15 through 16, begin a new line block indented
 13 and insert:

14 "(5) The right of taxpayers to:

15 **(A) remonstrate against the issuance of bonds; or**

16 **(B) vote on the proposed issuance of bonds in an election**
 17 **on a local public question."**

18 Page 85, delete lines 33 through 34, begin a new line block indented
 19 and insert:

20 "(5) The right of taxpayers to:

21 **(A) remonstrate against the issuance of bonds; or**

22 **(B) vote on the proposed issuance of bonds in an election**
 23 **on a local public question."**

24 Page 86, delete lines 20 through 21, begin a new line block indented
 25 and insert:

26 "(5) The right of taxpayers to:

27 **(A) remonstrate against the issuance of bonds; or**

28 **(B) vote on the proposed issuance of bonds in an election**
 29 **on a local public question."**

30 Page 86, between lines 22 and 23, begin a new paragraph and insert:
 31 "SECTION 68. IC 14-33-11-8 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) Before offering
 33 bonds for sale, the board shall give notice in the same manner as is
 34 **provided required by IC 6-1.1-20** for the sale of bonds by municipal
 35 corporations.

36 (b) Persons affected are entitled to:

37 **(1) remonstrate against issuance of the bonds (in the case of a**
 38 **preliminary determination made before July 1, 2007, to issue**
 39 **bonds); or**

40 **(2) vote on the proposed issuance of bonds in an election on a**
 41 **local public question (in the case of a preliminary**
 42 **determination made after June 30, 2007, to issue bonds).**

43 **(c) An action to question the validity of the bonds may not be**
 44 **instituted after the date fixed for sale, and the bonds are incontestable**
 45 **after that time.**

46 SECTION 69. IC 14-33-11-9 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. If the board is denied the right to issue bonds as a result of remonstrance proceedings **or an election on a local public question held under IC 6-1.1-20-3.6:**

(1) all contracts let by the board for work to be paid from the sale of bonds are void; and

(2) no liability accrues to the district or to the board.

SECTION 70. IC 16-22-6-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) If the execution of the original or a modified lease is authorized, notice of the signing shall be published on behalf of the county one (1) time in a newspaper of general circulation and published in the county. Except as provided in subsection (b), at least ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease may file a petition with the county auditor not more than thirty (30) days after publication of notice of the execution of the lease. The petition must set forth the objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

(b) The authority for taxpayers to object to a proposed lease described in subsection (a) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in ~~IC 6-1.1-20-3.1~~ and ~~IC 6-1.1-20-3.2~~. **IC 6-1.1-20."**

Page 87, delete line 21, begin a new line block indented and insert:

"(5) The right to:

(A) remonstrate; or

(B) **vote on the proposed issuance of bonds in an election on a local public question."**

Page 88 between lines 21 and 22, begin a new paragraph and insert:

"SECTION 73. IC 20-46-7-8, AS AMENDED BY P.L.192-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to:

(1) incur bond indebtedness;

(2) enter into a lease rental agreement; or

(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under ~~IC 6-1.1-20-3.1(2)~~, **IC 6-1.1-20-3.1(b)(2) or IC 6-1.1-20-3.5(b)(2), whichever is applicable**, unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;

1 (2) enter into the lease agreement; or

2 (3) repay the school bus purchase loan.

3 (c) This restriction does not apply to property taxes that a school
4 corporation levies to pay or fund bond or lease rental indebtedness
5 created or incurred before July 1, 1974. In addition, this restriction does
6 not apply to a lease agreement or a purchase agreement entered into
7 between a school corporation and the Indiana bond bank for the lease
8 or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease
9 agreement or purchase agreement conforms with the school
10 corporation's ten (10) year school bus ~~replacement~~ **acquisition** plan
11 approved by the department of local government finance under
12 IC 21-2-11.5-3.1 **(before its repeal) or IC 20-46-5.**

13 (d) This section does not apply to school bus purchase loans made
14 by a school corporation that will be repaid solely from the general fund
15 of the school corporation.

