

---

## **SENATE BILL No. 3**

**AM000310 has been incorporated into February 24, 2023 printing.**

---

**Synopsis:** State and local tax review task force.

---

**M  
e  
r  
g  
e  
d**

**SB 3—LS 7167/DI 120**



**DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY**

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

M  
e  
r  
g  
e  
d

## SENATE BILL No. 3

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

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

- 1 SECTION 1. IC 21-16-5-3, AS AMENDED BY P.L.132-2013,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 3. (a) The corporation must, under its articles of  
4 incorporation, limit its powers to those described in subsection (b).  
5 (b) The corporation may:  
6 (1) borrow money, **subject to the prior approval of the**  
7 **Indiana finance authority;**  
8 (2) purchase, sell, and retire education loans, if the loans are not  
9 in default status;  
10 (3) provide incentive services and payments, including the  
11 payment of premiums for the purchase of education loans and  
12 the payment of an origination fee, to assist lending institutions  
13 that provide education loans;  
14 (4) loan funds to lending institutions if:  
15 (A) the lending institution agrees to use the funds to  
16 originate education loans of an amount equal to the loan  
17 made by the corporation over a period agreeable to the

SB 3—LS 7167/DI 120



- 1 corporation and to grant the corporation the right of first  
 2 refusal to purchase those education loans;  
 3 (B) the lending institution agrees to use education loans or  
 4 government securities as collateral for the loan; and  
 5 (C) the corporation has, in response to its written request,  
 6 received written authorization from the governor to exercise  
 7 the power described in this subdivision;
- 8 (5) make direct loans to or for the benefit of an education loan  
 9 borrower or to consolidate all or a part of the borrower's  
 10 outstanding education loans into one (1) loan;
- 11 (6) operate a secondary market for postsecondary education  
 12 finance instruments, including tuition certificates and education  
 13 savings certificates sold by or offered through lending  
 14 institutions or postsecondary educational institutions;
- 15 (7) provide financial literacy and educational tools to students,  
 16 their families, and Indiana colleges and universities with respect  
 17 to responsibly financing the costs of higher education; and  
 18 (8) do all other things that are necessary or incidental to  
 19 performing the functions listed in subdivisions (1) through (7).
- 20 **(c) The corporation, and any entity doing business as the**  
 21 **corporation, including:**  
 22 **(1) the Indiana Secondary Market for Educational Loans,**  
 23 **Inc.;**  
 24 **(2) INvestED; or**  
 25 **(3) any other entity doing business as the corporation;**  
 26 **shall, at least sixty (60) days prior to the issuance or placement of**  
 27 **any bond, note, or other instrument by the corporation under this**  
 28 **chapter, notify the budget committee of the proposed issuance or**  
 29 **placement and provide the accompanying prospectuses or offering**  
 30 **documents.**
- 31 SECTION 2. [EFFECTIVE UPON PASSAGE] **(a) As used in this**  
 32 **SECTION, "task force" refers to the state and local tax review task**  
 33 **force established by subsection (b).**
- 34 **(b) The state and local tax review task force is established.**
- 35 **(c) The task force consists of the following members:**  
 36 **(1) The chairperson of the senate tax and fiscal policy**  
 37 **committee.**  
 38 **(2) The ranking minority member of the senate tax and fiscal**  
 39 **policy committee.**  
 40 **(3) The chairperson of the senate appropriations committee.**  
 41 **(4) The ranking minority member of the senate**  
 42 **appropriations committee.**

