June 19, 2009

ENGROSSED
HOUSE BILL No. 1001(ss)

DIGEST OF HB1001 (Updated June 19, 2009 4:20 pm - DI 73)

Citations Affected: Numerous provisions throughout the Indiana Code.

Synopsis: Budget bill. Makes appropriations for the operation of state government and the delivery of Medicaid and other services. Authorizes capital projects. Specifies a school funding formula. Provides that certain funds distributed to state universities under the provisions of the American Recovery and Reinvestment Act of 2009 related to restoring state support for higher education shall be treated as a special, one-time distribution and 50% of the funds shall be used only for general repair and rehabilitation of facilities for instruction or research or for repair and rehabilitation of dormitories or other student housing. Specifies that the budget agency shall calculate whether tax collections for the state fiscal year ending June 30, 2010, exceed the May 27, 2009, adjusted state revenue forecast for that state fiscal year.

(Continued next page)

Effective: Upon passage; January 1, 2005 (retroactive); January 1, 2008 (retroactive); October 1, 2008, (retroactive); December 30, 2008 (retroactive); January 1, 2009 (retroactive); March 1, 2009 (retroactive); July 1, 2009; January 1, 2010; July 1, 2010.

Crawford, Pelath

(SENATE SPONSORS — KENLEY, BRODEN)

June 11, 2009, read first time and referred to Committee on Ways and Means.
June 15, 2009, amended, reported — Do Pass.
June 17, 2009, read second time, amended, ordered engrossed.
June 18, 2009, engrossed.
June 18, 2009, read third time, passed. Yeas 52, nays 48.

SENATE ACTION

June 19, 2009, read first time and referred to Committee on Appropriations.
June 19, 2009, amended, reported favorably — Do Pass.

Provides that if actual receipts for the state fiscal year ending June 30, 2010, exceed the adjusted state revenue forecast, 50% of the excess revenue is appropriated to the department of education (DOE) to be used as a special one time tuition support distribution. Specifies the maximum term for certain bonds and loans. Establishes the office of department of child services ombudsman within the department of administration. Provides that the ombudsman is appointed by the governor, serves at the pleasure of the governor, and may employ experts and other employees to carry out the duties of the office. Adds requirements concerning money available under the federal American Recovery and Reinvestment Act of 2009 (ARRA) for: (1) grants to local education agencies based on Title I of the Elementary and Secondary Education Act of 1965; and (2) special education funding. Provides that any special volume cap regarding bonds issued under a federal act providing the cap is in addition to the volume cap under Section 146 of the Internal Revenue Code. Authorizes a local unit issuing debt to provide for a repayment schedule that will result in the same or a lower amount of interest being paid on obligations that would be issued using nearly equal payment amounts. Establishes the green industries fund to provide grants and loans to Indiana manufacturers. Reallocates the cigarette tax revenue that is used to offset the employer health plan tax credit to a new state retiree health benefit trust fund. Reduces the annual contribution that must be made to the retirement medical benefits accounts for state employees by 10%. Requires a political subdivision to consult at least two purchasing cooperatives (if at least two purchasing cooperatives exist) if the purchase costs at least $50,000. Authorizes the department of administration (DOA) to adopt rules to regulate such purchases by political subdivisions. Provides that the DOA may establish written policies for such purchases by political subdivisions to ensure that political subdivisions secure the best available price and quality. Delays the beginning of the general reassessment until 2010. Eliminates the requirement that a property tax exemption application be filed every two years for certain property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes. Provides that a change in ownership of tangible property that continues to be used for an exempt purpose does not terminate an exemption. Changes the definition of "homestead" in the property tax law to include, for assessments after 2009, a deck attached to the dwelling, a patio adjacent to the dwelling, or a swimming pool or a gazebo assessed as real property that is located on the one (1) acre of real estate that is part of the homestead. Provides that if a notice of review of a property tax assessment is filed for an assessment that increased by more than 10% over the assessed value for the preceding assessment date, the assessor making the assessment has the burden of proving that the assessment is correct. Makes changes to the law governing referenda on bonds and leases for controlled projects. Changes deadlines for review of budgets, levies, and tax rates. Specifies that for the March 1, 2006, assessment date for property taxes first due and payable in 2007 in LaPorte County, the certified net assessed values submitted by the LaPorte County auditor to the department of local government finance is considered proper, valid, and legally sufficient for purposes of finalizing budgets, rates, and levies and shall serve as the basis for the 2007 reconciliation tax bill. Exempts public utility and governmental easement documents from the property sales disclosure filing requirement. Provides that for purposes of calculating whether a unit may be eligible for the levy appeal for assessed value growth, the amount of the supplemental standard deduction that applied for 2008 assessments is added back to

assessed value. Provides that levy limits do not apply to a civil taxing unit in the first year in which the civil taxing unit becomes a participating unit in a fire protection territory, but requires such a civil taxing unit to submit its proposed budget, proposed property tax levy, and proposed property tax rate for the fire protection territory to the department of local government finance (DLGF) for approval. Specifies that participating units in a fire protection territory may agree to change the provider unit of the territory. Eliminates the local government tax control board and the school property tax control board. Removes the expiration date for the county boards of tax adjustment. Allows the DLGF to specify trending values for an area if the county assessor is more than six months late in providing assessed values to the county auditor. Establishes procedures for determining the amount of a levy for a community mental health center or a community mental retardation and other developmental disabilities center that is exempt from levy limitations. Allows the assessment training and administration fund to be used for data base management expenses. Changes the tax increment replacement amount for a tax increment financing (TIF) district in Marion County so that the personal property increment may be used regarding obligations issued before May 8, 1989. Specifies when a mobile or manufactured home may be treated as inventory, and permits the waiver of property taxes on an abandoned mobile or manufactured home. Provides that a public utility company's tangible personal property that is locally assessed as fixed property is instead assessed as distributable property. Allows a taxing unit that experiences a property tax shortfall with respect to taxes payable in 2009 or 2010 resulting from the bankruptcy of a motor vehicle transmission manufacturer to obtain a loan from the rainy day fund. Makes changes to bring Indiana in conformance with the Streamlined Sales and Use Tax Agreement as amended through September 5, 2008. Updates the definition of "gross retail income" to coincide with the definition of "sales price". Provides relief for retail merchants if there is a change in the sales and use tax rate. Makes permanent the sourcing rule for floral deliveries providing that a sale is sourced to the location of the florist where the order originated when the sale involves one florist taking an order and transferring the order to another florist for delivery to the final recipient. Provides that the sale of Internet access service or certain ancillary telecommunication services are sourced to the customer's place of primary use. Updates references to the Internal Revenue Code and requires certain adjustments for the purposes of calculating adjusted gross income. Provides that a taxpayer is entitled to a state tax credit for a contribution to a scholarship granting organization. Provides that the contribution must be used by the scholarship granting organization in a scholarship program to provide scholarships to eligible students. Limits the total amount of tax credits that may be awarded to $5,000,000 in any state fiscal year. Extends the Hoosier business investment tax credit through 2013. For purposes of the tax credit for contributions to the college choice 529 education savings plan: (1) defines "contribution" to exclude rollovers from other 529 savings plans; and (2) excludes value added to the account through earnings of bonus points. Requires a county income tax council to hold at least one public meeting in each odd-numbered year at which the council discusses whether the county option income tax rate should be adjusted. Allows county option income tax revenue to be used to pay certain redevelopment bonds. Requires new retail merchants to file returns and remit sales tax electronically. Requires refiners, terminal operators, and qualified distributors to remit prepaid state gross retail taxes through the department's online tax filing system. Requires the

department of state revenue (DOR) to determine a new sales tax prepayment rate on gasoline every three months. Allows the DOR, subject to office of management and budget approval, to make a new prepayment rate determination if the price of gasoline has changed by at least 25% since the most recent determination. Uses 80% instead of 90% of the estimated tax liability in making the determination. Provides that an individual may claim a deduction for state income tax purposes for property taxes that: (1) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date; (2) are due after December 31, 2008; and (3) are paid in 2009 on or before the due date for the property taxes. Requires all new withholding tax registrants to file returns and remit the withholding taxes electronically through the department's online tax filing program. Includes vehicles that operate on biodiesel or ultra low sulfur diesel fuel for purposes of the Hoosier alternative fuel vehicle manufacturer income tax credit. Specifies that for research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under the existing calculation or under an alternative calculation providing the amount of the credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the preceding three years. Provides that after December 31, 2010, the DOR in cooperation with the DLGF and the budget agency shall provide data annually that: (1) identifies the total number of individual taxpayers that live within a particular incorporated city or town; (2) identifies the total individual adjusted gross income of those taxpayers; and (3) includes certain other information. Adds a definition of "pass through entity" to the income tax statutes. Provides that income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and attributed to Indiana as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity. Provides that if this change results in additional income of a taxpayer being subject to taxation in Indiana for taxable years beginning after December 31, 2004, and before January 1, 2009, the taxpayer is entitled to a credit against Indiana adjusted gross income taxes equal to the tax previously paid to any other state on that income. Provides that the state tax credit for media production expenditures may not be awarded for an expenditure made after June 30, 2009. Repeals the sales tax exemption for property acquired for direct use in a qualified media production. Allows the DOR to require a person who is paying outstanding gross retail tax or withholding tax liability using periodic payments to make the periodic payment by electronic funds transfer through an automatic withdrawal from the person's account at a financial institution. Amends the county adjusted gross income tax, county option income tax, and county economic development income tax statutes to provide that the budget agency (rather than the DOR) certifies the revenue distribution to counties. Makes changes concerning commercial motor vehicle excise tax distributions. Adds the utility receipts tax to the taxes for which a six year, rather than a three year, limit on assessment applies if gross receipts are understated by at least 25%. Makes various changes in tax procedure and administration, including changes concerning provisional property tax bills, appeals of assessments of certain industrial facilities, school assessment ratio studies, sales tax on gasoline, the sales tax exemption for leased aircraft, electronic filing; tax withholding, inheritance tax liens and interest accrual, notice of

revoked retail merchant certificates, motor fuel tax procedures, and DOR refunds. Makes various changes in tax law, including sales tax exemptions for certain equipment involved in providing video services or monitoring blood glucose, an income tax deduction for solar powered roof fans, income taxation of certain foreign real estate investment trusts, the coal gasification technology investment tax credit, gasoline tax relief for certain diverted shipments, certain off-road vehicles under the motor carrier fuel tax statute, and road tractors under the commercial vehicle excise tax. Permits the Marion County city-county council to increase: (1) the county supplemental auto rental excise tax by 2% (4% to 6%); (2) the county admissions tax by 4% (6% to 10%); and (3) the county innkeeper's tax by 1% (9% to 10%). Requires Marion County to adopt the increases before September 1, 2009. Reduces the number of appointments to the Marion County capital improvement board (CIB) by the county commissioners from two members to one members. Provides that the president pro tempore of the senate, the speaker of the house of representatives, and the governor shall each make one appointment to the CIB. Provides that the terms of the members of the capital improvement board expire January 15, 2010, and new members must be appointed to serve terms beginning January 15, 2010. Deposits the revenue from the county tax increases in a new sports and convention facilities operating fund for the CIB. Restricts the use of the new operating fund to paying usual and customary operating expenses with respect to capital improvements operated by the CIB. Allows for an addition to the Marion County professional sports development area to include the hotels in an area bounded by Washington, Illinois, and Maryland streets. Provides for state sales taxes and state and local income taxes from the additional area to be captured for the CIB up to $8,000,000 per year. Allows the captured taxes to be deposited in the new sports and convention facilities operating fund for the CIB if the budget director determines that the additional county excise taxes are in effect on January 1 of a year (September 1 for 2009). Requires the CIB to submit its operating and capital budget for review, approval, or rejection to the Marion County city-county council. Requires the CIB to present a long range financial plan to the city-county council before January 1, 2010. Requires the state board of accounts (SBOA) to do a financial and compliance audit annually of the CIB. Requires the CIB to submit the SBOA reports to the Marion County city-county council. Requires the Marion County city-county council to review the SBOA reports at a public hearing. Requires the city-county council to approve the issuance of revenue and general obligation bonds by the CIB. Removes the Marion County board of commissioners from the review and approval of general obligation bonds and adds a requirement for the mayor's approval. Makes corresponding changes. Permits the city of Westfield to impose an admissions tax for paid admissions to a family oriented sports and recreational complex in the city. Provides that the admissions tax rate is 5% of the price of admission. Exempts certain events. Specifies the uses of the tax revenue. Establishes the Ohio River bridges project commission. Allows money in a major bridge fund in Allen County to be used for construction and maintenance for other bridges and indicates that the county is responsible for maintaining bridges within the limits of a city in Allen County as long as the county levies a tax for the major bridge fund. Provides that the total gross weight with load of a vehicle or combination of vehicles transporting an ocean going container may not exceed 95,000 pounds. (The current weight limit may not exceed 90,000 pounds.) Extends the expiration date of the office of the