16 SECTION 74. IC 20-47-4-6, AS ADDED BY P.L.2-2006,
17 SECTION 170, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A lessor corporation may
19 acquire and finance an existing school building, other than as provided
20 in section 5 of this chapter, and lease the existing school building to a
21 school corporation. A school corporation shall comply with:

22 (1) IC 20-47-2 or IC 20-47-3; and

23 (2) **either:**

24 (A) the petition and remonstrance provisions under
25 IC 6-1.1-20 **(in the case of a preliminary determination**
26 **made before July 1, 2007, to enter into a lease); or**

27 (B) the local public question provisions under IC 6-1.1-20
28 **(in the case of a preliminary determination made after**
29 **June 30, 2007, to enter into a lease).**

30 (b) A lease made under this section may provide for the payment of
31 lease rentals by the school corporation for the use of the existing school
32 building.

33 (c) Lease rental payments made under the lease do not constitute a
34 debt of the school corporation for purposes of the Constitution of the
35 State of Indiana.

36 (d) A new school building may be substituted for the existing school
37 building under the lease if the substitution was included in the notices
38 given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new school
39 building must be substituted for the existing school building upon
40 completion of the new school building.

41 SECTION 75. IC 20-48-1-8, AS ADDED BY P.L.2-2006,
42 SECTION 171, IS AMENDED TO READ AS FOLLOWS
43 [EFFECTIVE JULY 1, 2007]: Sec. 8. The provisions of all general
44 statutes and rules relating to:

45 (1) filing petitions requesting the issuance of bonds and giving
46 notice of the issuance of bonds;

- (2) giving notice of determination to issue bonds;
- (3) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;
- (4) the approval of the appropriation by the department of local government finance; and
- (5) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; **or**

(B) vote on the proposed issuance of bonds in an election on a local public question;

apply to proceedings for the issuance of bonds and the making of an emergency loan under this article and IC 20-26-1 through IC 20-26-5. An action to contest the validity of the bonds or emergency loans may not be brought later than five (5) days after the acceptance of a bid for the sale of the bonds."

Page 92, delete lines 6 through 14, begin a new paragraph and insert:

"(e) Bonds of a special taxing district are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

(1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.

(2) The giving of notice of a hearing on the appropriation of the proceeds of bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to:

(A) remonstrate against the issuance of bonds; ~~and or~~

(B) vote on the proposed issuance of bonds in an election on a local public question.

(6) The sale of bonds at public sale."

Page 92, delete lines 23 through 32, begin a new paragraph and insert:

"(c) Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

(1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.

(2) The giving of notice of a hearing on the appropriation of the proceeds of bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to:

(A) remonstrate against the issuance of bonds; ~~and or~~

(B) vote on the proposed issuance of bonds in an election on a local public question.

(6) The sale of bonds at public sale for not less than their par value."

Page 95, delete lines 22 through 27, begin a new paragraph and insert:

"(1) All laws relating to:

(1) the filing of petitions requesting the issuance of bonds; and

(2) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; or

(B) vote on the proposed issuance of bonds in an election on a local public question;

apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources."

Page 98, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 78. IC 36-7-14.5-12.5, AS AMENDED BY P.L.1-2006, SECTION 567, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of

property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of

Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30,

1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this

1 section.

2 If not all the taxpayers in an allocation area receive the credit in
3 full, each taxpayer in the allocation area is entitled to receive the
4 same proportion of the credit. A taxpayer may not receive a credit
5 under this section and a credit under IC 36-7-14-39.5 in the same
6 year.

7 (6) Pay expenses incurred by the authority for local public
8 improvements or structures that are in the allocation area or
9 serving or benefiting the allocation area.

10 (7) Reimburse public and private entities for expenses incurred in
11 training employees of industrial facilities that are located:

12 (A) in the allocation area; and

13 (B) on a parcel of real property that has been classified as
14 industrial property under the rules of the department of local
15 government finance.

16 However, the total amount of money spent for this purpose in any
17 year may not exceed the total amount of money in the allocation
18 fund that is attributable to property taxes paid by the industrial
19 facilities described in clause (B). The reimbursements under this
20 subdivision must be made within three (3) years after the date on
21 which the investments that are the basis for the increment
22 financing are made. The allocation fund may not be used for
23 operating expenses of the authority.

