PROPOSED AMENDMENT
HB 1002 # 36

DIGEST

Transportation finances. Deletes the following from the bill: (1) The gas tax increase. (2) The special fuel tax increase. (3) The motor carrier surcharge tax increase. (4) The alternative fuel decal increases. (5) Provisions concerning authorization for tolling. (6) The supplemental electric vehicle registration fee. (7) The transportation infrastructure improvement fee. (8) Provisions in the bill concerning the federal funds exchange program. Provides that the total amount of money reverting to the state general fund during a state fiscal year is transferred to the motor vehicle highway account. Provides a 10% price preference for Indiana businesses bidding on public works projects. Restricts award of contracts for public works projects to certain contractors. Prohibits political contributions by a public works contractor or a person who has an interest in a public works contractor to candidates and party committees other than local candidates and party committees during the term of the public works contract and for three years following the expiration or termination of the public works contract. Requires that, whenever the actual costs for the construction of a public improvement are at least $150,000, a contractor or subcontractor shall pay the workers employed in the performance of work for the construction of the public improvement a rate of wages that is not less than the prevailing wage determined by the commissioner of the department of labor. Provides that every public works contract must require that products used or supplied under the contract must be manufactured in the United States. Provides that a person that makes certain false representations relating to the country of manufacture of a product may not be considered responsible for purposes of awarding a public works contract. Enacts a parallel statute relating to public purchasing by the state and political subdivisions. Repeals a superseded public purchasing statute relating to the purchase of supplies manufactured in the United States. Provides that 100% of the revenue from the use tax on gasoline and sales tax on special fuel be distributed to the motor vehicle highway account. Eliminates the adjusted gross income tax and financial institutions franchise tax rate reductions scheduled in current law for future taxable years. Distributes part of the adjusted gross income tax revenue imposed on corporations and financial institutions tax revenue to the motor vehicle highway account. Provides that the Indiana department of transportation and each county, city, or town that uses money distributed from the motor vehicle highway account for a project must establish a program to facilitate participation in the project by minority business enterprises, veterans business enterprises, and women's business enterprises. Requires the next generation trust fund to be used for a revolving loan program to provide loans to counties, cities, and towns for transportation projects. Provides that the Indiana finance authority administers the program. Provides that under the federal funds exchange program, an eligible entity may not exchange more than 95% of the federal funds allocated to the eligible entity. Provides that under the federal funds exchange program, federal funds must be exchanged for state funds at a dollar for dollar exchange rate. Makes an appropriation.

1 Page 3, delete lines 9 through 42, begin a new paragraph and insert:

2 "SECTION 2. IC 4-10-24 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

3 Chapter 24. Reversions to the State General Fund"
Sec. 1. At the conclusion of each state fiscal year beginning after June 30, 2017, the auditor of state shall:

(1) determine the total amount of money that has reverted to the state general fund during the state fiscal year from any account or fund; and

(2) transfer from the state general fund to the motor vehicle highway account (IC 8-14-1) the difference between:

(A) an amount determined by the budget agency that is at least the lesser of:

   (i) the amount determined under subdivision (1); or
   (ii) three hundred million dollars ($300,000); and

(B) the lesser of:

   (i) for a state fiscal year beginning before July 1, 2020, zero dollars ($0), or, for a state fiscal year beginning after June 30, 2020, the amount of federal transportation money received by the state during the state fiscal year that exceeds the amount of federal transportation money received by the state after June 30, 2019, and before July 1, 2020; or
   (ii) three hundred million dollars ($300,000,000).

SECTION 3. IC 4-13.6-5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) As used in this section, "Indiana business" refers to any of the following:

(1) A business whose principal place of business is located in Indiana.

(2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.

(3) A business that employs residents of Indiana as a majority of its employees.

(4) A business that makes significant capital investments in Indiana as determined by the department.

(5) A business that has a substantial positive economic impact on Indiana as determined by the department.

(b) There is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of work on a public works project; and

(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a
contract to the lowest responsive and responsible bidder or the
lowest responsive and responsible quoter, but subject to subsection
(d), a contract shall be awarded to the lowest responsive and
responsible Indiana business that claims the preference provided
by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded
to the lowest responsive and responsible bidder or quoter,
regardless of the preference provided in this section, if the lowest
responsive and responsible bidder or quoter is an Indiana business.

(e) To claim the preference provided under this section, a
business must do all the following:

(1) State in the business's bid that the business claims the
preference provided by this section.

(2) Provide the following information to the department:
(A) The location of the business's principal place of
business. If the business claims the preference as an
Indiana business described in subsection (a)(1), a statement
explaining the reasons the business considers the location
named as the business's principal place of business.
(B) The amount of the business's total payroll and the
amount of the business's payroll paid to residents of
Indiana.
(C) The number of the business's employees and the
number of the business's employees who are residents of
Indiana.
(D) If the business claims the preference as an Indiana
business described in subsection (a)(4), a description of the
capital investments made in Indiana and a statement of the
amount of those capital investments.
(E) If the business claims the preference as an Indiana
business described in subsection (a)(5), a description of the
substantial positive economic impact the business has on
Indiana.

SECTION 4. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 2.8. (a) As used in this section,
"resident of Indiana" means a person who is at least eighteen (18)
years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.
(2) A person who is registered to vote in Indiana.
(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.

(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:

(A) works from an office in Indiana;
(B) is on the payroll of a business located in Indiana;
(C) possesses a telephone with a telephone number that has an Indiana area code; or
(D) has a permanent place of doing business in Indiana; for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project may not be awarded to a contractor that does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who will work on the contract; and
(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who will work on the subcontract.

(c) Before August 15, 2018, and before August 15 of each year thereafter, the division shall file with the legislative council a report for the preceding year stating:

(1) for each contractor awarded a contract under this chapter; and
(2) for each subcontractor with which a contractor referred to in subdivision (1) entered into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works
project is terminated if the division determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor that fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract for a public works project commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(f) If:

(1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and

(2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a determination under subsection (f) that causes a contract to be exempted from the requirements of subsections (a) through (e), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections (a) through (e) may not reference the employment of Indiana residents. The division may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (e):

(1) Issuing a request for proposals.

(2) Issuing a bulletin inviting bids for the contract.

(3) Prequalifying a contractor for the contract.

(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to perform work:

(1) resulting from an emergency; or

(2) performed by an artisan or by someone in a specialty area
with limited persons able to perform the work.

SECTION 5. IC 4-13.6-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 10. Prohibited Political Contributions

Sec. 1. The definitions in IC 3-5-2 apply to this chapter to the extent they do not conflict with the definitions in this article.

Sec. 2. As used in this chapter, "candidate" refers to any of the following:

(1) A candidate for a state office.
(2) A candidate for a legislative office.

Sec. 3. As used in this chapter, "committee" refers to any of the following:

(1) A candidate's committee.
(2) A committee organized by a legislative caucus of the house of representatives of the general assembly.
(3) A committee organized by a legislative caucus of the senate of the general assembly.

Sec. 4. As used in this chapter, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
(2) An individual who is a successor to an individual described in subdivision (1).

Sec. 5. For purposes of this chapter, a person is considered to have an interest in a contractor if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the contractor.
(2) The person is an officer of the contractor.
(3) The person is an officer of a person that holds at least a one percent (1%) interest in the contractor.
(4) The person is a political action committee of the contractor.

Sec. 6. A contractor is considered to have made a contribution if a contribution is made by a person who has an interest in the contractor.

Sec. 7. A contractor or a person who has an interest in a contractor may not make a contribution to a candidate or a committee during the following periods:
(1) The term during which the contractor is a party to a contract entered into under this article.

(2) The three (3) years following the final expiration or termination of the contract described in subdivision (1).

Sec. 8. A person who knowingly or intentionally violates this chapter commits a Level 6 felony.

SECTION 6. IC 5-11-1-26, AS AMENDED BY P.L.172-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 26. (a) If a state office, municipality, or other entity has authority to contract for the construction, reconstruction, alteration, repair, improvement, or maintenance of a public work, the state board of accounts shall include in each examination report concerning the state office, municipality, or entity:

(1) an opinion concerning whether the state office, municipality, or entity has complied with IC 5-16-8; and

(2) a brief description of each instance in which the state office, municipality, or entity has exercised its authority under IC 5-16-8-2(b) or IC 5-16-8-4.

(b) If a municipality or a county performs a public work by means of its own workforce under IC 36-1-12-3, the state board of accounts shall include the following in each examination report concerning the municipality or county:

(1) An opinion concerning whether the municipality or county has complied with IC 36-1-12-3 for each public work performed by the entity's own workforce.

(2) A brief description of each public work that the municipality or county has performed with its own workforce under IC 36-1-12-3, including a calculation of the actual cost of each public work under IC 36-1-12-3.

(3) An opinion concerning whether the municipality or county has complied with IC 36-1-12-19 in calculating the actual costs of a public work project performed under IC 36-1-12-3.

(c) If a state agency performs a public work by means of its own workforce under IC 4-13.6-5-4, the state board of accounts shall include the following in each examination report concerning the agency:

(1) An opinion concerning whether the agency has complied with IC 4-13.6-5-4 for each public work performed by the agency's own workforce.

(2) A brief description of each public work that the agency has
performed with its own workforce under IC 4-13.6-5-4, including
a calculation of the actual cost of each public work under
IC 4-13.6-5-4.
(3) An opinion concerning whether the agency has complied with
IC 4-13.6-5-4(c) in calculating the actual costs of a public work
project performed under IC 4-13.6-5-4.
(d) If a state educational institution performs a public work by
means of its own workforce under IC 5-16-1-1.5, the state board of
accounts shall include the following in each examination report
concerning the state educational institution:
   (1) An opinion concerning whether the state educational
institution has complied with IC 5-16-1-1.5 for each public work
performed by the state educational institution's own workforce.
   (2) A brief description of each public work that the state
educational institution has performed with its own workforce
under IC 5-16-1-1.5, including a calculation of the actual cost of
each public work under IC 5-16-1-1.5.
   (3) An opinion concerning whether the state educational
institution has complied with IC 5-16-1-1.5 in calculating the
actual costs of a public work project performed under
IC 5-16-1-1.5.
   (e) The state board of accounts may exercise any of its powers under
this chapter concerning public accounts to carry out this section,
including the power to require a uniform system of accounting or the
use of forms prescribed by the state board of accounts.

SECTION 7. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 7.5. (a) As used in this section, "resident of Indiana"
means a person who is at least eighteen (18) years of age and is one
(1) of the following:
   (1) A person who has registered a motor vehicle in Indiana.
   (2) A person who is registered to vote in Indiana.
   (3) A person who has a child enrolled in an elementary or a
secondary school located in Indiana.
   (4) A person who derives more than one-half (1/2) of the
person's gross income (as defined in Section 61 of the Internal
Revenue Code) from sources in Indiana, according to the
provisions applicable to determining the source of adjusted
gross income under IC 6-3-2-2. However, a person who would
otherwise be considered a resident of Indiana under this
subdivision is not a resident of Indiana if a preponderance of
the evidence concerning the factors set forth in subdivisions
(1) through (3) proves that the person is not a resident of
Indiana.

(5) A person who:
(A) works from an office in Indiana;
(B) is on the payroll of a business located in Indiana;
(C) possesses a telephone with a telephone number that has
an Indiana area code; or
(D) has a permanent place of doing business in Indiana;
for at least thirteen (13) months before entering into a
contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter
may not be awarded to a contractor that does not:
(1) employ residents of Indiana as at least ninety percent
(90%) of the employees who will work on the contract; and
(2) enter into subcontracts only with subcontractors that
employ residents of Indiana as at least ninety percent (90%)
of the employees who will work on the subcontract.

(c) Before August 15, 2018, and before August 15 each year
thereafter, any state agency entering into contracts under this
chapter shall file with the legislative council a report stating:
(1) for each contractor awarded a contract under this
chapter; and
(2) for each subcontractor with which a contractor referred
to in subdivision (1) entered into a contract in connection with
a contract awarded under this chapter;
the percentage of the employees of the contractor or subcontractor
who work on the contract and are residents of Indiana. The report
to the legislative council must be in an electronic format under
IC 5-14-6.

(d) A contract awarded under this chapter for a public works
project is terminated if the state or a commission determines that
the contractor has failed to:
(1) employ residents of Indiana as at least ninety percent
(90%) of the employees who work on the contract; and
(2) enter into subcontracts only with subcontractors that
employ residents of Indiana as at least ninety percent (90%)
of the employees who work on the subcontract.

(e) A contractor or subcontractor that fails to employ residents
of Indiana as at least ninety percent (90%) of the employees who
work on the contract or subcontract commits a Class B infraction
for each nonresident of Indiana employed that exceeds the number
of nonresident employees permitted by this section.

(f) If:
(1) a contract or subcontract subject to this section is funded
in whole or in part with federal funds; and
(2) imposing the requirements of this section would cause the
state to lose the federal funds for the contract, as determined
by the federal agency providing the funds;
subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a
determination under subsection (f) that causes a contract to be
exempted from the requirements of subsections (a) through (e), this
section is meant to express the view of the general assembly that
expanding employment opportunities for Indiana residents
remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections
(a) through (e) may not reference the employment of Indiana
residents. The state or a commission may not consider the number
of employment opportunities for Indiana residents when doing any
of the following with respect to a project subject to a contract that
is exempted from the requirements of subsections (a) through (e):
(1) Issuing a request for proposals.
(2) Issuing a bulletin inviting bids for the contract.
(3) Prequalifying a contractor for the contract.
(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to
perform work:
(1) resulting from an emergency; or
(2) performed by an artisan or by someone in a specialty area
with limited persons able to perform the work.

SECTION 8. IC 5-16-1-10 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 10. (a) As used in this section, "Indiana business"
refers to any of the following:
(1) A business whose principal place of business is located in
Indiana.
(2) A business that pays a majority of its payroll (in dollar
volume) to residents of Indiana.
(3) A business that employs residents of Indiana as a majority of its employees.

(4) A business that makes significant capital investments in Indiana as determined by the Indiana department of administration.

(5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) There is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of work on a public works project; and

(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) To claim the preference provided under this section, a business must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the awarding officer, commission, or agent and the department of administration:

(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.
(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.

(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 9. IC 5-16-7.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 7.3. Prevailing Wage Determinations for the Construction of Public Improvements

Sec. 1. It is the policy of the state to establish a prevailing wage for workers engaged in the construction of any public improvement in order to do the following:

(1) Safeguard worker efficiency and general well-being.

(2) Ensure that contractors compete on the ability to perform work competently and efficiently while maintaining community established compensation standards.

(3) Recognize that local participation in publicly financed construction and family wage income and benefits are essential to the protection of community standards.

(4) Encourage training and education of workers to industry skill standards.

(5) Encourage employers to use funds allocated for employee fringe benefits for the actual purchase of those benefits.

Sec. 2. As used in this chapter, "commissioner" means the commissioner of labor (appointed under IC 22-1-1-2) or the commissioner's authorized representative.

Sec. 3. As used in this chapter, "construction" means any construction, reconstruction, remodeling, renovation, demolition, alteration, repair, or maintenance work, including painting and decorating of a public improvement, done under a contract and paid for, in whole or in part, out of the funds of a public body.

Sec. 4. As used in this chapter, "fringe benefit" means one (1) of the following:

(1) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or a third person under a plan, fund, or program.
(2) The rate of costs to a contractor or subcontractor that may be reasonably anticipated in providing benefits to workers under an enforceable written commitment to carry out a financially responsible plan or program, for any of the following:

(A) Medical or hospital care.
(B) Pensions upon a worker's retirement or death.
(C) Compensation for injuries or illnesses resulting from occupational activity, or insurance to provide compensation for the injuries or illnesses.
(D) Supplemental unemployment benefits.
(E) Life insurance.
(F) Disability and sickness insurance.
(G) Accident insurance.
(H) Vacation and holiday pay.
(I) Payment of the costs of apprenticeship or other similar training programs.
(J) Other bona fide worker benefits.

Sec. 5. As used in this chapter, "fund" refers to the prevailing wage penalty enforcement fund created by section 29 of this chapter.

Sec. 6. As used in this chapter, "interested party", for a particular public improvement, means any of the following:

(1) A person who submits a bid for the purpose of being awarded a contract for the construction of a public improvement.
(2) A person acting as a subcontractor of a person described in subdivision (1).
(3) A bona fide labor organization that:
   (A) represents workers engaged in the same trade or craft as workers employed by a person described in subdivision (1) or (2); and
   (B) exists, in whole or in part, for the purpose of negotiating with employers concerning the wages, hours, or terms and conditions of employment for workers.
(4) An association having as members a person described in subdivision (1) or (2).

Sec. 7. As used in this chapter, "locality" means a political subdivision of the state, a combination of the political subdivisions or parts of political subdivisions, or any geographical area or areas
classified, designated, and fixed by the commissioner from time to time. In determining a "locality", the commissioner shall be guided by:

(1) the boundary lines of political subdivisions or parts of political subdivisions; and

(2) a consideration of the geographic areas for which it has been the practice of employers of particular crafts or trades to engage in collective bargaining with the representatives of workers in those crafts or trades.

Sec. 8. As used in this chapter, "maintenance work" means the repair of an existing public improvement that does not result in a change or increase in the size, type, or extent of the public improvement.

Sec. 9. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 10. As used in this chapter, "prevailing wage" means the hourly wage rate, including all fringe benefits, paid in a locality to the majority of workers employed on projects of a similar character in the same craft, classification, or type of worker, as determined by the commissioner.

Sec. 11. As used in this chapter, "public body" includes the following:

(1) The state.

(2) A political subdivision.

(3) An authority created by the general assembly.

(4) An instrumentality or agency of the state or a political subdivision.

Sec. 12. As used in this chapter, "public improvement" means any of the following:

(1) Construction of buildings, roads, streets, alleys, sewers, ditches, sewage disposal plants, water works, and all other structures or works for a public body.

(2) Construction performed within six (6) months after the completion of a newly constructed structure to prepare the structure for occupancy by a public body.

(3) Construction performed on any property or premises, whether or not the work is paid for from public funds, if, at the time of entering into the contract for the construction:

(A) at least fifty-five percent (55%) of the property or premises is:
(i) leased by a public body; or
(ii) subject to an agreement to be leased by a public body; and

(B) the portion of the property or premises that is leased or subject to an agreement to be leased by a public body measures more than twenty thousand (20,000) square feet.