secretary of family and social services (FSSA), the office of Medicaid policy and planning, the statutes concerning directors of divisions within FSSA, and certain advisory committees under the FSSA statutes. Provides that the governor may direct the Indiana board of pharmacy to develop a prescription drug program that includes a standard format for an official tamper resistant prescription drug form for prescriptions. Provides that certain parental reimbursement obligation shall be paid directly to the department of child services and not to the local court clerk so long as the child in need of services case, juvenile delinquency case, or status offense case is open. Specifies certain requirements for contracts between the department of child services regarding collection of parental reimbursement amounts. Changes the membership of the statewide independent living council. Removes provisions limiting the health facilities subject to the quality assessment fee based on the health facility's Medicaid utilization rate and annual Medicaid revenue. Eliminates the exemption from the quality assessment fee for health facilities that receive only Medicare revenues. Provides an exemption for hospital based health facilities. Eliminates the role of the DOR in collecting quality assessment fees. Specifies the percentage distribution of money collected from the quality assessment depending on whether the state is receiving an adjusted federal medical assistance percentage by the federal American Recovery and Reinvestment Act of 2009. Extends the health facility quality assessment fee until August 1, 2011. Delays the implementation of fiscal year budgeting for school corporations. Repeals a provision requiring the calculation of a state average assessment ratio. Provides that a school corporation is to receive its proportionate share of any delinquent property taxes paid that are attributable to a year in which the school corporation did not receive 100% of its general fund distribution because of unpaid taxes. Provides that the state personnel department shall allow a school corporation to elect to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan. Provides that if school corporations does not elect to provide coverage of health care services under a state employee health plan and the cost to the school corporation is greater than the amount that would have been paid if the school corporation had elected coverage, then for contracts entered into or renewed after 2010 to provide coverage for health care services the school corporation's employees shall pay the difference and the school corporation may not pay the difference on behalf of the school corporation's employees. Provides that a charter school or conversion charter school that has received an advance for operational costs from the common school fund does not have to make principal or interest payments during the state fiscal years beginning July 1, 2009, and July 1, 2010. Provides that Senator David C. Ford educational technology fund may be used for a school technology program developed by the DOE. Provides that a charter school may receive technology funds. Amends the circuit breaker levy replacement grant for school corporations. Requires a school corporation to notify a teacher that the governing body will consider nonrenewal of the teacher's contract for the next school term before June 1 in an even-numbered year or the later of June 15 or the date a budget act is enacted by the general assembly in an odd-numbered year. Provides that a school corporation's expenditures from its capital projects fund for utility services or property or casualty insurance may not in 2010 and in 2011 exceed 3.5% of the school corporation's 2005 calendar year distribution. Requires a school corporation with an ADM on June 30, 2009, of less than 100 students to reorganize by consolidating with an adjacent

school corporation under the school consolidation provisions. Requires the DOE to develop a charter school facilities incentive grants program before January 1, 2010, using priority criteria set forth in federal law. Provides that the DOE shall establish a pilot program to provide funding for a statewide total of up to 1,000 students who attend virtual charter schools in the school year ending in 2010 and 2,000 students who attend virtual charter schools in the school year ending in 2011. Specifies that the pilot program shall focus on children who have medical disabilities or circumstances that prevent them from attending school or for whom a virtual charter school is a better alternative than a traditional school. Provides that the funding amount is the virtual charter school's ADM multiplied by 80% of the statewide average basic tuition support. Requires the DOE to adopt rules to govern the operation of virtual charter schools. Provides that the Brown County School Corporation is not required to make principal or interest payments during the state fiscal years beginning July 1, 2009, and July 1, 2010, on any loan received by the school corporation from the state rainy day fund. Provides that if a state educational institution sets tuition and mandatory fee rates higher than the nonbinding tuition and mandatory fee increase targets set by the commission for higher education, the state educational institution shall appear at a public meeting of the state budget committee. Increases the maximum amount of bonds that may be outstanding for a state educational institution's qualified energy savings projects from $10,000,000 to $15,000,000 per campus and requires the savings in excess of debt payments to be used to fund basic research for the Indiana Innovation Alliance. Provides that for purposes of the tuition and fee exemption for Purple Heart recipients: (1) an amount may be paid for a student's tuition and regularly assessed fees only to the extent that the student's tuition and regularly assessed fees exceed any nonstate tuition based gift aid (excluding federal Pell Grants); and (2) a student may not receive state aid from any source or fund for more than a total of eight semesters. Requires the department of workforce development to release certain data to the legislative services agency for the purpose of forecasting tax revenues. Restores language removed by HEA 1358-2009 concerning application of foreclosure proceeds to delinquent property taxes. Provides that the department of financial institutions may adopt emergency rules to provide for a system of licensing creditors and mortgage loan originators that meets the requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Specifies that a reference to a federal law in the Uniform Consumer Credit Code is a reference to the law in effect December 31, 2008. Specifies that a reference to a federal law or federal regulation in Title 28 of the Indiana Code is a reference to the law or regulation in effect December 31, 2008. Regulates fees imposed by a local firefighting unit. Allows townships to provide fire protection or emergency services within a municipality that lies at least in part in the township and does not have a full-time, paid fire department without contracts if both legislative bodies approve. (Current law requires a municipality to lie entirely within the township to permit the arrangement.) Allows an elected county, city, town, or township officer to waive some or all of the elected officer's compensation for any year. Repeals a statute that allows only an elected town officer to waive compensation. Allows a state elected official to waive some or all of the state officer's compensation for any year. Allows a political subdivision to borrow money from a financial institution for a public works project for ten (rather than six) years. Adds Wabash County to the counties that may annex noncontiguous property to be used as an industrial park.

Digest Continued

Authorizes a city in which a riverboat is docked or located or gambling games are located to enter into one or more agreements or leases with a school corporation or another public or private entity to provide for the construction or renovation of a school building that will be used by the school corporation. Provides that the state student assistance commission (SSACI) may transfer funds among freedom of choice awards, higher education awards, and twenty-first century awards to ensure maximum use of the funds and the awards. Allows local option income taxes for a levy freeze, public safety, or property tax relief to be adopted in 2009 at any time before November 1, 2009 (rather than before August 1, 2009). Legalizes the method used by the DLGF to reduce the 2009 maximum permissible ad valorem property tax levy of taxing units that paid benefits to members of the "old" police and firefighter pension funds. Extends the time in which certain nonprofit entities may file a property tax exemption application. Permits the balance of a county's family and children's fund or county's children's psychiatric residential treatment services fund to be transferred to the county rainy day fund. Permits St. Joseph County to use the balance of a county's family and children's fund or county's children's psychiatric residential treatment services fund for purposes other than property tax relief. Provides for two semiannual installments of revenue replacing homestead credits granted to taxpayers in 2009 and 2010. Allows borrowing by a fire protection district that was initially established in 2006, has experienced significant revenue shortfalls due to cumulative mathematical errors in the calculation of its maximum permissible property tax levies in 2007 and 2008, and may experience a significant revenue shortfall in 2009 and 2010 requiring the district to seek funds in addition to the amounts certified for the district's current budget to provide fire protection to district residents. Establishes a credit for property taxes payable in 2010 for homesteads owned by residential trusts that did not receive the standard deduction for taxes payable in 2009. Provides that the amount of the credit is the remainder of the 2009 taxes paid minus the tax liability that would have applied if the trust had been eligible for the standard deduction. Provides a refund of gross income taxes erroneously paid for 2003 and 2004 by a town if the town also paid the utilities receipts tax for the same year. Establishes the gaming study committee. Specifies certain study topics. Requires a report and any recommendations to be submitted to the legislative council before November 1, 2009. Requires the commission state tax and financing policy to study various topics. Requires the Indiana finance authority to study the mission, organization, and management structure of the I-Light Fiber Optic Network and submit a report to the governor and the legislative council. Requires the commission for higher education with the assistance of SSACI to study the funding of college scholarship programs provided by SSACI and the state's public universities. Establishes the criminal code evaluation commission. Requires the budget agency to review the costs of providing employee health, vision, and dental insurance for state employees and employees of school corporations and public universities. Makes other changes concerning taxation and state and local finance.

June 19, 2009

Special Session 116th General Assembly (2009)(ss)

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 2009 Regular Session of the General Assembly.

ENGROSSED
HOUSE BILL 1001(ss)

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:

SECTION 1. [EFFECTIVE JULY 1, 2009]

(a) The following definitions apply throughout this act:
(1) "Augmentation allowed" means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.
(2) "Biennium" means the period beginning July 1, 2009, and ending June 30, 2011. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2008-2009 fiscal year.
(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(6) "Federally qualified health center" means a community health center that is designated by the Health Resources Services Administration, Bureau of Primary Health Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated

Health Center Program authorization, including Community Health Center (330e), Migrant Health Center (330g), Health Care for the Homeless (330h), Public Housing Primary Care (330i), and School Based Health Centers (330).

(7) "Other operating expense" includes payments for "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds, and awards", "in-state travel", "out-of-state travel", and "equipment".

(8) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.

(9) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.

(10) "SSBG" means the Social Services Block Grant. This was formerly referred to as "Title XX".

(11) "State agency" means:

(A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;

(B) each hospital, penal institution, and other institutional enterprise of the state;

(C) the judicial department of the state; and

(D) the legislative department of the state.

However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.

(12) "State funded community health center" means a public or private not for profit (501(c)(3)) organization that provides comprehensive primary health care services to all age groups.

(13) "Total operating expense" includes payments for both "personal services" and "other operating expense".

(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. Advance payments shall be made by warrant by the auditor of state, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.

(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.

(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.

(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources

or a combination thereof. The money in the fund shall be used for the purpose designated by law as working capital. The fund at any time consists of the original appropriation thereto, if any, all receipts accrued to the fund, and all money withdrawn from the fund and invested or to be invested. The fund shall be kept intact by separate entries in the auditor of state's office, and no part thereof shall be used for any purpose other than the lawful purpose of the fund or revert to any other fund at any time. However, any unencumbered excess above any prescribed amount shall be transferred to the state general fund at the close of each fiscal year unless otherwise specified in the Indiana Code.

SECTION 2. [EFFECTIVE JULY 1, 2009]

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the following sums in SECTIONS 3 through 10 are appropriated for the periods of time designated from the general fund of the state of Indiana or other specifically designated funds.

In this act, whenever there is no specific fund or account designated, the appropriation is from the general fund.

SECTION 3. [EFFECTIVE JULY 1, 2009]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	**6,198,756**	**6,198,756**
HOUSE EXPENSES		
Total Operating Expense	**10,549,327**	**10,950,339**
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	**2,247,345**	**2,247,345**
SENATE EXPENSES		
Total Operating Expense	**10,413,712**	**11,812,594**

Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Except as provided below, this allowance is to be paid to each member of the general assembly for every day, including Sundays, during which the general assembly is convened in regular or special session, commencing with the day the session is officially convened and concluding with the day the session is adjourned sine die. However, after five (5) consecutive days of recess, the legislative business per diem allowance is to be made on an individual voucher basis until the recess concludes.

Members of the general assembly are entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per

diem allowance for each and every day engaged in official business.

The legislative business per diem allowance that each member of the general assembly is entitled to receive equals the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area. The legislative business per diem changes each time there is a change in that maximum daily amount.

In addition to the legislative business per diem allowance, each member of the general assembly shall receive the mileage allowance in an amount equal to the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service for each mile necessarily traveled from the member's usual place of residence to the state capitol. However, if the member traveled by a means other than by motor vehicle, and the member's usual place of residence is more than one hundred (100) miles from the state capitol, the member is entitled to reimbursement in an amount equal to the lowest air travel cost incurred in traveling from the usual place of residence to the state capitol. During the period the general assembly is convened in regular or special session, the mileage allowance shall be limited to one (1) round trip each week per member.

Any member of the general assembly who is appointed, by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or Indiana legislative council to serve on any research, study, or survey committee or commission, or who attends any meetings authorized or convened under the auspices of the Indiana legislative council, including pre-session conferences and federal-state relations conferences, is entitled, when authorized by the legislative council, to receive the legislative business per diem allowance for each day in actual attendance and is also entitled to a mileage allowance, at the rate specified above, for each mile necessarily traveled from the member's usual place of residence to the state capitol, or other in-state site of the committee, commission, or conference. The per diem allowance and the mileage allowance permitted under this paragraph shall be paid from the legislative council appropriation for legislator and lay member travel unless the member is attending an out-of-state meeting, as authorized by the speaker of the house of representatives or the president pro tempore of the senate, in which case the member is entitled to receive:
(1) the legislative business per diem allowance for each day the member is engaged in approved out-of-state travel; and
(2) reimbursement for traveling expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the legislative council.