24 (e) In addition to other methods of raising money for property
25 acquisition, redevelopment, or economic development activities in or
26 directly serving or ~~benefitting~~ **benefitting** an economic development
27 area created by an authority under this section, and in anticipation of
28 the taxes allocated under subsection (d), other revenues of the
29 authority, or any combination of these sources, the authority may, by
30 resolution, issue the bonds of the special taxing district in the name of
31 the unit. Bonds issued under this section may be issued in any amount
32 without limitation. The following apply if such a resolution is adopted:

33 (1) The authority shall certify a copy of the resolution authorizing
34 the bonds to the municipal or county fiscal officer, who shall then
35 prepare the bonds. The seal of the unit must be impressed on the
36 bonds, or a facsimile of the seal must be printed on the bonds.

37 (2) The bonds must be executed by the appropriate officer of the
38 unit and attested by the unit's fiscal officer.

39 (3) The bonds are exempt from taxation for all purposes.

40 (4) Bonds issued under this section may be sold at public sale in
41 accordance with IC 5-1-11 or at a negotiated sale.

42 (5) The bonds are not a corporate obligation of the unit but are an
43 indebtedness of the taxing district. The bonds and interest are
44 payable, as set forth in the bond resolution of the authority:

45 (A) from the tax proceeds allocated under subsection (d);

46 (B) from other revenues available to the authority; or

- 1 (C) from a combination of the methods stated in clauses (A)
 2 and (B).
- 3 (6) Proceeds from the sale of bonds may be used to pay the cost
 4 of interest on the bonds for a period not to exceed five (5) years
 5 from the date of issuance.
- 6 (7) Laws relating to:
 7 (A) the filing of petitions requesting the issuance of bonds;
 8 and
 9 (B) the right of taxpayers to:
 10 (i) remonstrate against the issuance of bonds; **or**
 11 (ii) **vote on the proposed issuance of bonds in an election**
 12 **on a local public question;**
 13 do not apply to bonds issued under this section.
- 14 (8) If a debt service reserve is created from the proceeds of bonds,
 15 the debt service reserve may be used to pay principal and interest
 16 on the bonds as provided in the bond resolution.
- 17 (9) If bonds are issued under this chapter that are payable solely
 18 or in part from revenues to the authority from a project or
 19 projects, the authority may adopt a resolution or trust indenture or
 20 enter into covenants as is customary in the issuance of revenue
 21 bonds. The resolution or trust indenture may pledge or assign the
 22 revenues from the project or projects. The resolution or trust
 23 indenture may also contain any provisions for protecting and
 24 enforcing the rights and remedies of the bond owners as may be
 25 reasonable and proper and not in violation of law, including
 26 covenants setting forth the duties of the authority. The authority
 27 may establish fees and charges for the use of any project and
 28 covenant with the owners of any bonds to set those fees and
 29 charges at a rate sufficient to protect the interest of the owners of
 30 the bonds. Any revenue bonds issued by the authority that are
 31 payable solely from revenues of the authority shall contain a
 32 statement to that effect in the form of bond.
- 33 (f) Notwithstanding section 8(a) of this chapter, an ordinance
 34 adopted under ~~section 11~~ of this chapter may provide, or be amended
 35 to provide, that the board of directors of the authority shall be
 36 composed of not fewer than three (3) nor more than eleven (11)
 37 members, who must be residents of the unit appointed by the executive
 38 of the unit.
- 39 (g) The acquisition of real and personal property by an authority
 40 under this section is not subject to the provisions of IC 5-22,
 41 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
 42 purchase of property by public bodies or their agencies.
- 43 (h) An authority may negotiate for the sale, lease, or other
 44 disposition of real and personal property without complying with the
 45 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other
 46 statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 79. IC 36-7-15.1-17, AS AMENDED BY P.L.185-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;
- (4) the total cost of all clearing and construction work provided for in the resolution; and
- (5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If the commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements of the bond resolution for the registration of the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 19 of this chapter;

(2) from the tax proceeds allocated under section 26(b)(2) of this chapter;

(3) from other revenues available to the commission; or

(4) from a combination of the methods stated in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) Notwithstanding IC 36-3-5-8, the laws relating to:

(1) the filing of petitions requesting the issuance of bonds; and

(2) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; or

(B) vote on the proposed issuance of bonds in an election on a local public question;

applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond."

