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### SENATE BILL No. 3

Proposed Changes to February 24, 2023 printing by AM000310

#### DIGEST OF PROPOSED AMENDMENT

Secondary market for guaranteed student loans. Provides that the Indiana Secondary Market for Education Loans, Inc. (ISMEL), may only borrow money subject to the prior approval of the authority. Requires ISMEL to, at least 60 days prior to the issuance or placement of any bond, note, or other instrument, notify the budget committee of the proposed issuance or placement and provide the accompanying prospectuses or offering documents.

A BILL FOR AN ACT [to amend the Indiana Code ]concerning <taxation>[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

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1 made by the corporation over a period agreeable to the  
 2 corporation and to grant the corporation the right of first  
 3 refusal to purchase those education loans;

4 (B) the lending institution agrees to use education loans or  
 5 government securities as collateral for the loan; and

6 (C) the corporation has, in response to its written request,  
 7 received written authorization from the governor to exercise  
 8 the power described in this subdivision;

9 (5) make direct loans to or for the benefit of an education loan  
 10 borrower or to consolidate all or a part of the borrower's  
 11 outstanding education loans into one (1) loan;

12 (6) operate a secondary market for postsecondary education  
 13 finance instruments, including tuition certificates and education  
 14 savings certificates sold by or offered through lending  
 15 institutions or postsecondary educational institutions;

16 (7) provide financial literacy and educational tools to students,  
 17 their families, and Indiana colleges and universities with respect  
 18 to responsibly financing the costs of higher education; and

19 (8) do all other things that are necessary or incidental to  
 20 performing the functions listed in subdivisions (1) through (7).

21 **(c) The corporation, and any entity doing business as the**  
 22 **corporation, including:**

23 **(1) the Indiana Secondary Market for Educational Loans,**  
 24 **Inc.;**

25 **(2) INvestED; or**

26 **(3) any other entity doing business as the corporation;**

27 **shall, at least sixty (60) days prior to the issuance or placement of**  
 28 **any bond, note, or other instrument by the corporation under this**  
 29 **chapter, notify the budget committee of the proposed issuance or**  
 30 **placement and provide the accompanying prospectuses or offering**  
 31 **documents.**

32 ] SECTION ~~↔~~[2]. [EFFECTIVE UPON PASSAGE] (a) As used  
 33 in this SECTION, "task force" refers to the state and local tax  
 34 review task force established by subsection (b).

35 (b) The state and local tax review task force is established.

36 (c) The task force consists of the following members:

37 (1) The chairperson of the senate tax and fiscal policy  
 38 committee.

39 (2) The ranking minority member of the senate tax and fiscal  
 40 policy committee.

41 (3) The chairperson of the senate appropriations committee.

42 (4) The ranking minority member of the senate

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

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- 1 (1) Paying down the unfunded liability of the pre-1996  
 2 account within the Indiana state teachers' retirement fund.  
 3 (2) State appropriation backed debt obligations and methods  
 4 to reduce those debt obligations.  
 5 (3) Methods that can be used to eliminate the individual state  
 6 income tax, including potential replacement revenue sources.  
 7 (4) Application of the sales tax, corporate tax, and property  
 8 tax, including the elimination of property taxes on all  
 9 homestead properties.  
 10 (5) Government efficiency at the state and local level.  
 11 (6) The state's financial position and reserve fund balances.  
 12 (h) The legislative services agency shall provide staff support  
 13 to the task force.  
 14 (i) The meetings of the task force must be held in public as  
 15 provided under IC 5-14-1.5. However, the task force is permitted  
 16 to meet in executive session as determined necessary by the  
 17 chairperson of the task force.  
 18 (j) The task force shall meet at least four (4) times in calendar  
 19 year 2023, and at least four (4) times in calendar year 2024 at the  
 20 call of the chairperson.  
 21 (k) The task force may, by vote, create subcommittees and  
 22 must specify membership of the subcommittee at the time of  
 23 creation. The members of a subcommittee are not required to be  
 24 members of the task force. The meetings of a subcommittee must  
 25 be held in public as provided under IC 5-14-1.5. A subcommittee  
 26 may take public testimony and may make recommendations to the  
 27 task force on topics assigned to the subcommittee.  
 28 (l) On or before December 1, 2024, the task force shall prepare  
 29 and submit a report to the legislative council, in an electronic  
 30 format under IC 5-14-6, that sets forth the topics reviewed by the  
 31 task force and the task force's findings and recommendations.  
 32 (m) This SECTION expires June 30, 2025.  
 33 SECTION ~~2~~ [3]. [EFFECTIVE JULY 1, 2023] (a) There is  
 34 appropriated to the legislative council created by IC 2-5-1.1-1 from  
 35 the state general fund two hundred thousand dollars (\$200,000) for  
 36 the biennium beginning July 1, 2023, and ending June 30, 2025, for  
 37 the use of the state and local tax review task force, as added by this  
 38 act. The amount appropriated by this SECTION is allocated as  
 39 follows:  
 40 (1) One hundred thousand dollars (\$100,000) for the state  
 41 fiscal year beginning July 1, 2023, and ending June 30, 2024.  
 42 (2) One hundred thousand dollars (\$100,000) for the state

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1            **fiscal year beginning July 1, 2024, and ending June 30, 2025.**  
2            **Amounts appropriated by this SECTION must be used to pay the**  
3            **state and local tax review task force's expenses.**  
4            **(b) This SECTION expires July 1, 2025.**  
5            SECTION  [\[4\]](#). **An emergency is declared for this act.**

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