Sec. 13. As used in this chapter, "worker" includes:

(1) laborers and mechanics employed by contractors and subcontractors engaged in construction on the site of a public improvement;

(2) laborers and mechanics employed by contractors and subcontractors engaged in construction at locations other than the site of a public improvement that is necessary for the performance of a contract or subcontract for the construction of a public improvement;

(3) laborers and mechanics employed by contractors and subcontractors engaged in the transportation of materials and equipment to or from the site of a public improvement, but does not include the transportation of sellers, suppliers, manufacturers, or processors of materials or equipment by the workers of contractors and subcontractors; and

(4) other laborers and mechanics performing work in connection with the construction of a public improvement.

Sec. 14. Whenever the actual costs for the construction of a public improvement are at least one hundred fifty thousand dollars ($150,000), the contractor or subcontractor shall pay the workers employed in the performance of work for the construction of the public improvement a rate of wages that is not less than the prevailing wage determined by the commissioner under section 15 of this chapter.

Sec. 15. (a) The commissioner shall determine the prevailing wage for each craft, trade, or classification of worker needed to construct a public improvement.

(b) The prevailing wage for a public improvement shall be determined and computed in accordance with this chapter.

(c) Employer contributions for fringe benefits paid by contractors and subcontractors under a bona fide collective bargaining agreement to any craft or trade in a locality must be included in the prevailing wage determined under this chapter. However, if a contractor or subcontractor is required by federal,
state, or local law to provide a fringe benefit listed in section 4(2) of this chapter, the benefit may not be considered in the prevailing wage determination.

(d) A prevailing wage determination is conclusive for a period of one (1) year from the date the determination is issued unless the determination is superseded within that year by a later determination.

(e) All prevailing wage determinations issued by the commissioner must be publicly available. In addition, the commissioner shall provide all prevailing wage determinations by United States mail or electronically to any of the following that file a written request to receive the determinations:
   (1) A representative of any craft or trade.
   (2) A contractor or subcontractor.
   (3) A representative of any group of contractors or subcontractors.

Sec. 16. (a) If the commissioner determines that the prevailing wage for any craft, classification, or type of worker is the rate established by a collective bargaining agreement applicable in the locality, the commissioner shall adopt by reference the rate established in the collective bargaining agreement and that determination shall be effective for the life of the agreement or until the commissioner determines that another rate should be adopted.

(b) If the commissioner determines that the collectively bargained wage rate for a craft, classification, or type of worker does not represent the rate actually prevailing in a locality, the commissioner shall conduct an independent wage survey. If a majority of the workers in the same trade or occupation are not paid at the same rate, the mode of the hourly wages, including all fringe benefits, paid in the locality to workers in the same craft, classification, or type of worker is the prevailing wage rate.

(c) If the wage rate paid by a contractor or subcontractor to workers on a public improvement is based on a time period other than an hour, the prevailing wage hourly rate is mathematically determined by dividing the number of hours worked in the time period into the total wages paid for the time period.

Sec. 17. (a) Whenever a contractor or subcontractor is required to pay the prevailing wage, the contract or subcontract for the construction of a public improvement must contain a provision
stating that the contractor or subcontractor is required to pay to
the workers employed in the performance of the contract or
subcontract a rate of wages that is not less than the prevailing
wage determined by the commissioner.

(b) A contract or subcontract described in subsection (a) must
also contain a provision that, in the event it is determined that any
worker employed by a contractor or a subcontractor covered by
the contract has been paid a rate of wages less than the prevailing
wage required by the contract, the public body may:

(1) terminate:
   (A) the contract; or
   (B) only the part of the contract as to which there has been
   a failure to pay the required wages; and
   (2) continue the work covered by the termination described in
   subdivision (1)(A) or (1)(B) with the public body's own work
   force or another contractor or subcontractor.

(c) The original contractor or subcontractor and their sureties
are liable to the public body for any excess costs occasioned by the
contractor's or subcontractor's failure to pay the prevailing wage
required by this chapter.

Sec. 18. (a) A public body shall notify the commissioner in
writing, on a form prescribed by the commissioner, not later than
thirty (30) days after the date the public body awards a contract
subject to the provisions of this chapter.

(b) The notice described in subsection (a) must include a list of
all tier 1 and tier 2 contractors (as defined by IC 5-16-13-4).

Sec. 19. (a) A contractor's or subcontractor's obligation to make
payments in accordance with a prevailing wage determination may
be discharged by:

(1) making wage payments to the workers employed by the
contractor or subcontractor;
(2) paying for the workers' fringe benefits by making the
contributions referred to in section 4(1) of this chapter;
(3) assuming an enforceable commitment to bear the costs of
a fringe benefit plan or program referred to in section 4(2) of
this chapter; or
(4) any combination of payments, contributions, or costs
described in subdivision (1), (2), or (3), so long as the total of
the payments, contributions, and costs is not less than the
prevailing wage determined by the commissioner.
(b) Except as provided in subsection (c), in determining the overtime pay to which a worker is entitled under federal or state law, the worker's regular or basic hourly rate of pay (or an alternative rate upon which overtime compensation is computed) shall be deemed to be the wage rate determined by the commissioner under section 15 of this chapter.

(c) Whenever the amount of payments, contributions, or costs described in subsection (a) made by a contractor or subcontractor for a worker exceeds the prevailing wage applicable to the worker, the worker's regular or basic hourly rate of pay (or an alternative rate) is determined by deducting from the payments, contributions, or costs actually paid for the worker, the greater of:

1. the fringe benefit contributions or costs described in section 4(1) and 4(2) of this chapter actually paid for the worker; or
2. the fringe benefit contributions or costs described in section 4(1) and 4(2) of this chapter determined but not actually paid for the worker.

Sec. 20. (a) Subject to subsection (b), all contractors and subcontractors shall make full payment of the prevailing wage required by this chapter in a form required by IC 22-2-5-1(a), without any deduction for food, sleeping accommodations, transportation, use of small tools, or any other thing of any kind or description, except for deductions required by federal or state law.

(b) Subsection (a) does not apply if:

1. the contractor or subcontractor and the worker enter into a written agreement at the beginning of any term of employment covering deductions for food, sleeping accommodations, or other similar items; and
2. the agreement is:
   (A) submitted by the contractor or subcontractor to the contracting public body; and
   (B) approved by the contracting public body as fair and reasonable.

Sec. 21. All contractors and subcontractors subject to this chapter shall do the following:

1. Post in a prominent and accessible place on the work site of the public improvement a legible statement of the schedule of wage rates specified in the contract for the various classifications of workers. The statement must remain posted
on the work site until the completion of the public improvement.

(2) Keep full and accurate payroll records for the wages paid to each worker, the worker's wage rate, and the number of hours each worker worked.

(3) The payroll records described in subdivision (2) must be open to inspection by any authorized representative of the contracting public body, the commissioner, or the commissioner's authorized representative at reasonable times and as frequently as necessary.

(4) A contractor or subcontractor shall retain the payroll records described in subdivision (2) in Indiana for one (1) year following the completion of the public improvement for which the records were created.

Sec. 22. (a) The commissioner is authorized to do the following:

(1) Investigate and ascertain the wages of workers employed in the construction of public improvements in the state.

(2) Enter and inspect the place of business or the work site of any contractor, subcontractor, or worker employed for the construction of a public improvement in the state, for the purpose of:

(A) examining any or all of the books, registers, payrolls, and other records of the contractor or subcontractor that relate to or have a bearing upon the wages, hours, and other terms and conditions of employment of the workers;

(B) copying any or all of the books, registers, payrolls, and other records of the contractor or subcontractor as the commissioner or the commissioner's authorized representative considers necessary or appropriate; or

(C) questioning the workers to determine whether the contractor or subcontractor has been and is complying with the provisions of this chapter.

(3) Require from a contractor or subcontractor full and correct written statements, including sworn statements, concerning the contractor's or subcontractor's workers, including wages, hours, names, addresses, and any other information pertaining to the workers and their employment as the commissioner, or the commissioner's authorized representative, considers necessary or appropriate.

(4) Require a contractor or subcontractor to file, not later
than ten (10) days after receiving a request, any records
described in subdivision (2) or (3), with a sworn affirmation
of the completeness and accuracy of the records provided.
(5) If the contractor or subcontractor fails to provide the
requested records within the ten (10) day period, the
commissioner may, not later than fifteen (15) days after the
expiration of the ten (10) day period, direct the fiscal or
financial officer charged with the custody and disbursement
of the funds of the public body that contracted for the
construction of the public improvement to:
   (A) immediately withhold from payment to the contractor
       or subcontractor up to twenty-five percent (25%) of the
       amount to be paid to the contractor or subcontractor
       under the terms of the contract for the construction of the
       public improvement; and
   (B) pay directly to the workers employed by the contractor
       or subcontractor from the amount withheld from the
       contractor or subcontractor under clause (A) any wages
       and fringe benefits found to be due and payable to the
       workers.
(6) Amounts withheld under subdivision (5)(A) must be
released immediately upon the fiscal or financial officer's
receipt of a notice from the commissioner indicating that the
request for records has been satisfied.
(b) The commissioner shall distribute to all public bodies in the
state a list of the names of persons and firms the commissioner has
determined have not met their obligations to pay the prevailing
wage determined under this chapter. A public body may not award
a contract or subcontract for the construction of a public
improvement to a person or firm appearing on the list, or to any
firm, corporation, partnership, or association in which the person
or firm has an interest, for three (3) years after the date of the
publication of the list containing the name of the person or firm.
(c) The commissioner may, without the necessity of an
assignment, initiate legal proceedings against a contractor or
subcontractor to:
   (1) enjoin future failures to pay the prevailing wage or
       overtime pay required by this chapter; and
   (2) require the payment of the prevailing wage or overtime
       pay due workers.
The commissioner is entitled to recover, in addition to other costs, reasonable attorney's fees.