Page 100, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 81. IC 36-7-15.1-45, AS AMENDED BY P.L.185-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;
- (4) the total cost of all clearing and construction work provided for in the resolution; and
- (5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If a commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, a commission may

- 1 provide for the total cost in one (1) issue of bonds.
- 2 (c) The bonds must be dated as set forth in the bond resolution and
- 3 negotiable subject to the requirements concerning registration of the
- 4 bonds. The resolution authorizing the bonds must state:
- 5 (1) the denominations of the bonds;
- 6 (2) the place or places at which the bonds are payable; and
- 7 (3) the term of the bonds, which may not exceed fifty (50) years.
- 8 The resolution may also state that the bonds are redeemable before
- 9 maturity with or without a premium, as determined by the commission.
- 10 (d) The commission shall certify a copy of the resolution authorizing
- 11 the bonds to the fiscal officer of the excluded city, who shall then
- 12 prepare the bonds. The seal of the unit must be impressed on the bonds,
- 13 or a facsimile of the seal must be printed on the bonds.
- 14 (e) The bonds shall be executed by the excluded city executive and
- 15 attested by the excluded city fiscal officer. The interest coupons, if any,
- 16 shall be executed by the facsimile signature of the excluded city fiscal
- 17 officer.
- 18 (f) The bonds are exempt from taxation as provided by IC 6-8-5.
- 19 (g) The excluded city fiscal officer shall sell the bonds according to
- 20 law. Bonds payable solely or in part from tax proceeds allocated under
- 21 section 53(b)(2) of this chapter or other revenues of the district may be
- 22 sold at private negotiated sale and at a price or prices not less than
- 23 ninety-seven percent (97%) of the par value.
- 24 (h) The bonds are not a corporate obligation of the excluded city but
- 25 are an indebtedness of the redevelopment district. The bonds and
- 26 interest are payable:
- 27 (1) from a special tax levied upon all of the property in the
- 28 redevelopment district, as provided by section 50 of this chapter;
- 29 (2) from the tax proceeds allocated under section 53(b)(2) of this
- 30 chapter;
- 31 (3) from other revenues available to the commission; or
- 32 (4) from a combination of the methods described in subdivisions
- 33 (1) through (3);
- 34 and from any revenues of the designated project. If the bonds are
- 35 payable solely from the tax proceeds allocated under section 53(b)(2)
- 36 of this chapter, other revenues of the redevelopment commission, or
- 37 any combination of these sources, they may be issued in any amount
- 38 without limitation.
- 39 (i) Proceeds from the sale of the bonds may be used to pay the cost
- 40 of interest on the bonds for a period not to exceed five (5) years from
- 41 the date of issue.
- 42 (j) The laws relating to:
- 43 (1) the filing of petitions requesting the issuance of bonds; and
- 44 (2) the right of taxpayers to:
- 45 (A) remonstrate against the issuance of bonds applicable to
- 46 bonds issued under this chapter; **or**

**(B) vote on the proposed issuance of bonds in an election
on a local public question;**

do not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond."

Page 103, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 85. IC 36-7-30-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefiting a military base reuse area, and in anticipation of the taxes allocated under section 25 of this chapter, other revenues of the district, or any combination of these sources, the reuse authority may by resolution issue the bonds of the special taxing district in the name of the unit.

(b) The reuse authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(c) The bonds must be executed by the appropriate officer of the unit, and attested by the unit's fiscal officer.

(d) The bonds are exempt from taxation for all purposes.

(e) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(f) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the reuse authority, from any of the following:

(1) The tax proceeds allocated under section 25 of this chapter.

1 (2) Other revenues available to the reuse authority.

2 (3) A combination of the methods stated in subdivisions (1)
3 through (2).