Notwithstanding the provisions of this or any other statute, the legislative council may adopt, by resolution, travel policies and procedures that apply only to members of the general assembly or to the staffs of the house of representatives, senate, and legislative services agency, or both members and staffs. The legislative council may apply these travel policies and procedures to lay members serving on research, study, or survey committees or commissions that are under the jurisdiction of the legislative council. Notwithstanding any other law, rule, or policy, the state travel policies and procedures established by the Indiana department of administration and

approved by the budget agency do not apply to members of the general assembly, to the staffs of the house of representatives, senate, or legislative services agency, or to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council (if the legislative council applies its travel policies and procedures to lay members under the authority of this SECTION), except that, until the legislative council adopts travel policies and procedures, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency apply to members of the general assembly, to the staffs of the house of representatives, senate, and legislative services agency, and to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council. The executive director of the legislative services agency is responsible for the administration of travel policies and procedures adopted by the legislative council. The auditor of state shall approve and process claims for reimbursement of travel related expenses under this paragraph based upon the written affirmation of the speaker of the house of representatives, the president pro tempore of the senate, or the executive director of the legislative services agency that those claims comply with the travel policies and procedures adopted by the legislative council. If the funds appropriated for the house and senate expenses and legislative salaries are insufficient to pay all the necessary expenses incurred, including the cost of printing the journals of the house and senate, there is appropriated such further sums as may be necessary to pay such expenses.

LEGISLATORS' SUBSISTENCE		
LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**2,524,980**	**2,620,929**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**1,126,579**	**1,004,601**

Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

However, the subsistence allowance under subdivision (2) may not be paid with respect to any day after the first session day held in November and before the first session day held in January with respect to which all members of the general assembly are entitled to a legislative business per diem.

The subsistence allowance is payable from the appropriations for legislators' subsistence.

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, $7,000; assistant president pro tempore, $3,000; majority floor leader, $5,500; assistant majority floor leaders, $3,500; majority caucus chair, $5,500; assistant majority caucus chairs, $1,500;

appropriations committee chair, $5,500; tax and fiscal policy committee chair, $5,500; appropriations committee ranking majority member, $2,000; tax and fiscal policy committee ranking majority member, $2,000; majority whip, $4,000; assistant majority whip, $2,000; minority floor leader, $6,000; minority leader emeritus, $1,500; minority caucus chair, $5,000; minority assistant floor leader, $5,000; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip(s), $2,000; assistant minority caucus chair(s), $1,000; agriculture and small business committee chair, $1,000; commerce, public policy, and interstate cooperation committee chair, $1,000; corrections, criminal, and civil matters committee chair, $1,000; education and career development chair, $1,000; elections committee chair, $1,000; energy and environmental affairs committee chair, $1,000; pensions and labor committee chair, $1,000; health and provider services committee chair, $1,000; homeland security, transportation, and veterans affairs committee chair, $1,000; insurance and financial institutions committee chair, $1,000; judiciary committee chair, $1,000; local government committee chair, $1,000; utilities and technology committee chair, $1,000; and natural resources committee chair, $1,000. If an officer fills more than one (1) leadership position, the officer shall be paid for the higher paid position.

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $6,500; speaker pro tempore, $5,000; deputy speaker pro tempore, $1,500; majority leader, $5,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; ways and means committee chair, $5,000; ways and means committee ranking majority member, $3,000; ways and means committee, chairman of the education subcommittee, $1,500; speaker pro tempore emeritus, $1,500; budget subcommittee chair, $3,000; majority whip, $3,500; assistant majority whip, $1,000; assistant majority leader, $1,000; minority leader, $5,500; minority caucus chair, $4,500; ways and means committee ranking minority member, $3,500; minority whip, $2,500; assistant minority leader, $4,500; second assistant minority leader, $1,500; and deputy assistant minority leader, $1,000.

If the senate or house of representatives eliminates a committee or officer referenced in this SECTION and replaces the committee or officer with a new committee or position, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer. However, this does not permit any additional amounts to be paid under this SECTION for a replacement committee or officer than would have been spent for the eliminated committee or officer. If the senate or house of representatives creates a new additional committee or officer, or assigns additional duties to an existing officer, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer, or to adjust the annual payments made to the existing officer, in amounts determined by the legislative council.

If the funds appropriated for legislators' subsistence are insufficient to pay all the subsistence incurred, there are hereby appropriated such further sums as may be necessary to pay such subsistence.

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY

Total Operating Expense	**9,989,200**	**10,388,768**

LEGISLATOR AND LAY MEMBER TRAVEL

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**700,000**	**750,000**	

Included in the above appropriations for the legislative council and legislative services agency expenses are funds for usual and customary expenses associated with legislative services.

If the funds above appropriated for the legislative council and the legislative services agency and legislator and lay member travel are insufficient to pay all the necessary expenses incurred, there are hereby appropriated such further sums as may be necessary to pay those expenses.

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of $75 per day during the 2009-2011 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

LEGISLATIVE COUNCIL CONTINGENCY FUND			
Total Operating Expense			**225,000**

Disbursements from the fund may be made only for purposes approved by the chairman and vice chairman of the legislative council.

The legislative services agency shall charge the following fees, unless the legislative council sets these or other fees at different rates:

Annual subscription to the session document service for sessions ending in odd-numbered years: $900

Annual subscription to the session document service for sessions ending in even-numbered years: $500

Per page charge for copies of legislative documents: $0.15

Annual charge for interim calendar: $10

Daily charge for the journal of either house: $2

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PRINTING AND DISTRIBUTION			
Total Operating Expense	**939,400**	**975,000**	

The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 116th general assembly, the supplements to the Indiana Code for fiscal years 2009-2010 and 2010-2011, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES			
Other Operating Expense	**143,944**	**143,944**	
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES			
Other Operating Expense	**190,337**	**190,337**	
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES			
Other Operating Expense	**10,000**	**10,000**	
REAPPORTIONMENT SUPPORT AND SERVICES			
Total Operating Expense			**250,000**

FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**271,910**	**271,910**

B. JUDICIAL

FOR THE SUPREME COURT		
Personal Services	**7,564,269**	**7,564,269**
Other Operating Expense	**2,001,965**	**2,001,965**

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-38-5-8.

LOCAL JUDGES' SALARIES		
Personal Services	**57,146,053**	**57,146,053**
Other Operating Expense	**39,000**	**39,000**
COUNTY PROSECUTORS' SALARIES		
Personal Services	**24,785,126**	**24,785,126**
Other Operating Expense	**31,000**	**31,000**

The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-39-6-5 and that are to be paid from the state general fund.

In addition to the appropriations for local judges' salaries and for county prosecutors' salaries, there are hereby appropriated for personal services the amounts that the

state is required to pay for salary changes or for additional courts created by the 116th general assembly.

TRIAL COURT OPERATIONS		
Total Operating Expense	**596,075**	**596,075**
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY		
Total Operating Expense	**778,750**	**778,750**

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.

PUBLIC DEFENDER COMMISSION		
Total Operating Expense	**12,850,000**	**12,850,000**

The above appropriation is made in addition to the distribution authorized by IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services provided to a defendant. The division of state court administration of the supreme court of Indiana shall provide staff support to the commission and shall administer the public defense fund. The administrative costs may come from the public defense fund. Any balance in the public defense fund is appropriated to the public defender commission.

GUARDIAN AD LITEM		
Total Operating Expense	**2,970,248**	**2,970,248**

The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special advocate program for children who are alleged to be victims of child abuse or neglect under IC 31-33 and to administer the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 to be used for the operation of guardian ad litem and court appointed special advocate programs. The county fiscal body shall appropriate adequate funds for the county to be eligible for these matching funds.

CIVIL LEGAL AID		
Total Operating Expense	**1,500,000**	**1,500,000**

The above funds include the appropriation provided in IC 33-24-12-7.

SPECIAL JUDGES - COUNTY COURTS		
Personal Services	**15,000**	**15,000**
Other Operating Expense	**134,000**	**134,000**

If the funds appropriated above for special judges of county courts are insufficient to pay all of the necessary expenses that the state is required to pay under IC 34-35-1-4, there are hereby appropriated such further sums as may be necessary to pay these expenses.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
COMMISSION ON RACE AND GENDER FAIRNESS			
Total Operating Expense	**380,996**	**380,996**	
FOR THE COURT OF APPEALS			
Personal Services	**9,141,271**	**9,141,271**	
Other Operating Expense	**1,025,470**	**1,025,470**	

The above appropriations for the court of appeals personal services include the subsistence allowance provided by IC 33-38-5-8.

FOR THE TAX COURT			
Personal Services	**549,418**	**549,418**	
Other Operating Expense	**123,595**	**123,595**	
FOR THE JUDICIAL CENTER			
Personal Services	**1,680,763**	**1,680,763**	
Other Operating Expense	**1,140,419**	**1,140,419**	

The above appropriations for the judicial center include the appropriations for the judicial conference.

DRUG AND ALCOHOL PROGRAMS FUND			
Total Operating Expense	**100,000**	**100,000**	

The above funds are appropriated notwithstanding the distribution under IC 33-37-7-9 for the purpose of administering, certifying, and supporting alcohol and drug services programs under IC 12-23-14. However, if additional funds are needed to carry out the purpose of the program, existing revenues in the fund may be allotted.

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION			
Total Operating Expense	**200,000**	**200,000**	
FOR THE PUBLIC DEFENDER			
Personal Services	**5,679,783**	**5,679,783**	
Other Operating Expense	**985,133**	**985,133**	
FOR THE PUBLIC DEFENDER COUNCIL			
Personal Services	**943,769**	**943,769**	
Other Operating Expense	**420,328**	**420,328**	
FOR THE PROSECUTING ATTORNEYS' COUNCIL			
Personal Services	**638,099**	**638,099**	
Other Operating Expense	**577,177**	**577,177**	
DRUG PROSECUTION			
Drug Prosecution Fund (IC 33-39-8-6)			
Total Operating Expense	**79,000**	**109,000**	
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			
JUDGES' RETIREMENT FUND			
Other Operating Expense	**11,474,961**	**12,048,709**	
PROSECUTORS' RETIREMENT FUND			
Other Operating Expense	**170,000**	**170,000**	

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE			
Personal Services	**1,902,269**	**1,902,269**	
Other Operating Expense	**153,976**	**153,976**	
GOVERNOR'S RESIDENCE			
Total Operating Expense	**136,858**	**136,858**	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			**153,358**

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	**265,205**	**265,205**	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	**242,500**	**242,500**	
FOR THE LIEUTENANT GOVERNOR			
Personal Services	**1,725,210**	**1,725,210**	
Other Operating Expense	**550,115**	**550,115**	
CONTINGENCY FUND			
Total Operating Expense			**12,388**

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

FOR THE SECRETARY OF STATE			
ADMINISTRATION			
Personal Services	**2,197,658**	**2,197,658**	
Other Operating Expense	**150,500**	**150,500**	

FOR THE ATTORNEY GENERAL

ATTORNEY GENERAL

From the General Fund

	15,128,969	**15,128,969**

From the Motor Vehicle Odometer Fund (IC 9-29-1-5)

	90,000	**90,000**

Augmentation allowed.

From the Medicaid Fraud Control Unit Fund (IC 4-6-10-1)

	542,447	**542,447**

Augmentation allowed.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

From the Victims' Assistance Address Confidentiality Fund (IC 5-26.5-3-6)

	59,929	59,929

Augmentation allowed.

From the Real Estate Appraiser Investigative Fund (IC 25-34.1-8-7.5)

	64,230	64,230

Augmentation allowed.

From the Non-Consumer Settlements Fund

	116,678	116,678

Augmentation allowed.

From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

	494,467	494,467

Augmentation allowed.

From the Abandoned Property Fund (IC 32-34-1-33)

	318,968	318,968

Augmentation allowed.

The amounts specified from the General Fund, motor vehicle odometer fund, medicaid fraud control unit fund, victims' assistance address confidentiality fund, non-consumer settlements fund, real estate appraiser investigative fund, tobacco master settlement fund, and abandoned property fund are for the following purposes:

Personal Services	15,690,686	15,690,686
Other Operating Expense	1,125,002	1,125,002
HOMEOWNER PROTECTION UNIT		
Homeowner Protection Unit Account (IC 4-6-12-9)		
Total Operating Expense	422,000	422,000
MEDICAID FRAUD UNIT		
Total Operating Expense	829,789	829,789

The above appropriations to the Medicaid fraud unit are the state's matching share of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C. 1396b(q). Augmentation allowed from collections.