Sec. 23. (a) Every contractor and subcontractor shall file a certified written statement, in a form prescribed by the commissioner, with the contracting public body certifying:

(1) the hourly rate of wages paid to each worker the contractor or a subcontractor has employed in the construction of the public improvement; and

(2) that no worker employed in construction of the public improvement has been paid less than the greater of:

(A) the prevailing wage rate; or

(B) the minimum hourly wage rate specified in the contract.

(b) The person filing a certified statement required under subsection (a) shall verify under oath that:

(1) the contractor or subcontractor has read and knows the contents of the statement; and

(2) to the contractor or subcontractor's knowledge, the contents of the statement are true and complete.

(c) A certified statement filed as required under subsection (a) must set out accurately and completely the payroll records covering the period since the last statement was filed (as required under subsection (e)), including the name and address of each worker, the worker's correct classification, rate of pay, the daily and weekly number of hours worked, deductions made, and actual wages paid.

(d) The contractor or subcontractor shall deliver or mail each certified statement required under subsection (a) to the contracting public body.

(e) Certified statements must be filed as follows:

(1) For a project lasting not more than ninety (90) days from the date of the award of the contract for the construction of a public improvement to the date of the completion of the work under the contract, a certified statement must be submitted once before the first payment is made and once before the final payment is made.

(2) For a project lasting more than ninety (90) days from the date of the award of the contract for the construction of a public improvement to the date of the completion of the work under the contract, a certified statement must be submitted
once before the first payment is made, at intervals of not more
than ninety (90) days thereafter, and once before final
payment is made.

(f) Each contractor or subcontractor shall preserve the certified
statements filed under subsection (a) for a period of three (3) years
after the date of completion of the contract.

(g) Certified statements filed by a contractor or subcontractor
under this section are public records in accordance with IC 5-14-3.

Sec. 24. (a) A contractor or subcontractor that fails to pay
workers the prevailing wage required during the construction of
a public improvement in violation of section 14 of this chapter is
liable to the workers affected for the amount of the unpaid
prevailing wages, including all fringe benefits, plus an additional
amount equal to the unpaid wages as liquidated damages.

(b) A worker employed during the construction of a public
improvement who is paid less than the applicable prevailing wage
rate or any interested party may file a complaint in writing with
the commissioner on a form prescribed by the commissioner.

(c) After an investigation of a complaint filed under subsection
(b), the commissioner shall notify the person who filed the
complaint of the results of the commissioner's investigation,
including whether the commissioner has determined that there has
been a violation of this chapter.

(d) Not less than sixty (60) days after the date the commissioner
determines under subsection (c) that a violation of this chapter has
occurred, and if:

(1) no worker or interested party has brought suit under
section 26 of this chapter; and

(2) no worker has requested that the commissioner take an
assignment of a wage claim under section 25 of this chapter;
the commissioner shall bring a legal action to collect the amounts
owed to the workers as the result of a contractor's or
subcontractor's violation of this chapter. The commissioner shall
pay to the affected workers the amounts collected to which the
affected workers are entitled under subsection (a). In a legal action
in which the commissioner prevails under this subsection, the
contractor or subcontractor shall pay the costs of the suit plus
reasonable attorney's fees as determined by the court.

Sec. 25. At the written request of a worker paid less than the
prevailing wage rate required under this chapter, the
commissioner shall take an assignment of a claim in trust for the
worker and bring a legal action against the contractor or
subcontractor that employed the worker, including the
contractor's or subcontractor's surety, if necessary, to collect the
unpaid wages. If the commissioner prevails in a legal action
brought under this section, the contractor, subcontractor, or if
applicable, the contractor's or subcontractor's surety, shall pay the
costs of the suit and reasonable attorney's fees as determined by
the court.

Sec. 26. A worker employed on any public improvement who is
paid less than the prevailing wage rate required under this chapter
or any interested party may file a legal action against a contractor
or subcontractor that employed the worker, including the
contractor's or subcontractor's surety, if necessary, to recover the
unpaid wages. A suit under this section must be filed not later than
sixty (60) days after the date the commissioner determines that
there has been a violation of this chapter, or the worker or
interested party is barred from taking action under this section. If
the worker or interested party prevails in the legal action filed
under this section, the contractor or subcontractor shall pay the
costs of the suit and reasonable attorney's fees as determined by
the court.

Sec. 27. An action to enforce a contractor's or subcontractor's
obligations to workers under section 24, 25, or 26 of this chapter
may be brought as an action on the contractor's or subcontractor's
bonds.

Sec. 28. A contractor or subcontractor that fails to pay the
prevailing wage rate required by this chapter shall also pay as a
civil penalty to the commissioner an amount equal to seventy-five
percent (75%) of the difference between the prevailing wage rate
determined under this chapter and the wages paid to the workers
on the public improvement. The commissioner shall deposit all
money received from civil penalties paid under this section to the
prevailing wage penalty enforcement fund created by section 29 of
this chapter.

Sec. 29. (a) The prevailing wage penalty enforcement fund is
created for the purpose of paying the expenses incurred by the
commissioner in the administration and enforcement of this
chapter.

(b) The commissioner shall administer the fund.
(c) The fund consists of:

(1) appropriations by the general assembly;
(2) civil penalties assessed under section 28 of this chapter;
(3) donations, gifts, and grants in money, property, or any other form made to the fund;
(4) all earnings on investments or deposits of the fund; and
(5) money received from any other source, including transfers from other funds or accounts.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

Sec. 30. (a) This section does not apply to an agent or representative of a duly constituted labor organization acting to collect dues or assessments for the labor organization.

(b) This subsection applies to workers who are employed on a public improvement. A person, either on the person's own behalf or on behalf of another person, may not request or demand, with a statement, representation, or understanding that the worker's failure to comply with the person's request or demand will result in the worker not being employed or retained to work on the public improvement, either before or after a worker is hired, that the worker pay back, return, donate, contribute, or give all or any portion of the worker's wages, salary, or thing of value, to the person.

(c) A person may not directly or indirectly:

(1) request or authorize another person to violate subsection (b); or
(2) aid another person in violating subsection (b).

Sec. 31. For the purpose of supplementing existing resources and to assist in enforcing this chapter, the commissioner may contract with a certified public accountant certified under IC 25-2.1 to conduct an audit of a person, firm, corporation, or public authority.

Sec. 32. (a) A public body may not divide the construction of a public improvement into more than one (1) contract for the purpose of avoiding payment of the prevailing wage under this chapter.
(b) Whenever the commissioner determines that a public body has divided the construction of a public improvement for the purpose of avoiding payment of the prevailing wage under this chapter, the commissioner shall issue an order compelling compliance.

(c) In making a determination under subsection (b), the commissioner shall consider the following:

1. The physical separation of the public improvement structures.
2. The timing of the work on the phases or structures of the construction of the public improvement.
3. The continuity of the contractors and subcontractors working on the parts or phases of the construction of the public improvement.
4. The manner in which the public body and the contractors administer and implement the construction of the public improvement.

Sec. 33. (a) A public body that knowingly does any of the following is liable, either individually or jointly and severally with any contractor or subcontractor that also knowingly does any of the following:

1. Fails to include in an advertisement for bids, a request for bids, the contract specifications, or elsewhere in the contract documents a provision required under section 17 of this chapter that the contractor and any subcontractor shall comply with section 14 of this chapter concerning the payment of prevailing wage.
2. Fails to pay the prevailing wage determined under this chapter when required to do so.
3. Divides the construction of a public improvement into more than one (1) contract for the purpose of avoiding payment of the prevailing wage under this chapter.

(b) The commissioner may enforce subsection (a) by a civil action under section 24 or 25 of this chapter.

SECTION 10. IC 5-16-8-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.5. For purposes of this chapter, a product is considered to be "manufactured in the United States" if the following apply:

1. In the case of an iron, steel, or foundry product, all
manufacturing takes place in the United States. However, it
is not necessary for metallurgical processes involving the
refinement of steel additives to take place in the United States.

(2) In the case of a product other than a product described in
subdivision (1), both of the following apply:

(A) All the manufacturing processes for the product take
place in the United States.

(B) All the manufacturing processes for all components of
the product take place in the United States, regardless of
the origin of subcomponents of each product component.

SECTION 11. IC 5-16-8-2, AS AMENDED BY P.L.6-2007,
SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 2. (a) Each public agency shall require that every
contract for the construction, reconstruction, alteration, repair,
improvement, or maintenance of public works contain a
 provision that, if any steel or products, foundry products, or other
 products are to be used or supplied in the performance of the contract
or subcontract, only steel or products, foundry products, and other
products made in the United States shall be used or supplied in the
performance of the contract or any of the subcontracts, unless the head
of the public agency determines, in writing, that the cost of steel or
foundry products is considered to be unreasonable:

(b) The head of each public agency shall issue rules which provide
that, for purposes of subsection (a), the bid or offered price of any steel
or foundry products of domestic origin is not considered unreasonable
if the price does not exceed the sum of:

1. the bid or offered price of like steel or foundry products of
   foreign origin (including any applicable duty); plus

2. a differential of fifteen percent (15%) of the bid or offered
   price of the steel or foundry products of foreign origin.