4 If the bonds are payable solely from the tax proceeds allocated under
5 section 25 of this chapter, other revenues of the reuse authority, or any
6 combination of these sources, the bonds may be issued in any amount
7 without limitation.

8 (g) Proceeds from the sale of bonds may be used to pay the cost of
9 interest on the bonds for a period not to exceed five (5) years after the
10 date of issuance.

11 (h) All laws relating to:

12 (1) the filing of petitions requesting the issuance of bonds; and

13 (2) the right of taxpayers to:

14 (A) remonstrate against the issuance of bonds; or

15 (B) **vote on the proposed issuance of bonds in an election**
16 **on a local public question;**

17 do not apply to bonds issued under this chapter.

18 (i) If a debt service reserve is created from the proceeds of bonds,
19 the debt service reserve may be used to pay principal and interest on
20 the bonds as provided in the bond resolution.

21 (j) If bonds are issued under this chapter that are payable solely or
22 in part from revenues of the reuse authority, the reuse authority may
23 adopt a resolution or trust indenture or enter into covenants as is
24 customary in the issuance of revenue bonds. The resolution or trust
25 indenture may pledge or assign revenues of the reuse authority and
26 properties becoming available to the reuse authority under this chapter.
27 The resolution or trust indenture may also contain provisions for
28 protecting and enforcing the rights and remedies of the bond owners as
29 may be reasonable and proper and not in violation of law, including a
30 covenant setting forth the duties of the reuse authority. The reuse
31 authority may establish fees and charges for the use of any project and
32 covenant with the owners of any bonds to set the fees and charges at a
33 rate sufficient to protect the interest of the owners of the bonds.
34 Revenue bonds issued by the reuse authority that are payable solely
35 from revenues of the reuse authority shall contain a statement to that
36 effect in the form of the bond.

37 SECTION 86. IC 36-7-30.5-23, AS ADDED BY P.L.203-2005,
38 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2007]: Sec. 23. (a) In addition to other methods of raising
40 money for property acquisition, redevelopment, reuse, or economic
41 development activities in or directly serving or ~~benefitting~~ **benefitting**
42 a military base development area, and in anticipation of the taxes
43 allocated under section 30 of this chapter, other revenues of the district,
44 or any combination of these sources, the development authority may by
45 resolution issue the bonds of the development authority.

46 (b) The secretary-treasurer of the development authority shall

1 prepare the bonds. The seal of the development authority must be
 2 impressed on the bonds, or a facsimile of the seal must be printed on
 3 the bonds.

4 (c) The bonds must be executed by the president of the development
 5 authority and attested by the secretary-treasurer.

6 (d) The bonds are exempt from taxation for all purposes.

7 (e) Bonds issued under this section may be sold at public sale in
 8 accordance with IC 5-1-11 or at a negotiated sale.

9 (f) The bonds are not a corporate obligation of a unit but are an
 10 indebtedness of only the development authority. The bonds and interest
 11 are payable, as set forth in the bond resolution of the development
 12 authority, from any of the following:

13 (1) The tax proceeds allocated under section 30 of this chapter.

14 (2) Other revenues available to the development authority.

15 (3) A combination of the methods stated in subdivisions (1)
 16 through (2).

17 The bonds issued under this section may be issued in any amount
 18 without limitation.

19 (g) Proceeds from the sale of bonds may be used to pay the cost of
 20 interest on the bonds for a period not to exceed five (5) years after the
 21 date of issuance.

22 (h) All laws relating to:

23 (1) the filing of petitions requesting the issuance of bonds; and

24 (2) the right of taxpayers to:

25 (A) remonstrate against the issuance of bonds; or

26 (B) **vote on the proposed issuance of bonds in an election**
 27 **on a local public question;**

28 do not apply to bonds issued under this chapter.

29 (i) If a debt service reserve is created from the proceeds of bonds,
 30 the debt service reserve may be used to pay principal and interest on
 31 the bonds as provided in the bond resolution.