UNCLAIMED PROPERTY		
Abandoned Property Fund (IC 32-34-1-33)		
Personal Services	1,347,951	1,347,951
Other Operating Expense	3,163,434	3,163,434

Augmentation allowed.

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE		
Personal Services	4,587,218	4,587,218
Other Operating Expense	1,388,632	1,388,632
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	140,246	140,246

The above appropriations for governors' and governors' surviving spouses' pensions

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

are made under IC 4-3-3.

FOR THE STATE BOARD OF ACCOUNTS

Personal Services	**20,581,483**	**20,581,483**
Other Operating Expense	**1,178,717**	**1,178,717**

FOR THE STATE BUDGET COMMITTEE

Total Operating Expense	**54,126**	**54,126**

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

FOR THE OFFICE OF MANAGEMENT AND BUDGET

Personal Services	**1,000,227**	**1,000,227**
Other Operating Expense	**153,095**	**153,095**

FOR THE STATE BUDGET AGENCY

Personal Services	**2,729,047**	**2,729,047**
Other Operating Expense	**639,093**	**639,093**

DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND

Total Operating Expense	**2,000,000**

The foregoing departmental and institutional emergency contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor. These allocations may be made upon written request of proper officials, showing that contingencies exist that require additional funds for meeting necessary expenses. The budget committee shall be advised of each transfer request and allotment.

OUTSIDE BILL CONTINGENCY

Total Operating Expense	**9,354,228**

PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND

Total Operating Expense	**55,625,000**

The foregoing personal services/fringe benefits contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor.

The foregoing personal services/fringe benefits contingency fund appropriation may be used only for salary increases, fringe benefit increases, an employee leave conversion program, or a state retiree health program for state employees and may not be used for any other purpose.

The foregoing personal services/fringe benefits contingency fund appropriation does

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

not revert at the end of the biennium but remains in the personal services/fringe benefits contingency fund.

RETIREE HEALTH BENEFIT TRUST FUND
Retiree Health Benefit Trust Fund (IC 5-10-8-8.5)
Total Operating Expense — **54,000,000**
Augmentation Allowed.

The foregoing appropriation for the retiree health plan:

(1) is to fund employer contributions and benefits provided under IC 5-10-8.5;
(2) does not revert at the end of any state fiscal year but remains available for the purposes of the appropriation in subsequent state fiscal years; and
(3) is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12 or any other law.

The budget agency may transfer appropriations from federal or dedicated funds to the trust fund to accrue funds to pay benefits to employees that are not paid from the general fund.

COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE
Total Operating Expense — **77,000,000**
Augmentation Allowed.

SCHOOL AND LIBRARY INTERNET CONNECTION (IC 4-34-3-2)
Build Indiana Fund (IC 4-30-17)
Total Operating Expense — **2,800,000** — **2,800,000**

Of the foregoing appropriations, $1,800,000 each year shall be used for schools under IC 4-34-3-4, and $1,000,000 each year shall be used for libraries under IC 4-34-3-2.

INSPIRE (IC 4-34-3-2)
Build Indiana Fund (IC 4-30-17)
Other Operating Expense — **3,000,000**
COMMUNITY DEVELOPMENT MATCHING GRANTS
Other Operating Expense — **2,000,000**

The foregoing appropriation shall be used to match a grant from a foundation for community development. The budget agency may release the funds after review by the budget committee if the budget agency determines there is a significant investment from the foundation.

FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND
PUBLIC SAFETY PENSION
Total Operating Expense — **96,000,000** — **112,000,000**
Augmentation Allowed.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

FOR THE TREASURER OF STATE

Personal Services	**817,630**	**817,630**
Other Operating Expense	**52,476**	**52,476**

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the state student assistance commission shall cooperate and provide to the Indiana education savings authority the following:

(1) Clerical and professional staff and related support.

(2) Office space and services.

(3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE

COLLECTION AND ADMINISTRATION

From the General Fund

48,831,936 48,831,936

From the Motor Carrier Regulation Fund (IC 8-2.1-23)

794,261 794,261

From the Motor Vehicle Highway Account (IC 8-14-1)

2,449,434 2,449,434

Augmentation allowed from the Motor Carrier Regulation Fund and the Motor Vehicle Highway Account.

The amounts specified from the General Fund, Motor Carrier Regulation Fund, and the Motor Vehicle Highway Account are for the following purposes:

Personal Services	**37,103,377**	**37,103,377**
Other Operating Expense	**14,972,254**	**14,972,254**

With the approval of the governor and the budget agency, the department shall annually reimburse the state general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department of state revenue from taxes and fees.

OUTSIDE COLLECTIONS

Total Operating Expense	**4,500,000**	**4,500,000**

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue's outside collections may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

MOTOR CARRIER REGULATION

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Motor Carrier Regulation Fund (IC 8-2.1-23)			
Personal Services	**1,744,843**	**1,744,843**	
Other Operating Expense	**3,797,857**	**3,797,857**	
Augmentation allowed from the Motor Carrier Regulation Fund.			
MOTOR FUEL TAX DIVISION			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**7,041,830**	**7,041,830**	
Other Operating Expense	**2,561,625**	**2,561,625**	
Augmentation allowed from the Motor Vehicle Highway Account.			

In addition to the foregoing appropriations, there is hereby appropriated to the department of revenue motor fuel tax division an amount sufficient to pay claims for refunds on license-fee-exempt motor vehicle fuel as provided by law. The sums above appropriated from the motor vehicle highway account for the operation of the motor fuel tax division, together with all refunds for license-fee-exempt motor vehicle fuel, shall be paid from the receipts of those license fees before they are distributed as provided by IC 6-6-1.1.

FOR THE INDIANA GAMING COMMISSION

From the State Gaming Fund (IC 4-33-13-3)			
	3,501,183	**3,501,183**	
From the Gaming Investigations Fund (IC 4-33-4.5)			
	600,000	**600,000**	

The amounts specified from the state gaming fund and gaming investigations are for the following purposes:

Personal Services	**3,288,542**	**3,288,542**	
Other Operating Expense	**812,641**	**812,641**	

The foregoing appropriations to the Indiana gaming commission are made from revenues accruing to the state gaming fund under IC 4-33-13-3 before any distribution is made under IC 4-33-13-5.

Augmentation allowed.

The foregoing appropriations to the Indiana gaming commission are made instead of the appropriation made in IC 4-33-13-4.

FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH

Personal Services	**120,394**	**120,394**	
Other Operating Expense	**104,312**	**104,312**	
Augmentation allowed from fees accruing under IC 4-33-18-8.			

FOR THE INDIANA HORSE RACING COMMISSION

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)			
Personal Services	**2,126,562**	**2,126,562**	
Other Operating Expense	**627,890**	**627,890**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

The foregoing appropriations to the Indiana horse racing commission are made from revenues accruing to the Indiana horse racing commission before any distribution is made under IC 4-31-9.

Augmentation allowed.

STANDARDBRED ADVISORY BOARD

Standardbred Horse Fund (IC 15-19-2-10)

Total Operating Expense	**193,500**	**193,500**

The foregoing appropriations to the standardbred advisory board are made from revenues accruing to the Indiana horse racing commission before any distribution is made under IC 4-31-9.

Augmentation allowed.

STANDARDBRED BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**4,049,719**	**4,049,719**

Augmentation allowed.

THOROUGHBRED BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**2,904,012**	**2,904,012**

Augmentation allowed.

QUARTER HORSE BREED DEVELOPMENT

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**228,896**	**228,896**

Augmentation allowed.

FINGERPRINT FEES

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)

Total Operating Expense	**52,110**	**52,110**

Augmentation allowed.

GAMING INTEGRITY FUND - IHRC

Gaming Integrity Fund - IHRC (IC 4-35-8.7-3)

Total Operating Expense	**500,000**	**500,000**

Augmentation allowed.

FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE

Personal Services	**3,927,361**	**3,926,359**
Other Operating Expense	**722,957**	**722,957**

From the above appropriations for the department of local government finance, travel subsistence and mileage allowances may be paid for members of the local government tax control board created by IC 6-1.1-18.5-11 and the state school property tax control board created by IC 6-1.1-19-4.1, under state travel regulations.

DISTRESSED UNIT APPEAL BOARD

Total Operating Expense	**20,600**	**20,600**

FOR THE INDIANA BOARD OF TAX REVIEW

Personal Services	**1,209,019**	**1,209,019**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Other Operating Expense	**63,510**	**63,510**	

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION

Personal Services	**11,562,865**	**11,562,865**	
Other Operating Expense	**14,718,815**	**14,718,815**	

FOR THE STATE PERSONNEL DEPARTMENT

Personal Services	**3,405,686**	**3,405,686**	
Other Operating Expense	**320,200**	**320,200**	

The department may establish an internal service fund to perform the functions of the department.

FOR THE STATE EMPLOYEES APPEALS COMMISSION

Personal Services	**169,653**	**169,653**	
Other Operating Expense	**10,086**	**10,086**	

FOR THE OFFICE OF TECHNOLOGY

Pay Phone Fund (IC 5-22-23-7)

Total Operating Expense	**1,900,000**	**1,900,000**	

Augmentation allowed.

The pay phone fund is established for the procurement of hardware, software, and related equipment and services needed to expand and enhance the state campus backbone and other central information technology initiatives. Such procurements may include, but are not limited to, wiring and rewiring of state offices, Internet services, video conferencing, telecommunications, application software, and related services. The fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS

Personal Services	**1,325,220**	**1,325,220**	
Other Operating Expense	**141,446**	**141,446**	

FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR

Personal Services	**153,041**	**153,041**	
Other Operating Expense	**3,688**	**3,688**	

FOR THE OFFICE OF FEDERAL GRANTS AND PROCUREMENT

Total Operating Expense	**95,039**	**95,039**	

G. OTHER

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE COMMISSION ON UNIFORM STATE LAWS			
Total Operating Expense	**43,584**	**43,584**	
FOR THE OFFICE OF INSPECTOR GENERAL			
Personal Services	**1,212,488**	**1,212,488**	
Other Operating Expense	**229,383**	**229,383**	
STATE ETHICS COMMISSION			
Personal Services	**2,668**	**2,668**	
Other Operating Expense	**6,297**	**6,297**	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	**701,510**	**701,510**	
Other Operating Expense	**196,242**	**196,242**	
VOTER LIST MAINTENANCE			
Total Operating Expense	**512,500**	**512,500**	
H. COMMUNITY SERVICES			
FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES			
Personal Services	**240,327**	**240,327**	
Other Operating Expense	**50,225**	**50,225**	

SECTION 4. [EFFECTIVE JULY 1, 2009]

PUBLIC SAFETY			
A. CORRECTION			
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	**9,376,633**	**9,376,633**	
Other Operating Expense	**6,158,981**	**6,158,981**	
ESCAPEE COUNSEL AND TRIAL EXPENSE			
Other Operating Expense	**198,000**	**198,000**	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	**4,281,101**	**4,281,101**	
ADULT CONTRACT BEDS			
Total Operating Expense	**2,831,443**	**2,831,443**	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	**1,084,457**	**1,084,457**	
Other Operating Expense	**132,885**	**132,885**	
PAROLE DIVISION			
Personal Services	**8,337,627**	**8,337,627**	
Other Operating Expense	**905,405**	**905,405**	
PAROLE BOARD			
Personal Services	**657,976**	**657,976**	
Other Operating Expense	**23,741**	**23,741**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
INFORMATION MANAGEMENT SERVICES			
Personal Services	**1,048,752**	**1,048,752**	
Other Operating Expense	**432,534**	**432,534**	
JUVENILE TRANSITION			
Personal Services	**662,692**	**662,692**	
Other Operating Expense	**908,545**	**908,545**	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense	**34,018,114**	**34,018,114**	

The above appropriation for community corrections programs is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12 or any other law.

Notwithstanding IC 4-13-2-19 and any other law, the above appropriation for community corrections programs does not revert to the general fund or another fund at the close of a state fiscal year but remains available in subsequent state fiscal years for the purposes of the appropriation.

DRUG PREVENTION AND OFFENDER TRANSITION			
Total Operating Expense	**206,824**	**206,824**	

The above appropriation shall be used for minimum security release programs, transition programs, mentoring programs, and supervision of and assistance to adult and juvenile offenders to promote the successful integration of the offender into the community.