However, the fifteen percent (15%) differential provided by
subdivision (2) may be increased to twenty-five percent (25%), if the
head of the public agency determines that use of steel or foundry
products of domestic origin would benefit the local or state economy
through improved job security and employment opportunity. Whenever
the head of a public agency determines that the differential should be
increased above fifteen percent (15%) for a particular project, the head
of the agency shall file a report with the governor and the legislative
services agency detailing the reasons for such determination and the
probable impact on the economy of the use of domestic steel or foundry
castings in the project. A report filed under this subsection with the
legislative services agency must be in an electronic format under
IC 5-14-6.

SECTION 12. IC 5-16-8-3.5 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 3.5. A person may not be considered responsible for
purposes of awarding a public works contract by a public agency
if a court with jurisdiction or a federal or state agency determines
that the person has intentionally done either of the following:
(1) The person has affixed to a product:
   (A) to which this chapter applies;
   (B) that is sold in or shipped to the United States; and
   (C) that was not manufactured in the United States;
   a label bearing the words "Made in America" or any other
words with the same meaning.
(2) The person has represented that a product:
   (A) to which this chapter applies;
   (B) that is sold in or shipped to the United States; and
   (C) that was not manufactured in the United States;
   was manufactured in the United States.

SECTION 13. IC 5-16-8-4 IS REPEALED [EFFECTIVE JULY 1,
2017]. Sec. 4: This chapter does not apply if the head of the public
agency determines, in writing, that steel or foundry products are not
produced in the United States in sufficient quantities to meet the
requirements of the contract.

SECTION 14. IC 5-16-15 IS ADDED TO THE INDIANA CODE
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]:
Chapter 15. Prohibited Political Contributions
Sec. 1. The definitions in IC 3-5-2 apply to this chapter to the
extent they do not conflict with the definitions in this article.
Sec. 2. As used in this chapter, "candidate" refers to any of the
following:
(1) A candidate for a state office.
(2) A candidate for a legislative office.
Sec. 3. As used in this chapter, "committee" refers to any of the
following:
(1) A candidate's committee.
(2) A committee organized by a legislative caucus of the house
of representatives of the general assembly.
(3) A committee organized by a legislative caucus of the senate of the general assembly.

Sec. 4. As used in this chapter, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

Sec. 5. For purposes of this chapter, a person is considered to have an interest in a contractor if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the contractor.

(2) The person is an officer of the contractor.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the contractor.

(4) The person is a political action committee of the contractor.

Sec. 6. A contractor is considered to have made a contribution if a contribution is made by a person who has an interest in the contractor.

Sec. 7. A contractor or a person who has an interest in a contractor may not make a contribution to a candidate or a committee during the following periods:

(1) The term during which the contractor is a party to a contract entered into under this article.

(2) The three (3) years following the final expiration or termination of the contract described in subdivision (1).

Sec. 8. A person who knowingly or intentionally violates this chapter commits a Level 6 felony.

SECTION 15. IC 5-22-15-7, AS AMENDED BY P.L.122-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) An offeror may claim one (1) of the following types of preference for which the offeror is eligible:

(1) An Indiana business preference under rules adopted under section 20 of this chapter or IC 4-13.6-6-2.5.

(2) A preference for supplies as provided by sections 16, 18, 19, and 24 of this chapter.

(3) An Indiana small business preference as provided by section 23 of this chapter.
(4) An Indiana farm product preference as provided by section 23.5 of this chapter.

(b) An offeror may not claim more than one (1) preference as provided by sections 16, 18, 19, and 24 of this chapter for a given supply item.

(c) This section does not:

(1) apply to; or

(2) limit;

action of the Indiana Department of Administration under rules adopted under section 24 of this chapter.

SECTION 16. IC 5-22-15-21 IS REPEALED [EFFECTIVE JULY 1, 2017]. Sec. 21. (a) This section does not apply to the state lottery commission created by IC 4-30-3-1.

(b) A governmental body shall adopt rules to promote the purchase of supplies manufactured in the United States.

(c) Rules adopted under subsection (b) shall provide that supplies manufactured in the United States shall be specified and purchased unless the governmental body determines that any of the following apply:

(1) The supplies are not manufactured in the United States in reasonably available quantities.

(2) The price of the supplies manufactured in the United States exceeds by an unreasonable amount the price of available and comparable supplies manufactured outside the United States.

(3) The quality of the supplies is substantially less than the quality of comparably priced available supplies manufactured outside the United States.

(4) The purchase of supplies manufactured in the United States is not in the public interest.

SECTION 17. IC 5-22-15.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 15.5. Purchasing Supplies Manufactured in the United States

Sec. 1. As used in this chapter, "product" refers to a supply item.

Sec. 2. For purposes of this chapter, a product is considered to be "manufactured in the United States" if the following apply:

(1) In the case of an iron, steel, or foundry product, all manufacturing takes place in the United States. However, it
is not necessary for metallurgical processes involving the
refinement of steel additives to take place in the United States.

(2) In the case of a product other than a product described in
subdivision (1), both of the following apply:

(A) All the manufacturing processes for the product take
place in the United States.

(B) All the manufacturing processes for all components of
the product take place in the United States, regardless of
the origin of subcomponents of each product component.

Sec. 3. (a) A governmental body shall adopt rules to promote the
purchase of products manufactured in the United States.

(b) Rules adopted under subsection (a) must provide that
products manufactured in the United States shall be specified and
purchased.

Sec. 4. A person may not be considered responsible for purposes
of awarding a contract under this article if a court with
jurisdiction or a federal or state agency determines that the person
has intentionally done either of the following:

(1) The person has affixed to a product:

(A) to which this chapter applies;

(B) that is sold in or shipped to the United States; and

(C) that was not manufactured in the United States;

a label bearing the words "Made in America" or any other
words with the same meaning.

(2) The person has represented that a product:

(A) to which this chapter applies;

(B) that is sold in or shipped to the United States; and

(C) that was not manufactured in the United States;

was manufactured in the United States.

SECTION 18. IC 6-2.5-10-1, AS AMENDED BY P.L.146-2016,
SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 1. (a) The department shall account for all state
gross retail and use taxes that it collects.

(b) Of all the state gross retail and use taxes that the department
collects, the department shall determine separately the parts that:

(1) the department collects under IC 6-2.5-3.5 (use tax on
gasoline);

(2) the department collects on special fuel (as defined in
IC 6-6-2.5-22); and

(2) (3) the department collects under this article, less the amount
amounts described in subdivision subdivisions (1) and (2).

(c) The department shall deposit the collections described in subdivision (b)(1) in the following manner:

(1) For state fiscal year 2017, the following:
   (A) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the motor vehicle highway account established under (IC 8-14-1).
   (B) Eighty-five and seven hundred fourteen thousandths percent (85.714%) to the state general fund.

(2) For state fiscal year 2018 and thereafter, the following:
   (A) Fourteen and two hundred eighty-six thousandths one hundred percent (14.286%) (100%) of the collections shall be deposited in the motor vehicle highway account established under (IC 8-14-1).
   (B) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30.
   (C) Seventy-one and four hundred twenty-eight thousandths percent (71.428%) to the state general fund.

(3) For state fiscal year 2019 and thereafter, the following:
   (A) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.
   (B) Twenty-one and four hundred twenty-nine thousandths percent (21.429%) of the collections shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30.
   (C) Sixty-four and two hundred eighty-five thousandths percent (64.285%) to the state general fund.

(d) For state fiscal year 2018 and thereafter, the department shall deposit one hundred percent (100%) of the collections described in subsection (b)(2) in the motor vehicle highway account (IC 8-14-1).

(d)(e) The department shall deposit those collections described in subsection (b)(2) (b)(3) in the following manner:

(1) Ninety-nine and eight hundred thirty-eight thousandths percent (99.838%) of the collections shall be paid into the state general fund.

(2) Thirty-one thousandths of one percent (0.031%) of the...
collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.
(3) One hundred thirty-one thousandths of one percent (0.131%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 19. IC 6-3-2-1, AS AMENDED BY P.L.80-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) Each taxable year, a tax at the following rate of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person:
   (1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).
   (2) For taxable years beginning after December 31, 2014, and before January 1, 2017, three and three-tenths percent (3.3%).
   (3) For taxable years beginning after December 31, 2016, three and twenty-three hundredths percent (3.23%).

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation:
   (1) Before July 1, 2012, eight and five-tenths percent (8.5%).
   (2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).
   (3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).
   (4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).
   (5) After June 30, 2015, and before July 1, 2016, six and five-tenths percent (6.5%).
   (6) After June 30, 2016, and before July 1, 2017, six and twenty-five hundredths percent (6.25%).
   (7) After June 30, 2017, and before July 1, 2018, six percent (6.0%).
   (8) After June 30, 2018, and before July 1, 2019, five and seventy-five hundredths percent (5.75%).
   (9) After June 30, 2019, and before July 1, 2020, five and five-tenths percent (5.5%).
   (10) After June 30, 2020, and before July 1, 2021, five and twenty-five hundredths percent (5.25%).
(11) After June 30, 2021, four and nine-tenths percent (4.9%).