32 (j) If bonds are issued under this chapter that are payable solely or
 33 in part from revenues of the development authority, the development
 34 authority may adopt a resolution or trust indenture or enter into
 35 covenants as is customary in the issuance of revenue bonds. The
 36 resolution or trust indenture may pledge or assign revenues of the
 37 development authority and properties becoming available to the
 38 development authority under this chapter. The resolution or trust
 39 indenture may also contain provisions for protecting and enforcing the
 40 rights and remedies of the bond owners as may be reasonable and
 41 proper and not in violation of law, including a covenant setting forth
 42 the duties of the development authority. The development authority
 43 may establish fees and charges for the use of any project and covenant
 44 with the owners of any bonds to set the fees and charges at a rate
 45 sufficient to protect the interest of the owners of the bonds. Revenue
 46 bonds issued by the development authority that are payable solely from

revenues of the development authority shall contain a statement to that effect in the form of the bond."

Page 106, delete lines 19 through 27, begin a new paragraph and insert:

"(f) General obligation bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

(1) The filing of a petition requesting the issuance of bonds.

(2) The appropriation of the proceeds of bonds.

(3) The right of taxpayers to appeal and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to:

(A) remonstrate against the issuance of bonds; ~~and or~~

(B) vote on the proposed issuance of bonds in an election on a local public question.

(6) The sale of bonds for not less than their par value."

Page 107, delete lines 11 through 19, begin a new paragraph and insert:

"(c) The provisions of IC 6-1.1-20 relating to:

(1) filing petitions requesting the issuance of bonds and giving notice of those petitions;

(2) giving notice of a hearing on the appropriation of the proceeds of the bonds;

(3) the right of taxpayers to appear and be heard on the proposed appropriation;

(4) the approval of the appropriation by the department of local government finance; and

(5) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; **or**

(B) vote on the proposed issuance of bonds in an election on a local public question;

apply to the issuance of bonds under this chapter."

Page 113, delete lines 28 through 36, begin a new paragraph and insert:

"(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

(1) the filing of a petition requesting the issuance of bonds;

(2) the right of taxpayers to:

(A) remonstrate against the issuance of bonds; **or**

(B) vote on the proposed issuance of bonds in an election on a local public question;

(3) the appropriation of the proceeds of the bonds and approval by the department of local government finance; and

1 **(4)** the sale of bonds at public sale for not less than their par
2 value.".

3 Page 114, between lines 5 and 6, begin a new paragraph and insert:
4 "SECTION 88. IC 36-10-4-35 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35. (a) In order to pay
6 for:

- 7 (1) land to be acquired for any of the purposes of this chapter;
- 8 (2) an improvement authorized by this chapter; or
- 9 (3) both;

10 the board shall issue the bonds of the district in the name of the city in
11 anticipation of the special benefits tax to be levied under this chapter.
12 The amount of the bonds may not exceed the estimated cost of all land
13 to be acquired and the estimated cost of all improvements provided in
14 the resolution, including all expenses necessarily incurred in the
15 proceedings and a sum sufficient to pay the estimated costs of
16 supervision and inspection during the period of construction. Expenses
17 include all expenses actually incurred preliminary to acquisition of the
18 land and the construction work, such as the estimated cost of the
19 necessary record, engineering expenses, publication of notices,
20 preparation of bonds, and other expenses necessary to letting the
21 contract and selling the bonds.

22 (b) The total amount of any benefits that have been assessed by the
23 board and confirmed against lots and parcels of land, exclusive of
24 improvements, lying within two thousand (2,000) feet on either side of
25 the land to be acquired or of the improvement, however, shall be
26 deducted from the estimated cost.

27 (c) If more than one (1) resolution or proceeding of the board under
28 section 25 of this chapter is confirmed whereby different parcels of
29 land are to be acquired or more than one (1) contract for work is let by
30 the board at approximately the same time, the estimated cost involved
31 under all of the resolutions and proceedings may be contained in one
32 (1) issue of bonds.

33 (d) The bonds shall be issued in any denomination up to five
34 thousand dollars (\$5,000) each. The bonds are negotiable instruments
35 and bear interest at a rate established by the board and approved by the
36 city legislative body.