CENTRAL EMERGENCY RESPONSE			
Personal Services	**1,159,005**	**1,159,005**	
Other Operating Expense	**120,174**	**120,174**	
MEDICAL SERVICES			
Other Operating Expense	**76,130,153**	**86,032,783**	

The above appropriations for medical services shall be used only for services that are determined to be medically necessary.

DRUG ABUSE PREVENTION			
Drug Abuse Fund (IC 11-8-2-11)			
Personal Services	**740,000**	**740,000**	
Other Operating Expense	**2,600**	**2,600**	
Augmentation allowed.			
COUNTY JAIL MAINTENANCE CONTINGENCY FUND			
Other Operating Expense	**20,000,000**	**20,000,000**	

Disbursements from the fund shall be made for the purpose of reimbursing sheriffs for the cost of incarcerating in county jails persons convicted of felonies to the extent that such persons are incarcerated for more than five (5) days after the day of sentencing, at the rate of $35 per day. In addition to the per diem, the state shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary medical care to the convicted persons. However, if the sheriff or county

receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

FOOD SERVICES		
Total Operating Expense	**36,652,458**	**40,281,856**

FOR THE STATE BUDGET AGENCY

MEDICAL SERVICE PAYMENTS		
Total Operating Expense	**25,000,000**	**25,000,000**

These appropriations for medical service payments are made to pay for services determined to be medically necessary for committed individuals, patients and students of institutions under the jurisdiction of the department of correction, the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, or the division of aging if the services are provided outside these institutions. These appropriations may not be used for payments for medical services that are covered by IC 12-16 unless these services have been approved under IC 12-16. These appropriations shall not be used for payment for medical services which are payable from an appropriation in this act for the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, the division of aging, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations are insufficient to make these medical service payments, there is hereby appropriated such further sums as may be necessary.

Direct disbursements from the above contingency fund are not subject to the provisions of IC 4-13-2.

FOR THE DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU		
Personal Services	**134,554**	**134,554**
Other Operating Expense	**7,328**	**7,328**

FOR THE DEPARTMENT OF CORRECTION

INDIANA STATE PRISON		
Personal Services	**32,867,370**	**32,867,370**
Other Operating Expense	**6,751,252**	**6,751,252**
PENDLETON CORRECTIONAL FACILITY		
Personal Services	**27,299,395**	**27,299,395**
Other Operating Expense	**7,070,626**	**7,070,626**
CORRECTIONAL INDUSTRIAL FACILITY		
Personal Services	**20,245,770**	**20,245,770**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Other Operating Expense	**997,243**	**997,243**	
INDIANA WOMEN'S PRISON			
Personal Services	**8,612,523**	**8,612,523**	
Other Operating Expense	**1,059,099**	**1,059,099**	
PUTNAMVILLE CORRECTIONAL FACILITY			
Personal Services	**30,333,741**	**30,333,741**	
Other Operating Expense	**4,329,691**	**4,329,691**	
WABASH VALLEY CORRECTIONAL FACILITY			
Personal Services	**35,452,554**	**35,452,554**	
Other Operating Expense	**5,409,888**	**5,409,888**	
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Personal Services	**7,055,354**	**7,055,354**	
Other Operating Expense	**3,235,412**	**3,235,412**	
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Personal Services	**10,906,670**	**10,906,670**	
Other Operating Expense	**1,090,070**	**1,090,070**	
BRANCHVILLE CORRECTIONAL FACILITY			
Personal Services	**16,560,275**	**16,560,275**	
Other Operating Expense	**2,361,080**	**2,361,080**	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	**42,786,893**	**42,786,893**	
Other Operating Expense	**5,980,703**	**5,980,703**	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	**14,998,655**	**14,998,655**	
Other Operating Expense	**1,927,015**	**1,927,015**	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	**22,950,007**	**22,950,007**	
Other Operating Expense	**2,619,303**	**2,619,303**	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	**11,799,385**	**11,799,385**	
Other Operating Expense	**695,865**	**695,865**	
MIAMI CORRECTIONAL FACILITY			
Personal Services	**28,891,409**	**28,891,409**	
Other Operating Expense	**5,231,704**	**5,231,704**	
NEW CASTLE CORRECTIONAL FACILITY			
Other Operating Expense	**31,587,079**	**32,328,736**	
SOCIAL SERVICES BLOCK GRANT			
General Fund			
Total Operating Expense	**5,029,318**	**5,029,318**	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
Total Operating Expense	**1,328,704**	**1,328,704**	
Augmentation allowed from Work Release - Study Release Special Revenue Fund and Social Services Block Grant.			
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	**2,355,124**	**2,355,124**	
Other Operating Expense	**271,599**	**271,599**	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Personal Services	**1,743,782**	**1,743,782**	
Other Operating Expense	**261,355**	**261,355**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
MADISON CORRECTIONAL FACILITY			
Personal Services	**4,835,168**	**4,835,168**	
Other Operating Expense	**962,558**	**962,558**	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	**3,614,415**	**3,614,415**	
Other Operating Expense	**388,295**	**388,295**	
SOUTH BEND JUVENILE CORRECTIONAL FACILITY			
Personal Services	**4,739,483**	**4,739,483**	
Other Operating Expense	**2,826,481**	**2,826,481**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Personal Services	**9,213,446**	**9,213,446**	
Other Operating Expense	**1,243,603**	**1,243,603**	
CAMP SUMMIT			
Personal Services	**2,258,110**	**2,258,110**	
Other Operating Expense	**217,833**	**217,833**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	**15,807,771**	**15,807,771**	
Other Operating Expense	**1,633,941**	**1,633,941**	

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION

From the General Fund

45,469,876 45,469,876

From the Motor Vehicle Highway Account (IC 8-14-1)

79,313,933 79,313,933

From the Motor Carrier Regulation Fund (IC 8-2.1-23)

4,391,978 4,391,978

Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund are for the following purposes:

Personal Services	**115,028,075**	**115,028,075**
Other Operating Expense	**14,147,712**	**14,147,712**

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program.

The foregoing appropriations for the Indiana state police and motor carrier inspection include funds for the police security detail to be provided to the Indiana state fair board. However, amounts actually expended to provide security for the Indiana state fair board as determined by the budget agency shall be reimbursed by the Indiana state fair board to the state general fund.

ODOMETER FRAUD INVESTIGATION

Motor Vehicle Odometer Fund (IC 9-29-1-5)

Total Operating Expense	**25,000**	**25,000**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Augmentation allowed.

STATE POLICE TRAINING

State Police Training Fund (IC 5-2-8-5)

Total Operating Expense	**502,875**	**502,875**

Augmentation allowed.

FORENSIC AND HEALTH SCIENCES LABORATORIES

From the General Fund

	3,888,671	**3,888,671**

From the Motor Carrier Regulation Fund (IC 8-2.1-23)

	375,611	**375,611**

From the Motor Vehicle Highway Account (IC 8-14-1)

	6,783,078	**6,783,078**

Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund are for the following purposes:

Personal Services	**10,572,562**	**10,572,562**
Other Operating Expense	**474,798**	**474,798**

ENFORCEMENT AID

General Fund

Total Operating Expense	**40,000**	**40,000**

Motor Vehicle Highway Account (IC 8-14-1)

Total Operating Expense	**40,000**	**40,000**

The above appropriations for enforcement aid are to meet unforeseen emergencies of a confidential nature. They are to be expended under the direction of the superintendent and to be accounted for solely on the superintendent's authority.

PENSION FUND

General Fund

Total Operating Expense	**4,736,247**	**4,736,247**

Motor Vehicle Highway Account (IC 8-14-1)

Total Operating Expense	**4,736,246**	**4,736,246**

The above appropriations shall be paid into the state police pension fund provided for in IC 10-12-2 in twelve (12) equal installments on or before July 30 and on or before the 30th of each succeeding month thereafter.

BENEFIT FUND

General Fund

Total Operating Expense	**1,713,151**	**1,713,151**

Augmentation allowed.

Motor Vehicle Highway Account (IC 8-14-1)

Total Operating Expense	**1,713,151**	**1,713,151**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Augmentation allowed.

All benefits to members shall be paid by warrant drawn on the treasurer of state by the auditor of state on the basis of claims filed and approved by the trustees of the state police pension and benefit funds created by IC 10-12-2.

SUPPLEMENTAL PENSION		
General Fund		
Total Operating Expense	**1,900,753**	**1,900,753**
Augmentation allowed.		
Motor Vehicle Highway Account (IC 8-14-1)		
Total Operating Expense	**1,900,753**	**1,900,753**
Augmentation allowed.		

If the above appropriations for supplemental pension for any one (1) year are greater than the amount actually required under the provisions of IC 10-12-5, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-12-5 is greater than the above appropriations, then, with the approval of the governor and the budget agency, those sums may be augmented from the general fund and the motor vehicle highway account.

ACCIDENT REPORTING		
Accident Report Account (IC 9-29-11-1)		
Total Operating Expense	**30,000**	**30,000**
Augmentation allowed.		
DRUG INTERDICTION		
Drug Interdiction Fund (IC 10-11-7)		
Total Operating Expense	**273,420**	**273,420**
Augmentation allowed.		
DNA SAMPLE PROCESSING FUND		
DNA Sample Processing Fund (IC 10-13-6-9.5)		
Total Operating Expense	**1,327,777**	**1,327,777**
Augmentation allowed.		
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION		
PROJECT SAFE-T		
Integrated Public Safety Communications Fund (IC 5-26-4-1)		
Total Operating Expense	**13,000,000**	**13,000,000**
Augmentation allowed.		
FOR THE ADJUTANT GENERAL		
CAMP ATTERBURY MUSCATATUCK CENTER FOR COMPLEX OPERATIONS		
Personal Services	**653,456**	**653,456**
Other Operating Expense	**362,134**	**362,134**
ADJUTANT GENERAL FEDERAL COOP AGREEMENT		
Total Operating Expense	**9,653,699**	**9,653,699**
BAER FIELD FEDERAL COOP AGREEMENT		
Total Operating Expense	**370,161**	**370,161**
HULMAN FIELD FEDERAL COOP AGREEMENT		

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**306,453**	**306,453**	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	**1**	**1**	
Augmentation allowed.			
MUTC - MUSCATATUCK URBAN TRAINING CENTER			
Total Operating Expense	**1,386,906**	**1,386,906**	
HOOSIER YOUTH CHALLENGE ACADEMY			
Total Operating Expense	**1,148,948**	**1,800,000**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**288,672**

The above appropriations for the governor's civil and military contingency fund are made under IC 10-16-11-1.

FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMINISTRATIVE MATCH			
Total Operating Expense	**427,253**	**427,253**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**1,571,760**	**1,571,760**	
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	**629,689**	**629,689**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**348,211**	**348,211**	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	**526,585**	**526,585**	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	**1,247,756**	**1,247,756**	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	**764,397**	**764,397**	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $1,262,153 is appropriated annually to provide grants to school corporations for school safe haven programs, emergency preparedness programs, and school safety programs, and $750,000 is appropriated annually for use in providing training to school safety specialists.

CHILD RESTRAINT SYSTEM FUND			
Total Operating Expense	**100,000**	**100,000**	
COMMUNITY DRIVER TRAINING SCHOOLS & INSTRUCTION			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**63,359**	**63,359**	
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
OFFICE OF TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**575,778**	**575,778**	
Other Operating Expense	**13,211,355**	**13,211,355**	
Augmentation allowed.			

The above appropriation for the office of traffic safety is from the motor vehicle highway account and may be used to fund traffic safety projects that are included in a current highway safety plan approved by the governor and the budget agency. The department shall apply to the national highway traffic safety administration for reimbursement of all eligible project costs. Any federal reimbursement received by the department for the highway safety plan shall be deposited into the motor vehicle highway account.

SEXUAL ASSAULT VICTIMS' ASSISTANCE			
Sexual Assault Victims' Assistance Account (IC 5-2-6-23(h))			
Total Operating Expense	**49,000**	**49,000**	

Augmentation allowed. The full amount of the above appropriations shall be distributed to rape crisis centers in Indiana without any deduction of personal services or other operating expenses of any state agency.

VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**112,122**	**112,122**	
Other Operating Expense	**2,407,402**	**2,407,402**	
Augmentation allowed.			
DOMESTIC VIOLENCE PREVENTION AND TREATMENT			
General Fund			
Total Operating Expense	**1,734,014**	**1,734,014**	
Domestic Violence Prevention and Treatment Fund (IC 12-18-4)			
Total Operating Expense	**1,115,590**	**1,115,590**	
Augmentation allowed.			
FOR THE CORONERS' TRAINING BOARD			
Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)			
Total Operating Expense	**361,229**	**361,229**	
Augmentation allowed.			
FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund			
	2,190,933	**2,190,933**	
From the Law Enforcement Training Fund (IC 5-2-1-13(b))			
	2,220,048	**2,220,048**	
Augmentation allowed from the Law Enforcement Training Fund.			