M  
e  
r  
g  
e  
d

- 1           **(5) The chairperson of the house ways and means committee.**  
 2           **(6) One (1) member of the house ways and means committee**  
 3           **who is a member of the majority party of the house,**  
 4           **appointed by the speaker of the house of representatives.**  
 5           **(7) The ranking minority member of the house ways and**  
 6           **means committee.**  
 7           **(8) One (1) member of the house ways and means committee**  
 8           **who is a member of the minority party of the house,**  
 9           **appointed by the minority leader of the house of**  
 10           **representatives.**  
 11           **(9) The director of the office of management and budget.**  
 12           **(10) The director of the budget agency.**  
 13           **(11) The public finance director of the Indiana finance**  
 14           **authority.**  
 15           **(12) One (1) member who is an economist employed at a state**  
 16           **educational institution (as defined in IC 21-7-13-32),**  
 17           **appointed by the president pro tempore of the senate.**  
 18           **(d) If a vacancy occurs, the appointing authority that**  
 19           **appointed the member whose position is vacant shall appoint an**  
 20           **individual to fill the vacancy.**  
 21           **(e) The chairperson of the legislative council shall select the**  
 22           **chairperson of the task force before July 1, 2023. The individual**  
 23           **selected to serve as the chairperson of the task force under this**  
 24           **subsection shall serve as the task force's chairperson for the**  
 25           **duration of the task force.**  
 26           **(f) The following apply to the mileage, per diem, and travel**  
 27           **expenses for members of the task force:**  
 28               **(1) Each member of the task force who is a state employee is**  
 29               **entitled to reimbursement for traveling expenses as provided**  
 30               **under IC 4-13-1-4 and other expenses actually incurred in**  
 31               **connection with the member's duties as provided in the state**  
 32               **policies and procedures established by the Indiana**  
 33               **department of administration and approved by the budget**  
 34               **agency.**  
 35               **(2) Each member of the task force who is a member of the**  
 36               **general assembly or who is not a state employee is entitled to**  
 37               **receive the same per diem, mileage, and travel allowances**  
 38               **paid to individuals who serve as legislative and lay members,**  
 39               **respectively, of interim study committees established by the**  
 40               **legislative council.**  
 41           **(g) The task force shall review the following:**  
 42               **(1) Paying down the unfunded liability of the pre-1996**

M  
e  
r  
g  
e  
d



- 1           **account within the Indiana state teachers' retirement fund.**  
 2           **(2) State appropriation backed debt obligations and methods**  
 3           **to reduce those debt obligations.**  
 4           **(3) Methods that can be used to eliminate the individual state**  
 5           **income tax, including potential replacement revenue sources.**  
 6           **(4) Application of the sales tax, corporate tax, and property**  
 7           **tax, including the elimination of property taxes on all**  
 8           **homestead properties.**  
 9           **(5) Government efficiency at the state and local level.**  
 10           **(6) The state's financial position and reserve fund balances.**  
 11           **(h) The legislative services agency shall provide staff support**  
 12           **to the task force.**  
 13           **(i) The meetings of the task force must be held in public as**  
 14           **provided under IC 5-14-1.5. However, the task force is permitted**  
 15           **to meet in executive session as determined necessary by the**  
 16           **chairperson of the task force.**  
 17           **(j) The task force shall meet at least four (4) times in calendar**  
 18           **year 2023, and at least four (4) times in calendar year 2024 at the**  
 19           **call of the chairperson.**  
 20           **(k) The task force may, by vote, create subcommittees and**  
 21           **must specify membership of the subcommittee at the time of**  
 22           **creation. The members of a subcommittee are not required to be**  
 23           **members of the task force. The meetings of a subcommittee must**  
 24           **be held in public as provided under IC 5-14-1.5. A subcommittee**  
 25           **may take public testimony and may make recommendations to the**  
 26           **task force on topics assigned to the subcommittee.**  
 27           **(l) On or before December 1, 2024, the task force shall prepare**  
 28           **and submit a report to the legislative council, in an electronic**  
 29           **format under IC 5-14-6, that sets forth the topics reviewed by the**  
 30           **task force and the task force's findings and recommendations.**  
 31           **(m) This SECTION expires June 30, 2025.**  
 32           **SECTION 3. [EFFECTIVE JULY 1, 2023] (a) There is**  
 33           **appropriated to the legislative council created by IC 2-5-1.1-1 from**  
 34           **the state general fund two hundred thousand dollars (\$200,000) for**  
 35           **the biennium beginning July 1, 2023, and ending June 30, 2025, for**  
 36           **the use of the state and local tax review task force, as added by this**  
 37           **act. The amount appropriated by this SECTION is allocated as**  
 38           **follows:**  
 39           **(1) One hundred thousand dollars (\$100,000) for the state**  
 40           **fiscal year beginning July 1, 2023, and ending June 30, 2024.**  
 41           **(2) One hundred thousand dollars (\$100,000) for the state**  
 42           **fiscal year beginning July 1, 2024, and ending June 30, 2025.**

M  
e  
r  
g  
e  
d

1       **Amounts appropriated by this SECTION must be used to pay the**  
2       **state and local tax review task force's expenses.**  
3       **(b) This SECTION expires July 1, 2025.**  
4       **SECTION 4. An emergency is declared for this act.**

**M  
e  
r  
g  
e  
d**

**SB 3—LS 7167/DI 120**



**DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY**