



March 22, 2019

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# ENGROSSED HOUSE BILL No. 1594

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DIGEST OF HB 1594 (Updated March 21, 2019 9:32 am - DI 125)

**Citations Affected:** IC 5-1.2; IC 8-14.

**Synopsis:** Indiana finance authority matters. Requires state budget committee review of any proposed extension or amendment to a public-private agreement to which the Indiana finance authority or the state is a party, if the proposed amendment or extension to the public-private agreement is entered into after May 1, 2019, and the proposed amendment or extension has a positive or negative fiscal impact of at least \$1,000,000. Prohibits any extension or amendment to such a public-private agreement until after the budget committee has reviewed the proposed extension or amendment. Specifies that any lump sum amounts or series of amounts received under such a public-private agreement must be held in reserve until May 1 of the calendar year following the calendar year in which the lump sum payment was received. Removes the power to make transfers from the major moves construction fund to the state highway fund.

**Effective:** Upon passage; July 1, 2019.

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## Huston, Porter, DeLaney, Brown T

(SENATE SPONSORS — MISHLER, NIEZGODSKI, TALLIAN, HOLDMAN)

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January 22, 2019, read first time and referred to Committee on Ways and Means.

February 11, 2019, amended, reported — Do Pass.

February 14, 2019, read second time, ordered engrossed. Engrossed.

February 18, 2019, read third time, passed. Yeas 98, nays 0.

SENATE ACTION

March 7, 2019, read first time and referred to Committee on Appropriations.

March 21, 2019, amended, reported favorably — Do Pass.

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EH 1594—LS 7007/DI 58





March 22, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1594

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A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

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

1 SECTION 1. IC 5-1.2-4.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]:

4 **Chapter 4.5. Public-Private Agreements**  
5 **Sec. 1. (a) This chapter applies to a public-private agreement to**  
6 **which the authority or the state, including any state agency or**  
7 **instrumentality of the state, is a party under IC 5-23**  
8 **(public-private agreements generally), IC 8-15.5 (toll roads), or**  
9 **IC 8-15.7 (highways, roads, bridges). This chapter applies to any**  
10 **original public-private agreement and any extension or**  
11 **amendment to a public-private agreement already in effect.**

12 **(b) If a provision of this chapter conflicts with a provision of**  
13 **IC 5-23, IC 8-15.5, or IC 8-15.7, the provision of this chapter**  
14 **controls with respect to the public-private agreement.**

15 **Sec. 2. The authority and the state shall include in any**  
16 **public-private agreement and in any extension or amendment to a**  
17 **public-private agreement entered into after May 1, 2019, a**

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1 statement that any extension or amendment to the public-private  
2 agreement may not be entered into by the authority or the state  
3 without first complying with section 3 of this chapter.

4 Sec. 3. (a) This section applies only to an extension or an  
5 amendment to a public-private agreement that is proposed or  
6 entered into after May 1, 2019.

7 (b) If any proposed extension or amendment to a public-private  
8 agreement described in section 1 of this chapter results in a  
9 positive or negative fiscal impact of at least one million dollars  
10 (\$1,000,000), the authority or the state shall submit the proposed  
11 extension or amendment to a public-private agreement to the  
12 budget committee established by IC 4-12-1-3 for its review. The  
13 budget committee may request that the authority or appropriate  
14 state agency, or both, appear at a public meeting of the budget  
15 committee concerning the proposed extension or amendment to the  
16 public-private agreement. Neither the authority nor the state may  
17 enter into any extension or amendment to a public-private  
18 agreement until after the budget committee has reviewed the  
19 proposed extension or amendment.

20 Sec. 4. (a) This section applies only to an extension or an  
21 amendment to a public-private agreement that is proposed or  
22 entered into after May 1, 2019.

23 (b) If the authority or the state receives a lump sum payment or  
24 a series of payments as a result of entering into any extension or  
25 amendment to a public-private agreement in accordance with  
26 section 3 of this chapter, any amount of that payment that is not  
27 obligated to cover any obligation incurred or amounts owed by the  
28 authority or the state before the date of the extension or  
29 amendment shall be deposited in a special payment reserve fund to  
30 be administered by the Indiana finance authority.