(c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's tax rate for that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month the rate changed by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month before the rate changed by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one percent (0.01%).

SECTION 20. IC 6-3-7-3, AS AMENDED BY P.L.146-2008, SECTION 323, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) All revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited as follows:

(1) Before July 1, 2017, one hundred percent (100%) in the state general fund.

(2) After June 30, 2017, and before July 1, 2018:

(A) four percent (4%) in the motor vehicle highway account; and

(B) ninety-six percent (96%) in the state general fund.

(3) After June 30, 2018, and before July 1, 2019:

(A) eight percent (8%) in the motor vehicle highway account; and

(B) ninety-two percent (92%) in the state general fund.

(4) After June 30, 2019, and before July 1, 2020:

(A) twelve percent (12%) in the motor vehicle highway account; and

(B) eighty-eight percent (88%) in the state general fund.

(5) After June 30, 2020, and before July 1, 2021:

(A) sixteen percent (16%) in the motor vehicle highway account; and

(B) eighty-four percent (84%) in the state general fund.

(6) After June 30, 2021:

(A) twenty-one and six-tenths percent (21.6%) to the motor vehicle highway account; and
(B) seventy-eight and four-tenths percent (78.4%) to the state general fund.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited in the state general fund."

Delete page 4.

Page 5, delete lines 1 through 2.

Page 12, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 33. IC 6-5.5-2-1, AS AMENDED BY P.L.80-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) There is imposed on each taxpayer a franchise tax measured by the taxpayer's apportioned income for the privilege of exercising its franchise or the corporate privilege of transacting the business of a financial institution in Indiana. The amount of the tax for a taxable year shall be determined by multiplying the applicable rate under subsection (b) times the remainder of:

1. (1) the taxpayer's apportioned income; minus
2. (2) the taxpayer's deductible Indiana net operating losses as determined under this section; minus
3. (3) the taxpayer's net capital losses minus the taxpayer's net capital gains computed under the Internal Revenue Code for each taxable year or part of a taxable year beginning after December 31, 1989, multiplied by the apportionment percentage applicable to the taxpayer under this chapter for the taxable year of the loss.

A net capital loss for a taxable year is a net capital loss carryover to each of the five (5) taxable years that follow the taxable year in which the loss occurred.

(b) The following are the applicable tax rates to be used under subsection (a):

1. (1) For taxable years beginning before January 1, 2014, eight and five-tenths percent (8.5%).
2. (2) For taxable years beginning after December 31, 2013, and before January 1, 2015, eight percent (8.0%).
3. (3) For taxable years beginning after December 31, 2014, and before January 1, 2016, seven and five-tenths percent (7.5%).
4. (4) For taxable years beginning after December 31, 2015, and before January 1, 2017, seven percent (7.0%).
5. (5) For taxable years beginning after December 31, 2016, and before January 1, 2019, six and five-tenths percent (6.5%).
6. (6) For taxable years beginning after December 31, 2018, and
before January 1, 2020; six and twenty-five hundredths percent (6.25%).

(7) For taxable years beginning after December 31, 2019; and
before January 1, 2021, six percent (6.0%).

(8) For taxable years beginning after December 31, 2020; and
before January 1, 2022; five and five-tenths percent (5.5%).

(9) For taxable years beginning after December 31, 2021; and
before January 1, 2023; five percent (5.0%).

(10) For taxable years beginning after December 31, 2022; four
and nine-tenths percent (4.9%).

(c) The amount of net operating losses deductible under subsection
(a) is an amount equal to the net operating losses computed under the
Internal Revenue Code, adjusted for the items set forth in IC 6-5.5-1-2,
that are:

(1) incurred in each taxable year, or part of a year, beginning after
December 31, 1989; and

(2) attributable to Indiana.

(d) The following apply to determining the amount of net operating
losses that may be deducted under subsection (a):

(1) The amount of net operating losses that is attributable to
Indiana is the taxpayer's total net operating losses under the
Internal Revenue Code for the taxable year of the loss, adjusted
for the items set forth in IC 6-5.5-1-2, multiplied by the
apportionment percentage applicable to the taxpayer under this
chapter for the taxable year of the loss.

(2) A net operating loss for any taxable year is a net operating loss
carryover to each of the fifteen (15) taxable years that follow the
taxable year in which the loss occurred.

(e) The following provisions apply to a combined return computing
the tax on the basis of the income of the unitary group when the return
is filed for more than one (1) taxpayer member of the unitary group for
any taxable year:

(1) Any net capital loss or net operating loss attributable to
Indiana in the combined return shall be prorated between each
taxpayer member of the unitary group by the quotient of:

(A) the receipts of that taxpayer member attributable to
Indiana under section 4 of this chapter; divided by

(B) the receipts of all taxpayer members of the unitary group
attributable to Indiana.

(2) The net capital loss or net operating loss for that year, if any,
to be carried forward to any subsequent year shall be limited to
the capital gains or apportioned income for the subsequent year
of that taxpayer, determined by the same receipts formula set out
in subdivision (1).

SECTION 1. IC 6-5.5-8-2.5 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 2.5. On or before December 1 and June 1 of each year
the auditor of state shall transfer from the financial institutions tax
fund to the motor vehicle highway account the following applicable
percentages of the total financial institutions tax revenue collected
during the preceding state fiscal year:
(1) Before July 1, 2019, zero percent (0%).
(2) After June 30, 2019, and before July 1, 2020, four percent
(4%).
(3) After June 30, 2020, and before July 1, 2021, eight percent
(8%).
(4) After June 30, 2021, and before July 1, 2022, twelve
percent (12%).
(5) After June 30, 2022, and before July 1, 2023, twenty-three
percent (23.0%).
(6) After June 30, 2023, twenty-five percent (25%).".

Delete pages 13 through 30.
Page 31, delete lines 1 through 14.
Page 33, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 37. IC 8-10-1-7.7 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 7.7. (a) As used in this section,
"resident of Indiana" means a person who is at least eighteen (18)
years of age and is one (1) of the following:
(1) A person who has registered a motor vehicle in Indiana.
(2) A person who is registered to vote in Indiana.
(3) A person who has a child enrolled in an elementary or a
secondary school located in Indiana.
(4) A person who derives more than one-half (1/2) of the
person's gross income (as defined in Section 61 of the Internal
Revenue Code) from sources in Indiana, according to the
provisions applicable to determining the source of adjusted
gross income under IC 6-3-2-2. However, a person who would
otherwise be considered a resident of Indiana under this
subdivision is not a resident of Indiana if a preponderance of
the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

(5) A person who:
(A) works from an office in Indiana;
(B) is on the payroll of a business located in Indiana;
(C) possesses a telephone with a telephone number that has an Indiana area code; or
(D) has a permanent place of doing business in Indiana; for at least thirteen (13) months before entering into a contract or subcontract under this chapter.
(b) A contract for a public works project under this chapter may not be awarded to a contractor that does not:
(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who will work on the contract; and
(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who will work on the subcontract.
(c) Before August 15, 2018, and before August 15 each year thereafter, the commission shall file with the legislative council a report stating:
(1) for each contractor awarded a contract under this chapter; and
(2) for each subcontractor with which a contractor referred to in subdivision (1) entered into a contract in connection with a contract awarded under this chapter; the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.
(d) A contract awarded under this chapter for a public works project is terminated if the commission determines that the contractor has failed to:
(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and
(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.
(e) A contractor or subcontractor that fails to employ residents
of Indiana as at least ninety percent (90%) of the employees who
work on the contract or subcontract commits a Class B infraction
for each nonresident of Indiana employed that exceeds the number
of nonresident employees permitted by this section.

(f) If:

(1) a contract or subcontract subject to this section is funded
    in whole or in part with federal funds; and
(2) imposing the requirements of this section would cause the
    state to lose the federal funds for the contract, as determined
    by the federal agency providing the funds;

subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a
determination under subsection (f) that causes a contract to be
exempted from the requirements of subsections (a) through (e), this
section is meant to express the view of the general assembly that
expanding employment opportunities for Indiana residents
remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections
(a) through (e) may not reference the employment of Indiana
residents. The commission may not consider the number of
employment opportunities for Indiana residents when doing any of
the following with respect to a project subject to a contract that is
exempted from the requirements of subsections (a) through (e):

(1) Issuing a request for proposals.
(2) Issuing a bulletin inviting bids for the contract.
(3) Prequalifying a contractor for the contract.
(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to
perform work:

(1) resulting from an emergency; or
(2) performed by an artisan or by someone in a specialty area
    with limited persons able to perform the work.

SECTION 38. IC 8-10-1-7.9 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2017]: Sec. 7.9. (a) As used in this section, "Indiana business"
refers to any of the following:

(1) A business whose principal place of business is located in
    Indiana.
(2) A business that pays a majority of its payroll (in dollar
    volume) to residents of Indiana.
(3) A business that employs residents of Indiana as a majority of its employees.

(4) A business that makes significant capital investments in Indiana as determined by the Indiana department of administration.

(5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) There is a ten percent (10%) price preference for an Indiana business that:

   (1) submits a bid for the performance of work on a public works project; and

   (2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d), a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) To claim the preference provided under this section, a business must do all the following:

   (1) State in the business's bid that the business claims the preference provided by this section.