The amounts specified from the General Fund and the Law Enforcement Training Fund are for the following purposes:

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**3,608,441**	**3,608,441**	
Other Operating Expense	**802,540**	**802,540**	

C. REGULATORY AND LICENSING

FOR THE BUREAU OF MOTOR VEHICLES

Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**17,446,403**	**17,446,403**	
Other Operating Expense	**13,493,000**	**13,493,000**	
Augmentation allowed.			
LICENSE PLATES			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**5,600,000**	**5,600,000**	
Augmentation allowed.			
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	**6,571,932**	**6,571,932**	
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16-1)			
Total Operating Expense	**5,261,692**	**5,261,692**	
Augmentation allowed.			

FOR THE DEPARTMENT OF LABOR

Personal Services	**871,619**	**871,619**	
Other Operating Expense	**141,615**	**141,615**	
BUREAU OF MINES AND MINING			
Personal Services	**150,554**	**150,554**	
Other Operating Expense	**20,104**	**20,104**	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	**207,354**	**207,354**	
Other Operating Expense	**22,360**	**22,360**	
OCCUPATIONAL SAFETY AND HEALTH			
Personal Services	**3,237,073**	**3,237,073**	
Other Operating Expense	**568,548**	**568,548**	

The above funds are appropriated to occupational safety and health and management information services research and statistics to provide the total program cost of the Indiana occupational safety and health plan as approved by the United States Department of Labor. Inasmuch as the state is eligible to receive from the federal government partial reimbursement of the state's total Indiana occupational safety and health plan program cost, it is the intention of the general assembly that the department of labor make application to the federal government for the federal share of the total program cost.

EMPLOYMENT OF YOUTH			
Employment of Youth Fund (IC 20-33-3-42)			
Total Operating Expense	**183,555**	**183,555**	
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
INSAFE			
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)			
Personal Services	**874,587**	**874,587**	
Other Operating Expense	**217,752**	**217,752**	
Augmentation allowed.			
FOR THE DEPARTMENT OF INSURANCE			
Department of Insurance Fund (IC 27-1-3-28)			
Personal Services	**5,318,138**	**5,318,138**	
Other Operating Expense	**1,195,519**	**1,195,519**	
Augmentation allowed.			
BAIL BOND DIVISION			
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)			
Personal Services	**171,597**	**171,597**	
Other Operating Expense	**8,832**	**8,832**	
Augmentation allowed.			
PATIENTS' COMPENSATION AUTHORITY			
Patients' Compensation Fund (IC 34-18-6-1)			
Personal Services	**490,135**	**490,135**	
Other Operating Expense	**1,346,870**	**1,346,870**	
Augmentation allowed.			
POLITICAL SUBDIVISION RISK MANAGEMENT			
Political Subdivision Risk Management Fund (IC 27-1-29-10)			
Personal Services	**44,195**	**44,195**	
Other Operating Expense	**782,960**	**782,960**	
Augmentation allowed.			
MINE SUBSIDENCE INSURANCE			
Mine Subsidence Insurance Fund (IC 27-7-9-7)			
Personal Services	**62,116**	**62,116**	
Other Operating Expense	**827,283**	**827,283**	
Augmentation allowed.			
TITLE INSURANCE ENFORCEMENT OPERATING			
Title Insurance Enforcement Fund (IC 27-7-3.6-1)			
Personal Services	**288,370**	**288,370**	
Other Operating Expense	**80,921**	**80,921**	
Augmentation allowed.			
FOR THE ALCOHOL AND TOBACCO COMMISSION			
Enforcement and Administration Fund (IC 7.1-4-10-1)			
Personal Services	**8,612,469**	**8,612,469**	
Other Operating Expense	**1,780,699**	**1,780,699**	
Augmentation allowed.			
ALCOHOLIC BEVERAGE ENFORCEMENT OFFICERS' TRAINING			
Alcoholic Beverage Commission Enforcement Officers' Training Fund (IC 5-2-8-8)			
Total Operating Expense	**4,200**	**4,200**	
Augmentation allowed.			
YOUTH TOBACCO EDUCATION AND ENFORCEMENT			
Youth Tobacco Education and Enforcement Fund (IC 7.1-6-2-6)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**25,000**	**25,000**	
Augmentation allowed.			
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS			
Financial Institutions Fund (IC 28-11-2-9)			
Personal Services	**6,972,935**	**6,972,935**	
Other Operating Expense	**1,518,119**	**1,518,119**	
Augmentation allowed.			
FOR THE PROFESSIONAL LICENSING AGENCY			
Personal Services	**4,669,317**	**4,669,317**	
Other Operating Expense	**867,325**	**867,325**	
PRENEED CONSUMER PROTECTION			
Preneed Consumer Protection Fund (IC 30-2-13-28)			
Total Operating Expense	**72,750**	**72,750**	
Augmentation allowed.			
BOARD OF FUNERAL AND CEMETERY SERVICE			
Funeral Service Education Fund (IC 25-15-9-13)			
Total Operating Expense	**4,850**	**4,850**	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	**1,916,298**	**1,916,298**	
Other Operating Expense	**270,632**	**270,632**	
It is the intention of the general assembly that the civil rights commission shall apply to the federal government for funding based upon the processing of employment and housing discrimination complaints by the civil rights commission. Such federal funds received by the state shall be considered as a reimbursement of state expenditures and shall be deposited into the state general fund.			
MARTIN LUTHER KING JR. HOLIDAY COMMISSION			
Total Operating Expense	**20,000**	**20,000**	
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	**4,485,790**	**4,485,790**	
Other Operating Expense	**687,910**	**687,910**	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense			**1,503,500**
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	**6,729,019**	**6,729,019**	
Other Operating Expense	**1,917,752**	**1,917,752**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Augmentation allowed.

FOR THE WORKERS' COMPENSATION BOARD

From the General Fund

	1,918,782	1,918,782

From the Workers' Compensation Supplemental Administration Fund (IC 22-3-5-6)

	145,007	145,007

Augmentation allowed.

The amounts specified from the general fund and the workers' compensation supplemental administrative fund are for the following purposes:

Personal Services	1,927,761	1,927,761	
Other Operating Expense	136,028	136,028	

FOR THE STATE BOARD OF ANIMAL HEALTH

Personal Services	4,021,557	4,021,557	
Other Operating Expense	865,228	865,228	
INDEMNITY FUND			
Total Operating Expense			9,700
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	1,884,049	1,884,049	

FOR THE DEPARTMENT OF HOMELAND SECURITY

FIRE AND BUILDING SERVICES

From the Fire and Building Services Fund (IC 22-12-6-1)

	15,251,362	15,251,362

From the Medical Services Education Fund (IC 16-31-7-1)

	23,437	23,437

Augmentation allowed from the fire and building services fund and medical services education fund.

The amounts specified from the fire and building services fund and medical services education fund are for the following purposes:

Personal Services	12,467,711	12,467,711
Other Operating Expense	2,807,088	2,807,088

REGIONAL PUBLIC SAFETY TRAINING

Regional Public Safety Training Fund (IC 10-15-3-12)

Total Operating Expense	1,902,047	1,902,047

Augmentation allowed.

EMERGENCY MANAGEMENT CONTINGENCY FUND

Total Operating Expense	121,645	121,645

The above appropriations for the emergency management contingency fund are made under IC 10-14-3-28.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PUBLIC ASSISTANCE			
Total Operating Expense	**1**	**1**	
HOMELAND SECURITY FUND - FOUNDATION			
Homeland Security Fund - Foundation (IC 10-15-3-1)			
Total Operating Expense	**224,423**	**224,423**	
Augmentation allowed.			
INDIANA EMERGENCY RESPONSE COMMISSION			
Emergency Planning and Right to Know Fund (IC 6-6-10-5)			
Total Operating Expense	**40,962**	**40,962**	
Augmentation allowed.			
STATE DISASTER RELIEF FUND			
State Disaster Relief Fund (IC 10-14-4-5)			
Total Operating Expense	**500,000**	**500,000**	
Augmentation allowed, not to exceed revenues collected from the public safety fee imposed by IC 22-11-14-12.			
Augmentation allowed from the general fund to match federal disaster relief funds.			
REDUCED IGNITION PROPENSITY STANDARDS FOR CIGARETTES FUND			
Reduced Ignition Propensity Standards for Cigarettes Fund (IC 22-14-7-22(a))			
Total Operating Expense	**80,000**	**80,000**	
Augmentation allowed.			
INDIANA INTELLIGENCE FUSION CENTER			
Total Operating Expense	**969,252**	**969,252**	
STATEWIDE FIRE AND BUILDING SAFETY EDUCATION FUND			
Statewide Fire and Building Safety Education Fund (IC 22-12-6-3)			
Total Operating Expense	**117,162**	**117,162**	
Augmentation allowed.			

SECTION 5. [EFFECTIVE JULY 1, 2009]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	**8,179,372**	**8,179,372**	
Other Operating Expense	**1,358,733**	**1,358,733**	
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	**588,850**	**588,850**	
Other Operating Expense	**151,997**	**151,997**	
ENTOMOLOGY AND PLANT PATHOLOGY FUND			
Entomology and Plant Pathology Fund (IC 14-24-10-3)			
Total Operating Expense			**662,868**
Augmentation allowed.			
ENGINEERING DIVISION			
Personal Services	**1,728,557**	**1,728,557**	
Other Operating Expense	**99,232**	**99,232**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
STATE MUSEUM			
Personal Services	**5,020,180**	**5,020,180**	
Other Operating Expense	**1,251,406**	**1,251,406**	
HISTORIC PRESERVATION DIVISION			
Personal Services	**755,246**	**755,246**	
Other Operating Expense	**70,346**	**70,346**	
HISTORIC PRESERVATION - FEDERAL			
Total Operating Expense	**32,559**	**32,559**	
STATE HISTORIC SITES			
Personal Services	**2,400,530**	**2,400,530**	
Other Operating Expense	**499,789**	**499,789**	

From the above appropriations, $75,000 in each state fiscal year shall be used for the Grissom Museum.

LINCOLN PRODUCTION			
Total Operating Expense	**440,000**	**440,000**	
INDIANA FLOOD CONTROL SUMMIT			
Total Operating Expense	**5,000**	**0**	

The department of natural resources shall schedule, organize, and conduct an Indiana flood control summit for one (1) or more days in Indiana before November 1, 2009.

WABASH RIVER HERITAGE CORRIDOR			
Total Operating Expense	**80,246**	**80,246**	
OUTDOOR RECREATION DIVISION			
Personal Services	**615,004**	**615,004**	
Other Operating Expense	**41,931**	**41,931**	
NATURE PRESERVES DIVISION			
Personal Services	**923,068**	**923,068**	
Other Operating Expense	**46,569**	**46,569**	
WATER DIVISION			
Personal Services	**4,417,754**	**4,417,754**	
Other Operating Expense	**405,079**	**405,079**	

All revenues accruing from state and local units of government and from private utilities and industrial concerns as a result of water resources study projects, and as a result of topographic and other mapping projects, shall be deposited into the state general fund, and such receipts are hereby appropriated, in addition to the foregoing amounts, for water resources studies.

DEER RESEARCH AND MANAGEMENT			
Deer Research and Management Fund (IC 14-22-5-2)			
Total Operating Expense	**189,160**	**189,160**	
Augmentation allowed.			
OIL AND GAS DIVISION			
Oil and Gas Fund (IC 6-8-1-27)			
Personal Services	**1,300,410**	**1,300,410**	
Other Operating Expense	**322,789**	**322,789**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Augmentation allowed.

STATE PARKS AND RESERVOIRS

From the General Fund

11,343,213 11,343,213

From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)

20,644,742 20,644,742

Augmentation allowed from the State Parks and Reservoirs Special Revenue Fund.

The amounts specified from the General Fund and the State Parks and Reservoirs Special Revenue Fund are for the following purposes:

Personal Services	**23,781,129**	**23,781,129**
Other Operating Expense	**8,206,826**	**8,206,826**

OFF-ROAD VEHICLE AND SNOWMOBILE FUND

Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)

Total Operating Expense	**291,001**	**291,001**

Augmentation allowed.