37 (e) After adopting a resolution ordering the bonds, the board shall
38 certify a copy of the resolution to the fiscal officer of the city. The
39 fiscal officer shall then prepare the bonds, which shall be executed by
40 the city executive and attested by the fiscal officer. The bonds are
41 exempt from taxation for all purposes and are subject to IC 6-1.1-20
42 concerning:

- 43 (1) the filing of a petition requesting the issuance of bonds; and
- 44 (2) the right of taxpayers to:
 - 45 **(A)** remonstrate against the issuance of bonds; or
 - 46 **(B)** vote on the proposed issuance of bonds in an election

1 **on a local public question.**

2 (f) All bonds shall be sold at not less than par value plus accrued
3 interest to date of delivery by the city fiscal officer to the highest bidder
4 after giving notice of the sale of the bonds by publication in accordance
5 with IC 5-3-1.

6 (g) The bonds are subject to approval by the city legislative body,
7 in the manner it prescribes by ordinance or resolution.

8 (h) The bonds are not corporate obligations or indebtedness of the
9 city, but are an indebtedness of the district as a special taxing district.
10 The bonds and interest are payable only out of a special tax levied upon
11 all property of the district. The bonds must recite these terms upon their
12 face, together with the purposes for which they are issued.

13 (i) An action to question the validity of bonds of the district or to
14 prevent their issue may not be brought after the date set for the sale of
15 the bonds.

16 (j) The board may, instead of selling the bonds in series, sell the
17 bonds to run for a period of five (5) years from the date of issue for the
18 purposes of this chapter at any rate of interest payable semiannually,
19 also exempt from taxation for all purposes. The board may sell bonds
20 in series to refund the five (5) year bonds."

21 Page 116, delete lines 40 through 42, begin a new paragraph and
22 insert:

23 "(c) The bonds and the interest on the bonds are exempt from
24 taxation as prescribed by IC 6-8-5-1. Bonds issued under this section
25 are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

- 26 (1) the filing of a petition requesting the issuance of bonds;
27 (2) the right of taxpayers to:
28 (A) remonstrate against the issuance of bonds; **or**
29 (B) **vote on the proposed issuance of bonds in an election**
30 **on a local public question;**
31 (3) the appropriation of the proceeds of the bonds with the
32 approval of the department of local government finance; and
33 (4) the sale of bonds at public sale for not less than the par value
34 of the bonds."

35 Page 117, delete lines 1 through 6.

36 Page 118, line 6 , strike "as" and insert "**at**".

37 Page 118, delete lines 17 through 18, begin a new line block
38 indented and insert:

- 39 "(2) the right of taxpayers to:
40 (A) remonstrate against the issuance of bonds; **or**
41 (B) **vote on the proposed issuance of bonds in an election**
42 **on a local public question;**"

43 Page 119, delete lines 17 through 18, begin a new line block
44 indented and insert:

- 45 "(2) the right of taxpayers to:
46 (A) remonstrate against the issuance of bonds; **or**

1 **(B) vote on the proposed issuance of bonds in an election**
 2 **on a local public question;"**.

3 Page 123, line 34, delete "IC 6-1.1-20-3.1(2);" and insert "**IC**
 4 **6-1.1-20-3.1(b)(2);"**.

5 Page 123, between lines 37 and 38, begin a new paragraph and
 6 insert:

7 "SECTION 99. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-20-1.1, as**
 8 **amended by this act, applies to a preliminary determination made**
 9 **after June 30, 2007, by a political subdivision to issue bonds or**
 10 **enter into a lease.**

11 SECTION 100. [EFFECTIVE UPON PASSAGE] **Notwithstanding**
 12 **any statute that:**

13 **(1) is amended by this act;**
 14 **(2) is scheduled by this act to take effect upon passage; and**
 15 **(3) contains a reference to a local public question to approve**
 16 **or reject the issuance of bonds or lease rentals to finance a**
 17 **controlled project (as defined by IC 6-1.1-20-1.1, as amended**
 18 **by this act);**
 19 **a preliminary determination to issue bonds or enter a lease is**
 20 **subject to approval in a local public question only if the**
 21 **preliminary determination occurs after June 30, 2007."**

22 Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

Representative Espich