   (2) Provide the following information to the commission and the department of administration:

      (A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

      (B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

      (C) The number of the business's employees and the number of the business's employees who are residents of Indiana.
(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.

(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 39. IC 8-10-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 10. Prohibited Political Contributions

Sec. 1. The definitions in IC 3-5-2 apply to this chapter to the extent they do not conflict with the definitions in this article.

Sec. 2. As used in this chapter, "candidate" refers to any of the following:

(1) A candidate for a state office.

(2) A candidate for a legislative office.

Sec. 3. As used in this chapter, "committee" refers to any of the following:

(1) A candidate's committee.

(2) A committee organized by a legislative caucus of the house of representatives of the general assembly.

(3) A committee organized by a legislative caucus of the senate of the general assembly.

Sec. 4. As used in this chapter, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

Sec. 5. For purposes of this chapter, a person is considered to have an interest in a contractor if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the contractor.

(2) The person is an officer of the contractor.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the contractor.

(4) The person is a political action committee of the
Sec. 6. A contractor is considered to have made a contribution if a contribution is made by a person who has an interest in the contractor.

Sec. 7. A contractor or a person who has an interest in a contractor may not make a contribution to a candidate or a committee during the following periods:

(1) The term during which the contractor is a party to a contract entered into under this article.

(2) The three (3) years following the final expiration or termination of the contract described in subdivision (1).

Sec. 8. A person who knowingly or intentionally violates this chapter commits a Level 6 felony.

SECTION 1. IC 8-14-1-3, AS AMENDED BY P.L.2-2014, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. The money collected for the motor vehicle highway account fund and remaining after refunds and the payment of all expenses incurred in the collection thereof, and after the deduction of the amount appropriated to the department for traffic safety, shall be allocated to and distributed among the department and subdivisions designated as follows:

(1) Of the net amount in the motor vehicle highway account the auditor of state shall set aside for the cities and towns of the state fifteen seventeen percent (15% (17%)) thereof. The sum shall first be allocated equally among the districts maintained by the department. This sum shall then be allocated to the cities and towns of the district upon the basis that the population of each city and town bears to the total population of all the cities and towns in the district and shall be used for the construction or reconstruction and maintenance of streets and alleys and shall be annually budgeted as now provided by law. However, no part of such sum shall be used for any other purpose than for the purposes defined in this chapter. If any funds allocated to any city or town shall be used by any officer or officers of such city or town for any purpose or purposes other than for the purposes as defined in this chapter, such officer or officers shall be liable upon their official bonds to such city or town in such amount so used for other purposes than for the purposes as defined in this chapter, together with the costs of said action and reasonable attorney fees,
recoverable in an action or suit instituted in the name of the state of Indiana on the relation of any taxpayer or taxpayers resident of such city or town. A monthly distribution thereof of funds accumulated during the preceding month shall be made by the auditor of state.

(2) Of the net amount in the motor vehicle highway account, the auditor of state shall set aside for the counties of the state thirty-two thirty-six percent (32%) (36%) thereof. However, as to the allocation to cities and towns under subdivision (1) and as to the allocation to counties under this subdivision, in the event that the amount in the motor vehicle highway account fund remaining after refunds and after the payment of all expenses incurred in the collection thereof shall be less than twenty-two million six hundred and fifty thousand dollars ($22,650,000) in any fiscal year, then the amount so set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent (54%) of such deficit and the amount so set aside for distribution in the next calendar year to cities and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall begin with the distribution January 1 of each year.

(3) The amount set aside for the counties of the state under the provisions of subdivision (2) shall be allocated monthly in equal amounts to each district maintained by the department. An amount allocated to a district shall be further allocated to each county in the district upon the following basis:

(A) Five percent (5%) of the amount allocated to the counties district to be divided equally among the ninety-two (92) counties in the district.

(B) Sixty-five percent (65%) of the amount allocated to the counties district to be divided among the counties in the district on the basis of the ratio of the actual miles, now traveled and in use, of county roads in each county to the total mileage of county roads in the state, district, which shall be annually determined, accurately, by the department and submitted to the auditor of state before April 1 of each year.

(C) Thirty percent (30%) of the amount allocated to the counties district to be divided among the counties in the district on the basis of the ratio of the motor vehicle registrations of each county to the total motor vehicle registrations of all counties in the state, district.
registration of the state district.

All money so distributed to the several counties of the state shall constitute a special road fund for each of the respective counties and shall be under the exclusive supervision and direction of the board of county commissioners in the construction, reconstruction, maintenance, or repair of the county highways or bridges on such county highways within such county.

(4) Each month the remainder of the net amount in the motor vehicle highway account shall be credited to the state highway fund for the use of the department.

(5) Money in the fund may not be used for any toll road or toll bridge project.

(6) Notwithstanding any other provisions of this section, money in the motor vehicle highway account fund may be appropriated to the Indiana department of transportation from the forty-seven fifty-three percent (47% (53%) distributed to the political subdivisions of the state to pay the costs incurred by the department in providing services to those subdivisions.

(7) Notwithstanding any other provisions of this section or of IC 8-14-8, for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects, money may be appropriated to the Indiana department of transportation as follows:

(A) One-half (1/2) from the forty-seven fifty-three percent (47% (53%) set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

SECTION 2. IC 8-14-1-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6.5. (a) The following definitions apply throughout this section:

(1) "Minority business enterprise" has the meaning set forth in IC 4-13-16.5-1.

(2) "Veteran business enterprise" means a business enterprise that has a current verification as a veteran owned small business concern under 38 CFR 74 et seq. by the Center of Veterans Enterprise of the United States Department of
Veterans Affairs.

(3) "Women's business enterprise" has the meaning set forth in IC 4-13-16.5-1.3.

(a) The department and each county, city, and town shall establish a program to facilitate participation by:

(1) minority business enterprises;

(2) veteran business enterprises; and

(3) women's business enterprises;

in any project that is paid for in whole or in part by money distributed from the motor vehicle highway account."

Page 33, after line 42, begin a new paragraph and insert:

"SECTION 43. IC 8-14-15-8, AS AMENDED BY P.L.35-2012, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. (a) The trustee shall:

(1) administer and manage the trust;

(2) establish a local revolving loan program for transportation projects as provided in section 8.5 of this chapter;

(2) (3) invest the money in the trust not needed for the revolving loan program; and

(3) (4) deposit in the trust loan payments and any interest that accrues from the investment of these funds.

(b) Notwithstanding IC 5-13, the trustee shall invest the money in the trust not currently needed to meet the obligations of the trust in the same manner as money is invested by the Indiana public retirement system under IC 5-10.3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5. The trustee may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the trust and may pay the state expenses incurred under those contracts from the trust.

(c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established under this chapter.

(d) Money in the trust at the end of a state fiscal year does not revert to the state general fund.

SECTION 44. IC 8-14-15-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8.5. (a) The authority shall establish a revolving loan program for counties, cities, and towns to receive money to carry out transportation projects.
(b) The authority shall adopt uniform guidelines for the revolving loan program. The guidelines must apply uniformly to all loans and provide for at least the following:

1. Application procedures.
2. Transportation project standards for eligibility.
3. The maximum amount of money for which any county, city, or town transportation project is eligible.
4. Whether local matching funds are required.
5. Loan terms, including the interest rate charged on loans, which may not exceed an annual rate of three percent (3%).
6. Other provisions to administer the loan program.

(c) A county, city, or town may use money from a loan for planning, designing, constructing, renovating, or improving a transportation project and other activities necessary or convenient to complete these tasks."

Page 35 delete lines 6 through 42.
Page 36, delete lines 1 through 16.
Page 36, delete lines 21 through 42.
Page 37, delete lines 1 through 41.
Page 39, between lines 20 and 21, begin a new paragraph and insert:
"SECTION 48. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.6. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

1. A person who has registered a motor vehicle in Indiana.
2. A person who is registered to vote in Indiana.
3. A person who has a child enrolled in an elementary or a secondary school located in Indiana.
4. A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
5. A person who:
(A) works from an office in Indiana;
(B) is on the payroll of a business located in Indiana;
(C) possesses a telephone with a telephone number that has an Indiana area code; or
(D) has a permanent place of doing business in Indiana;
for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor that does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who will work on the contract; and

(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who will work on the subcontract.

(c) Before August 15, 2018, and before August 15 each year thereafter, the department shall file with the legislative council a report stating:

(1) for each contractor awarded a contract under this chapter; and

(2) for each subcontractor with which a contractor referred to in subdivision (1) entered into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

(d) A contract awarded under this chapter for a public works project is terminated if the department determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and

(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(e) A contractor or subcontractor that fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.
(f) If:

(1) a contract or subcontract subject to this section is funded
in whole or in part with federal funds; and
(2) imposing the requirements of this section would cause the
state to lose the federal funds for the contract, as determined
by the federal agency providing the funds;
subsections (a) through (e) do not apply.

(g) If an agency of the federal government makes a
determination under subsection (f) that causes a contract to be
exempted from the requirements of subsections (a) through (e), this
section is meant to express the view of the general assembly that
expanding employment opportunities for Indiana residents
remains a vital part of the state's economy.

(h) A contract exempted from the requirements of subsections
(a) through (e) may not reference the employment of Indiana
residents. The department may not consider the number of
employment opportunities for Indiana residents when doing any of
the following with respect to a project subject to a contract that is
exempted from the requirements of subsections (a) through (e):

(1) Issuing a request for proposals.
(2) Issuing a bulletin inviting bids for the contract.
(3) Prequalifying a contractor for the contract.
(4) Evaluating a bid for the contract.