LAW ENFORCEMENT DIVISION

From the General Fund

9,936,748 9,936,748

From the Fish and Wildlife Fund (IC 14-22-3-2)

13,381,894 13,381,894

Augmentation allowed from the Fish and Wildlife Fund.

The amounts specified from the General Fund and the Fish and Wildlife Fund are for the following purposes:

Personal Services	**19,396,301**	**19,396,301**
Other Operating Expense	**3,922,341**	**3,922,341**

FISH AND WILDLIFE DIVISION

Fish and Wildlife Fund (IC 14-22-3-2)

Personal Services	**13,124,471**	**13,124,471**
Other Operating Expense	**4,377,957**	**4,377,957**

Augmentation allowed.

FORESTRY DIVISION

From the General Fund

4,494,586 4,494,586

From the State Forestry Fund (IC 14-23-3-2)

7,492,186 7,492,186

Augmentation allowed from the State Forestry Fund.

The amounts specified from the General Fund and the State Forestry Fund are for the following purposes:

Personal Services	**7,796,996**	**7,796,996**
Other Operating Expense	**4,189,776**	**4,189,776**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
RECLAMATION DIVISION			
Natural Resources Reclamation Division Fund (IC 14-34-14-2)			
Personal Services	**1,496,777**	**1,496,777**	
Other Operating Expense	**393,565**	**393,565**	
Augmentation allowed.			

In addition to any of the foregoing appropriations for the department of natural resources, any federal funds received by the state of Indiana for support of approved outdoor recreation projects for planning, acquisition, and development under the provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

LAKE MICHIGAN COASTAL PROGRAM			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**142,283**	**142,283**	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			**4,603,882**
Augmentation allowed.			
CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense	**795,400**	**795,400**	
Augmentation allowed.			
HERITAGE TRUST			
Total Operating Expense	**1,000,000**	**1,000,000**	

B. OTHER NATURAL RESOURCES

FOR THE WORLD WAR MEMORIAL COMMISSION			
Personal Services	**735,437**	**735,437**	
Other Operating Expense	**302,381**	**302,381**	

All revenues received as rent for space in the buildings located at 777 North Meridian Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the costs of operation and maintenance of the space rented, shall be paid into the general fund. The American Legion shall provide for the complete maintenance of the interior of these buildings.

FOR THE WHITE RIVER PARK COMMISSION			
Total Operating Expense	**998,999**	**998,999**	
FOR THE MAUMEE RIVER BASIN COMMISSION			
Total Operating Expense	**67,658**	**67,658**	
FOR THE ST. JOSEPH RIVER BASIN COMMISSION			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**58,751**	**58,751**	

FOR THE KANKAKEE RIVER BASIN COMMISSION

Total Operating Expense	**67,658**	**67,658**	

C. ENVIRONMENTAL MANAGEMENT

FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT ADMINISTRATION

From the General Fund

3,363,457 3,363,457

From the State Solid Waste Management Fund (IC 13-20-22-2)

66,480 66,480

From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

57,475 57,475

From the Waste Tire Management Fund (IC 13-20-13-8)

101,519 101,519

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

639,953 639,953

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

608,752 608,752

From the Environmental Management Special Fund (IC 13-14-12-1)

88,128 88,128

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

179,093 179,093

From the Asbestos Trust Fund (IC 13-17-6-3)

23,089 23,089

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

51,616 51,616

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

1,761,099 1,761,099

Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**5,241,508**	**5,241,508**
Other Operating Expense	**1,699,153**	**1,699,153**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

LABORATORY CONTRACTS

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**461,424**	**461,424**

Augmentation allowed.

Hazardous Substances Response Trust Fund (IC 13-25-4-1)

Total Operating Expense	**200,747**	**200,747**

Augmentation allowed.

OWQ LABORATORY CONTRACTS

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**340,470**	**340,470**

Augmentation allowed.

Hazardous Substances Response Trust Fund (IC 13-25-4-1)

Total Operating Expense	**794,430**	**794,430**

Augmentation allowed.

NORTHWEST REGIONAL OFFICE

From the General Fund

	308,229	**308,229**

From the State Solid Waste Management Fund (IC 13-20-22-2)

	6,760	**6,760**

From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

	5,844	**5,844**

From the Waste Tire Management Fund (IC 13-20-13-8)

	12,094	**12,094**

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

	143,845	**143,845**

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

	69,339	**69,339**

From the Environmental Management Special Fund (IC 13-14-12-1)

	10,760	**10,760**

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

	23,294	**23,294**

From the Asbestos Trust Fund (IC 13-17-6-3)

	5,190	**5,190**

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

	7,396	**7,396**

Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	**255,609**	**255,609**
Other Operating Expense	**337,142**	**337,142**

NORTHERN REGIONAL OFFICE

From the General Fund

190,702 190,702

From the State Solid Waste Management Fund (IC 13-20-22-2)

8,067 8,067

From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

6,972 6,972

From the Waste Tire Management Fund (IC 13-20-13-8)

12,143 12,143

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

118,951 118,951

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

74,143 74,143

From the Environmental Management Special Fund (IC 13-14-12-1)

11,395 11,395

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

21,336 21,336

From the Asbestos Trust Fund (IC 13-17-6-3)

4,290 4,290

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

6,050 6,050

Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	**204,566**	**204,566**
Other Operating Expense	**249,483**	**249,483**

SOUTHWEST REGIONAL OFFICE

From the General Fund

152,909 152,909

From the State Solid Waste Management Fund (IC 13-20-22-2)

16,615 16,615

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

	14,363	14,363

From the Waste Tire Management Fund (IC 13-20-13-8)

	20,150	20,150

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

	69,085	69,085

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

	65,400	65,400

From the Environmental Management Special Fund (IC 13-14-12-1)

	11,913	11,913

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

	22,794	22,794

From the Asbestos Trust Fund (IC 13-17-6-3)

	2,490	2,490

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

	6,564	6,564

Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	**200,171**	**200,171**
Other Operating Expense	**182,112**	**182,112**

LEGAL AFFAIRS

From the General Fund

	493,113	493,113

From the Waste Tire Management Fund (IC 13-20-13-8)

	8,168	8,168

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

	217,015	217,015

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

	159,037	159,037

From the Environmental Management Special Fund (IC 13-14-12-1)

	19,518	19,518

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

	36,872	36,872

From the Asbestos Trust Fund (IC 13-17-6-3)

	7,829	7,829

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

9,907 9,907

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

337,980 337,980

Augmentation allowed from the Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,173,821**	**1,173,821**
Other Operating Expense	**115,618**	**115,618**

ENFORCEMENT

From the General Fund

199,909 199,909

From the Waste Tire Management Fund (IC 13-20-13-8)

14,231 14,231

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

55,898 55,898

From the Environmental Management Special Fund (IC 13-14-12-1)

15,847 15,847

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

51,200 51,200

From the Asbestos Trust Fund (IC 13-17-6-3)

2,016 2,016

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

17,255 17,255

Augmentation allowed from the Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.

The amounts specified from the General Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	**289,276**	**289,276**
Other Operating Expense	**67,080**	**67,080**

INVESTIGATIONS

From the General Fund

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
	173,097	173,097	
From the State Solid Waste Management Fund (IC 13-20-22-2)			
	6,622	6,622	
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
	5,725	5,725	
From the Waste Tire Management Fund (IC 13-20-13-8)			
	15,565	15,565	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
	57,883	57,883	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
	83,397	83,397	
From the Environmental Management Special Fund (IC 13-14-12-1)			
	10,405	10,405	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
	33,468	33,468	
From the Asbestos Trust Fund (IC 13-17-6-3)			
	2,088	2,088	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
	11,753	11,753	
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund.			

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, and Underground Petroleum Storage Tank Trust Fund are for the following purposes:

Personal Services	330,556	330,556
Other Operating Expense	69,447	69,447

MEDIA AND COMMUNICATIONS

From the General Fund		
	417,794	417,794
From the State Solid Waste Management Fund (IC 13-20-22-2)		
	8,437	8,437
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)		
	7,294	7,294
From the Waste Tire Management Fund (IC 13-20-13-8)		
	12,595	12,595
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
	73,727	73,727
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	64,768	64,768
From the Environmental Management Special Fund (IC 13-14-12-1)		

9,757 9,757
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
20,693 20,693
From the Asbestos Trust Fund (IC 13-17-6-3)
2,657 2,657
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
6,208 6,208
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
211,660 211,660
Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund, are for the following purposes:

Personal Services	**780,640**	**780,640**
Other Operating Expense	**54,950**	**54,950**

COMMUNITY RELATIONS
From the General Fund
480,081 480,081
From the State Solid Waste Management Fund (IC 13-20-22-2)
13,954 13,954
From the Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)
12,061 12,061
From the Waste Tire Management Fund (IC 13-20-13-8)
20,830 20,830
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
121,916 121,916
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
107,104 107,104
From the Environmental Management Special Fund (IC 13-14-12-1)
16,124 16,124
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
34,215 34,215
From the Asbestos Trust Fund (IC 13-17-6-3)
4,398 4,398
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
10,260 10,260
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
	349,996	349,996	

Augmentation allowed from the State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Indiana Recycling Promotion and Assistance Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,080,148**	**1,080,148**
Other Operating Expense	**90,791**	**90,791**

OHIO RIVER VALLEY WATER SANITATION COMMISSION
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**270,242**	**270,242**

Augmentation allowed.

OFFICE OF ENVIRONMENTAL RESPONSE

Personal Services	**3,000,468**	**3,000,468**
Other Operating Expense	**319,013**	**319,013**

POLLUTION PREVENTION AND TECHNICAL ASSISTANCE

Personal Services	**1,456,036**	**1,456,036**
Other Operating Expense	**437,489**	**437,489**

PCB INSPECTIONS
Environmental Management Permit Operation Fund (IC 13-15-11-1)

Total Operating Expense	**30,562**	**30,562**

Augmentation allowed.

U.S. GEOLOGICAL SURVEY CONTRACTS
Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**64,398**	**64,398**

Augmentation allowed.

STATE SOLID WASTE GRANTS MANAGEMENT
State Solid Waste Management Fund (IC 13-20-22-2)

Personal Services	**391,814**	**391,814**
Other Operating Expense	**337,443**	**337,443**

Augmentation allowed.

RECYCLING OPERATING
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

Personal Services	**325,931**	**325,931**
Other Operating Expense	**312,525**	**312,525**

Augmentation allowed.

RECYCLING PROMOTION AND ASSISTANCE PROGRAM
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**770,000**	**770,000**	
Augmentation allowed.			
VOLUNTARY CLEAN-UP PROGRAM			
Voluntary Remediation Fund (IC 13-25-5-21)			
Personal Services	**739,322**	**739,322**	
Other Operating Expense	**179,935**	**179,935**	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
Personal Services	**12,041,882**	**12,041,882**	
Other Operating Expense	**2,798,196**	**2,798,196**	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund			
	1,923,612	**1,923,612**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
	4,867,843	**4,867,843**	
Augmentation allowed from the Environmental Management Permit Operation Fund.			

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**6,136,065**	**6,136,065**
Other Operating Expense	**655,390**	**655,390**

SOLID WASTE MANAGEMENT PERMITTING		
From the General Fund		
	2,221,388	**2,221,388**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	3,409,461	**3,409,461**
Augmentation allowed from the Environmental Management Permit Operation Fund.		

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**5,310,601**	**5,310,601**
Other Operating Expense	**320,248**	**320,248**

CFO/CAFO INSPECTIONS		
Total Operating Expense	**450,000**	**450,000**

HAZARDOUS WASTE MANAGEMENT PERMITTING		
From the General Fund		
	2,319,283	**2,319,283**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
	2,762,897	**2,762,897**
Augmentation allowed from the Environmental Management Permit Operation Fund.		

The amounts specified from the General Fund and the Environmental Management Permit

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

Operation Fund are for the following purposes:

Personal Services	**4,156,730**	**4,156,730**
Other Operating Expense	**925,450**	**925,450**

SAFE DRINKING WATER PROGRAM

From the General Fund

371,290 371,290

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

2,421,272 2,421,272

Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**2,301,996**	**2,301,996**
Other Operating Expense	**490,566**	**490,566**

CLEAN VESSEL PUMPOUT

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**77,588**	**77,588**

Augmentation allowed.

GROUNDWATER PROGRAM

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**122,150**	**122,150**

Augmentation allowed.

UNDERGROUND STORAGE TANK PROGRAM

Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

Total Operating Expense	**656,973**	**656,973**

Augmentation allowed.

Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

Total Operating Expense	**282,669**	**282,669**

Augmentation allowed.

AIR MANAGEMENT OPERATING

From the General Fund

620,477 620,477

From the Environmental Management Special Fund (IC 13-14-12-1)

248,424 248,424

Augmentation allowed from the Environmental Management Special Fund.