31 (c) The money in the special payment reserve fund at the end of  
32 any state fiscal year does not revert to any other fund.

33 (d) The authority shall invest or cause to be invested all the  
34 money in the special payment reserve fund in one (1) or more  
35 fiduciary accounts with a trustee that is a financial institution in  
36 accordance with the authority's investment policy.

37 (e) The special payment reserve fund may not be used for any  
38 purpose before May 1 of the year following the year in which the  
39 payment was received. Thereafter, unless the use of the fund is  
40 otherwise specified by law, the money in the fund shall be allocated  
41 and distributed to the fund into which the payment would have  
42 otherwise been deposited under the law authorizing the particular



1 **public-private agreement.**

2 SECTION 2. IC 8-14-14-7, AS AMENDED BY P.L.203-2007,  
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2019]: Sec. 7. (a) In addition to any distributions required by  
5 section 6 of this chapter, money in the fund may be used for any of the  
6 following purposes:

7 (1) Except as provided in subsection (b), the payment of any  
8 obligation incurred or amounts owed by the authority, the  
9 department, or an operator under IC 8-15-2, IC 8-15-3, IC 8-15.5,  
10 or IC 8-15.7 in connection with the execution and performance of  
11 a public-private agreement under IC 8-15.5 or IC 8-15.7,  
12 including establishing reserves.

13 (2) Lease payments to the authority, if money for those payments  
14 is specifically appropriated by the general assembly.

15 ~~(3) Distributions to the treasurer of state for deposit in the state  
16 highway fund; for the funding of any project in the department's  
17 transportation plan.~~

18 (b) Money in the fund may not be used for the payment of an  
19 obligation incurred or amounts owed by the authority, the department,  
20 or an operator under IC 8-15.7 in connection with a public-private  
21 agreement under IC 8-15.7 concerning a passenger or freight railroad  
22 system as described in IC 8-15.7-2-14(a)(4).

23 SECTION 3. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1594, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "any" and insert "a".

Page 1, line 7, delete "regardless of the statutory".

Page 1, delete line 8.

Page 1, line 9, delete "including" and insert "under".

Page 1, line 10, delete "and" and insert "or".

Page 1, line 14, delete "another statute," and insert "IC 5-23, IC 8-15.5, or IC 8-15.7,".

Page 2, line 1, after "agreement" insert "entered into after May 1, 2019,".

Page 2, line 4, delete "With respect to any public-private".

Page 2, delete lines 5 through 8.

Page 2, line 9, delete "The" and insert "(a) This section applies only to an extension or an amendment to a public-private agreement that is proposed or entered into after May 1, 2019.

(b) If any proposed extension or amendment to a public-private agreement described in section 1 of this chapter results in a fiscal impact, the".

Page 2, line 9, delete "any" and insert "the".

Page 2, line 19, after "(a)" insert "This section applies only to an extension or an amendment to a public-private agreement that is proposed or entered into after May 1, 2019.

(b)".

Page 2, line 21, delete "agreement," and insert "agreement in accordance with section 3 of this chapter,".

Page 2, line 26, delete "(b)" and insert "(c)".

Page 2, line 28, delete "(c)" and insert "(d)".

Page 2, line 28, delete "may invest" and insert "shall invest or cause to be invested all".

Page 2, line 28, after "payment" insert "reserve fund in one (1) or more fiduciary accounts with a trustee that is a financial institution in accordance with the authority's investment policy.".



Page 2, delete lines 29 through 30.

Page 2, line 31, delete "(d)" and insert "(e)".

and when so amended that said bill do pass.

(Reference is to HB 1594 as introduced.)

HUSTON

Committee Vote: yeas 19, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1594, 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 2, line 8, after "in a" insert "**positive or negative**".

Page 2, line 9, after "impact" delete "," and insert "**of at least one million dollars (\$1,000,000)**".

Page 2, line 11, delete "review and" and insert "**review.**".

Page 2, line 12, delete "comment."

Page 2, line 22, after "payment" insert "**or a series of payments**".

Page 2, line 38, delete "lump sum".

and when so amended that said bill do pass.

(Reference is to HB 1594 as printed February 12, 2019.)

MISHLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