(i) This section does not apply to contracts entered into to
perform work:

(1) resulting from an emergency; or
(2) performed by an artisan or by someone in a specialty area
with limited persons able to perform the work.

SECTION 49. IC 8-23-9-23.5 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 23.5. (a) As used in this section,
"Indiana business" refers to any of the following:

(1) A business whose principal place of business is located in
Indiana.
(2) A business that pays a majority of its payroll (in dollar
volume) to residents of Indiana.
(3) A business that employs residents of Indiana as a majority
of its employees.
(4) A business that makes significant capital investments in
Indiana as determined by the Indiana department of
administration.

(5) A business that has a substantial positive economic impact on Indiana as determined by the Indiana department of administration.

(b) Except as prohibited by federal law, there is a ten percent (10%) price preference for an Indiana business that:

(1) submits a bid for the performance of work on a highway project; and

(2) claims the preference under subsection (e).

(c) Notwithstanding any statute that requires the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (d) and any federal statute or regulation to the contrary, a contract shall be awarded to the lowest responsive and responsible Indiana business that claims the preference provided by this section.

(d) Notwithstanding subsection (c), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is an Indiana business.

(e) To claim the preference provided under this section, a business must do all the following:

(1) State in the business's bid that the business claims the preference provided by this section.

(2) Provide the following information to the department and the Indiana department of administration:

(A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (a)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.

(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of Indiana.

(C) The number of the business's employees and the number of the business's employees who are residents of Indiana.

(D) If the business claims the preference as an Indiana business described in subsection (a)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.
(E) If the business claims the preference as an Indiana business described in subsection (a)(5), a description of the substantial positive economic impact the business has on Indiana.

SECTION 1. IC 8-23-9-55 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 55. (a) Except as provided in subsection (b), money in the state highway fund shall be used for the following:

(1) Operation of the department.
(2) Construction, reconstruction, operation, maintenance, and control of the state highways that are the responsibility of the department and of tollways that are the responsibility of the department under IC 8-15-3.

(b) Money credited to the state highway fund from the motor vehicle highway fund under IC 8-14-1-3(4) after June 30, 2017, must be allocated equally among the districts maintained by the department. At least eighty percent (80%) of the money allocated to a district under this subsection must be used for the construction, reconstruction, operation, maintenance, and control of the state highways, bridges, and tollways under IC 8-15-3 that:

(1) are the responsibility of the department; and
(2) were in existence on July 1, 2017.

SECTION 50. IC 8-23-9-60 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 60. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this chapter.
(b) The following definitions apply throughout this chapter:

(1) "Candidate" refers to any of the following:
   (A) A candidate for a state office.
   (B) A candidate for a legislative office.

(2) "Committee" refers to any of the following:
   (A) A candidate's committee.
   (B) A committee organized by a legislative caucus of the house of representatives of the general assembly.
   (C) A committee organized by a legislative caucus of the senate of the general assembly.

(3) "Officer" refers only to either of the following:
   (A) An individual listed as an officer of a corporation in the corporation's most recent annual report.
(B) An individual who is a successor to an individual described in clause (A).

(c) For purposes of this section, a person is considered to have an interest in a contractor if the person satisfies any of the following:

1. The person holds at least a one percent (1%) interest in the contractor.
2. The person is an officer of the contractor.
3. The person is an officer of a person that holds at least a one percent (1%) interest in the contractor.
4. The person is a political action committee of the contractor.

(d) A contractor is considered to have made a contribution if a contribution is made by a person who has an interest in the contractor.

(e) A contractor or a person who has an interest in a contractor may not make a contribution to a candidate or a committee during the following periods:

1. The term during which the contractor is a party to a contract entered into under this article.
2. The three (3) years following the final expiration or termination of the contract described in subdivision (1).

(f) A person who knowingly or intentionally violates this section commits a Level 6 felony.

Page 43, delete lines 27 through 42.
Delete page 44.
Page 45, delete lines 1 through 16.
Page 46, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 55. IC 36-1-8-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 19. Notwithstanding any other law, if:

1. a unit holds money that is designated for the construction or repair of roads or bridges, regardless of the account or fund in which the money is held;
2. the money is not needed for the construction of a road or bridge for which the unit is responsible; and
3. the money is not otherwise obligated;

the fiscal body of the unit may expend the money for any infrastructure need of the unit."
SECTION 56. IC 36-1-12-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2017]: Sec. 5.5. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.
(2) A person who is registered to vote in Indiana.
(3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
(4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income under IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
(5) A person who:
   (A) works from an office in Indiana;
   (B) is on the payroll of a business located in Indiana;
   (C) possesses a telephone with a telephone number that has an Indiana area code; or
   (D) has a permanent place of doing business in Indiana; for at least thirteen (13) months before entering into a contract or subcontract under this chapter.

(b) A contract for a public works project under this chapter may not be awarded to a contractor that does not:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees of the contractor who will work on the contract; and
(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who will work on the subcontract.

(c) A contract awarded under this chapter for a public works project is terminated if the unit determines that the contractor has failed to:

(1) employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract; and
(2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least ninety percent (90%) of the employees who work on the subcontract.

(d) A contractor or subcontractor that fails to employ residents of Indiana as at least ninety percent (90%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed that exceeds the number of nonresident employees permitted by this section.

(e) If:

(1) a contract or subcontract subject to this section is funded in whole or in part with federal funds; and

(2) imposing the requirements of this section would cause the state to lose the federal funds for the contract, as determined by the federal agency providing the funds;

subsections (a) through (d) do not apply.

(f) If an agency of the federal government makes a determination under subsection (e) that causes a contract to be exempted from the requirements of subsections (a) through (d), this section is meant to express the view of the general assembly that expanding employment opportunities for Indiana residents remains a vital part of the state’s economy.

(g) A contract exempted from the requirements of subsections (a) through (d) may not reference the employment of Indiana residents. A unit may not consider the number of employment opportunities for Indiana residents when doing any of the following with respect to a project subject to a contract that is exempted from the requirements of subsections (a) through (d):

(1) Issuing a request for proposals.

(2) Issuing a bulletin inviting bids for the contract.

(3) Prequalifying a contractor for the contract.

(4) Evaluating a bid for the contract.

(h) This section does not apply to contracts entered into to perform work:

(1) resulting from an emergency; or

(2) performed by an artisan or by someone in a specialty area with limited persons able to perform the work.

SECTION 57. IC 36-1-12-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 25. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the
(b) The following definitions apply throughout this chapter:

1. "Candidate" refers to any of the following:
   (A) A candidate for a state office.
   (B) A candidate for a legislative office.

2. "Committee" refers to any of the following:
   (A) A candidate's committee.
   (B) A committee organized by a legislative caucus of the house of representatives of the general assembly.
   (C) A committee organized by a legislative caucus of the senate of the general assembly.

3. "Officer" refers only to either of the following:
   (A) An individual listed as an officer of a corporation in the corporation's most recent annual report.
   (B) An individual who is a successor to an individual described in clause (A).

(c) For purposes of this section, a person is considered to have an interest in a contractor if the person satisfies any of the following:

1. The person holds at least a one percent (1%) interest in the contractor.
2. The person is an officer of the contractor.
3. The person is an officer of a person that holds at least a one percent (1%) interest in the contractor.
4. The person is a political action committee of the contractor.

(d) A contractor is considered to have made a contribution if a contribution is made by a person who has an interest in the contractor.

(e) A contractor or a person who has an interest in a contractor may not make a contribution to a candidate or a committee during the following periods:

1. The term during which the contractor is a party to a contract entered into under this article.
2. The three (3) years following the final expiration or termination of the contract described in subdivision (1).

(f) A person who knowingly or intentionally violates this section commits a Level 6 felony.

SECTION 17. IC 36-9-42.2-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 6.5. Under the program, an eligible entity may not exchange more than ninety-five percent (95%) of the federal funds allocated to the eligible entity.

SECTION 18. IC 36-9-42.2-8, AS ADDED BY P.L.141-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 8. An exchange agreement must provide the following:

1. The eligible entity may exchange only federal funds for state funds.
2. The eligible entity may use state funds only for a capital project that will fulfill the purpose of the original federal project award and that is approved by the department.
3. If the eligible entity uses state funds to replace local funds in order to use the local funds for purposes unrelated to transportation, the eligible entity:
   A) must repay the state funds to the department; and
   B) may not participate in the program during the succeeding fiscal year.
4. An exchange rate of not less than seventy-five cents ($0.75) one dollar ($1) of state funds for each one dollar ($1) of federal funds.
5. The eligible entity agrees to provide local matching funds equal to not less than ten percent (10%) of the estimated project cost.
6. The department will disburse the state funds to the eligible entity on a reimbursement basis.

Delete pages 47 through 50.
Page 51, delete lines 1 through 7, begin a new paragraph and insert:
"SECTION 62. [EFFECTIVE JULY 1, 2017] (a) There is appropriated to the Indiana department of transportation ten million dollars ($10,000,000) from the state general fund for the South Shore extension beginning July 1, 2018, and ending June 30, 2019.
(b) This SECTION expires January 1, 2020."

Renumber all SECTIONS consecutively.
(Reference is to HB 1002 as printed January 27, 2017.)