The amounts specified from the General Fund and the Environmental Management Special Fund are for the following purposes:

Personal Services	**518,018**	**518,018**
Other Operating Expense	**350,883**	**350,883**

WATER MANAGEMENT NONPERMITTING

Personal Services	**3,291,009**	**3,291,009**
Other Operating Expense	**719,538**	**719,538**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
GREAT LAKES INITIATIVE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**57,207**	**57,207**	
Augmentation allowed.			
OUTREACH OPERATOR TRAINING			
General Fund			
Total Operating Expense	**2,963**	**2,963**	
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**5,924**	**5,924**	
Augmentation allowed.			
LEAKING UNDERGROUND STORAGE TANKS			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**161,311**	**161,311**	
Other Operating Expense	**31,718**	**31,718**	
Augmentation allowed.			
CORE SUPERFUND			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**12,967**	**12,967**	
Augmentation allowed.			
AUTO EMISSIONS TESTING PROGRAM			
Personal Services	**86,983**	**86,983**	
Other Operating Expense	**5,672,829**	**5,672,829**	

The above appropriations for auto emissions testing are the maximum amounts available for this purpose. If it becomes necessary to conduct additional tests in other locations, the above appropriations shall be prorated among all locations.

HAZARDOUS WASTE SITE - STATE CLEAN-UP			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**1,425,495**	**1,425,495**	
Other Operating Expense	**515,152**	**515,152**	
Augmentation allowed.			
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**141,408**	**141,408**	
Other Operating Expense	**289,544**	**289,544**	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**511,675**	**511,675**	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Other Operating Expense	**278,293**	**278,293**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	**415,391**	**415,391**	
Other Operating Expense	**132,292**	**132,292**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	**874,215**	**874,215**	
Other Operating Expense	**42,446,857**	**42,446,857**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**563,887**	**563,887**	
Augmentation allowed.			
WASTE TIRE RE-USE			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**907,796**	**907,796**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**293,070**	**293,070**	
Other Operating Expense	**170,394**	**170,394**	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**961,315**	**961,315**	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**58,200**	**58,200**	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**22,148**	**22,148**	
Augmentation allowed.			
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**121,790**	**121,790**	
Other Operating Expense	**350,689**	**350,689**	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the governor and the budget agency, the above appropriations for hazardous waste management permitting, wetlands protection, groundwater program, underground storage tank program, air management operating, asbestos trust operating, water management nonpermitting, safe drinking water program, and any other appropriation eligible to be included in a performance partnership grant may be used to fund activities incorporated into a performance partnership grant between the United States Environmental Protection Agency and the department of environmental management.

FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION		
Personal Services	**308,690**	**308,690**
Other Operating Expense	**59,560**	**59,560**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

SECTION 6. [EFFECTIVE JULY 1, 2009]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE		
Personal Services	**1,930,284**	**1,930,284**
Other Operating Expense	**456,387**	**456,387**
DISTRIBUTIONS TO FOOD BANKS		
Total Operating Expense	**300,000**	**300,000**
CLEAN WATER INDIANA		
Total Operating Expense	**500,000**	**500,000**
Cigarette Tax Fund (IC 6-7-1-29.1)		
Total Operating Expense	**3,666,425**	**3,666,425**
Augmentation allowed.		
SOIL CONSERVATION DIVISION		
Cigarette Tax Fund (IC 6-7-1-29.1)		
Total Operating Expense	**1,862,216**	**1,862,216**
Augmentation allowed.		
GRAIN BUYERS AND WAREHOUSE LICENSING		
Grain Buyers and Warehouse Licensing Agency License Fee Fund (IC 26-3-7-6.3)		
Total Operating Expense	**165,050**	**165,050**
Augmentation allowed.		

B. COMMERCE

FOR THE LIEUTENANT GOVERNOR		
RURAL ECONOMIC DEVELOPMENT FUND		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,497,688**	**1,497,688**
OFFICE OF TOURISM		
Total Operating Expense	**3,906,684**	**3,906,684**

Of the above appropriations, the office of tourism shall distribute $500,000 each year to the Indiana Sports Corporation to promote the hosting of amateur sporting events in Indiana cities. Funds may be released after review by the budget committee. The above appropriations include $1,000,000 for grants for local convention and visitors bureaus and other local organizations that exist to promote tourism. The office of tourism shall develop standards for application for grants and award of grants, including a local match requirement. The maximum amount of a grant is $50,000. Funds may be released only after review by the budget committee.

STATE ENERGY PROGRAM		
Total Operating Expense	**237,963**	**237,963**
FOOD ASSISTANCE PROGRAM		
Total Operating Expense	**131,261**	**131,261**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION			
ADMINISTRATIVE AND FINANCIAL SERVICES			
General Fund			
Total Operating Expense	**6,423,392**	**6,423,392**	
Training 2000 Fund (IC 5-28-7-5)			
Total Operating Expense	**185,630**	**185,630**	
Industrial Development Grant Fund (IC 5-28-25-4)			
Total Operating Expense	**52,139**	**52,139**	
21ST CENTURY RESEARCH & TECHNOLOGY FUND			
Total Operating Expense	**24,875,000**	**24,875,000**	
INTERNATIONAL TRADE			
Total Operating Expense	**1,297,049**	**1,297,049**	
ENTERPRISE ZONE PROGRAM			
Enterprise Zone Fund (IC 5-28-15-6)			
Total Operating Expense	**215,536**	**215,536**	
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			**1,713,990**
TRAINING 2000			
General Fund			
Total Operating Expense			**19,401,660**
Training 2000 Fund (IC 5-28-7-5)			
Total Operating Expense			**3,858,206**
Augmentation allowed.			
BUSINESS PROMOTION PROGRAM			
Total Operating Expense			**2,049,126**
TRADE PROMOTION PROGRAM			
Total Operating Expense	**167,791**	**167,791**	
BUSINESS DEVELOPMENT LOAN PROGRAM			
Total Operating Expense	**838,953**	**838,953**	
AG LOAN AND RURAL DEVELOP GUARANTEE FUND			
Economic Development Fund (IC 5-28-8-5)			
Total Operating Expense	**200,000**	**200,000**	
Augmentation allowed.			
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
General Fund			
Total Operating Expense			**1,006,744**
Economic Development Fund (IC 5-28-8-5)			
Total Operating Expense			**448,256**
Augmentation allowed.			
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
General Fund			
Total Operating Expense			**6,500,000**
Industrial Development Grant Fund (IC 5-28-25-4)			
Total Operating Expense			**4,500,000**
Augmentation allowed.			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
TECHNOLOGY DEVELOPMENT GRANT PROGRAM			
Total Operating Expense	**1,894,410**	**1,894,410**	
FOR THE INDIANA FINANCE AUTHORITY (IFA)			
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Total Operating Expense	**500,000**	**500,000**	
FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY			
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	**1,000,000**	**1,000,000**	

The housing and community development authority shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

Family and social services administration, division of family resources shall apply all qualifying expenditures for individual development accounts deposits toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

MORTGAGE FORECLOSURE COUNSELING			
Home Ownership Education Fund (IC 5-20-1-27)			
Total Operating Expense	**2,700,000**	**2,700,000**	
Augmentation Allowed.			
FOR THE STATE BUDGET AGENCY			
MIDWEST INSTITUTE FOR NANOELECTRONICS DISCOVERY (MIND)			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Total Operating Expense			**10,000,000**

C. EMPLOYMENT SERVICES

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
Total Operating Expense	**855,000**	**855,000**	
WOMEN'S COMMISSION			
Personal Services	**106,824**	**106,824**	
Other Operating Expense	**12,175**	**12,175**	
NATIVE AMERICAN INDIAN AFFAIRS COMMISSION			
Total Operating Expense	**90,211**	**90,211**	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Total Operating Expense	**124,235**	**124,235**	

The above appropriations are in addition to any funding for the commission derived from funds appropriated to the department of workforce development.

D. OTHER ECONOMIC DEVELOPMENT

FOR THE INDIANA STATE FAIR BOARD

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
STATE FAIR			
Total Operating Expense	**2,119,124**	**1,619,124**	

SECTION 7. [EFFECTIVE JULY 1, 2009]

TRANSPORTATION

FOR THE DEPARTMENT OF TRANSPORTATION

For the conduct and operation of the department of transportation, the following sums are appropriated for the periods designated from the public mass transportation fund, the industrial rail service fund, the state highway fund, the motor vehicle highway account, the distressed road fund, the state highway road construction and improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.

INTERMODAL GRANT PROGRAM			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	**50,000**	**50,000**	
Augmentation allowed.			
RAILROAD GRADE CROSSING IMPROVEMENT			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**500,000**	**500,000**	
HIGH SPEED RAIL			
Industrial Rail Service Fund (IC 8-3-1.7-2)			
Matching Funds			**40,000**
Augmentation allowed.			
PUBLIC MASS TRANSPORTATION			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	**42,300,000**	**44,400,000**	
Augmentation allowed.			

Any unencumbered amount remaining from this appropriation at the end of a state fiscal year remains available in subsequent state fiscal years for the purposes for which it is appropriated.

The appropriations are to be used solely for the promotion and development of public transportation. The department of transportation shall allocate funds based on a formula approved by the commissioner of the department of transportation.

The department of transportation may distribute public mass transportation funds to an eligible grantee that provides public transportation in Indiana.

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 1601, et seq.) or local funds from a requesting grantee.

Before funds may be disbursed to a grantee, the grantee must submit its request for financial assistance to the department of transportation for approval. Allocations must be approved by the governor and the budget agency after review by the budget committee and shall be made on a reimbursement basis. Only applications for capital

and operating assistance may be approved. Only those grantees that have met the reporting requirements under IC 8-23-3 are eligible for assistance under this appropriation.

HIGHWAY OPERATING		
State Highway Fund (IC 8-23-9-54)		
Personal Services	**256,703,031**	**252,219,117**
Other Operating Expense	**63,309,536**	**63,309,536**
HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT		
State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	**8,800,000**	**18,000,000**

The above appropriations for highway operating and highway vehicle and road maintenance equipment may be used for personal services, equipment, and other operating expense, including the cost of transportation for the governor.

HIGHWAY MAINTENANCE WORK PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	**63,000,000**	**70,000,000**

The above appropriations for the highway maintenance work program may be used for:
(1) materials for patching roadways and shoulders;
(2) repairing and painting bridges;
(3) installing signs and signals and painting roadways for traffic control;
(4) mowing, herbicide application, and brush control;
(5) drainage control;
(6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
(7) materials for snow and ice removal;
(8) utility costs for roadway lighting; and
(9) other special maintenance and support activities consistent with the highway maintenance work program.

HIGHWAY CAPITAL IMPROVEMENTS		
State Highway Fund (IC 8-23-9-54)		
Right-of-Way Expense	**38,250,000**	**24,800,000**
Formal Contracts Expense	**47,181,225**	**72,307,207**
Consulting Services Expense	**18,600,000**	**24,736,741**
Institutional Road Construction	**5,000,000**	**5,000,000**

The above appropriations for the capital improvements program may be used for:
(1) bridge rehabilitation and replacement;
(2) road construction, reconstruction, or replacement;
(3) construction, reconstruction, or replacement of travel lanes, intersections, grade separations, rest parks, and weigh stations;
(4) relocation and modernization of existing roads;
(5) resurfacing;
(6) erosion and slide control;
(7) construction and improvement of railroad grade crossings, including the use of

the appropriations to match federal funds for projects;
(8) small structure replacements;
(9) safety and spot improvements; and
(10) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

The appropriations for highway operating, highway vehicle and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:
(1) Funds distributed to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).
(2) Funds distributed to the state highway fund from the highway, road and street fund under IC 8-14-2-3.
(3) All fees and miscellaneous revenues deposited in or accruing to the state highway fund under IC 8-23-9-54.
(4) Any unencumbered funds carried forward in the state highway fund from any previous fiscal year.
(5) All other funds appropriated or made available to the department of transportation by the general assembly.

If funds from sources set out above for the department of transportation exceed appropriations from those sources to the department, the excess amount is hereby appropriated to be used for formal contracts with approval of the governor and the budget agency.

If there is a change in a statute reducing or increasing revenue for department use, the budget agency shall notify the auditor of state to adjust the above appropriations to reflect the estimated increase or decrease. Upon the request of the department, the budget agency, with the approval of the governor, may allot any increase in appropriations to the department for formal contracts.

If the department of transportation finds that an emergency exists or that an appropriation will be insufficient to cover expenses incurred in the normal operation of the department, the budget agency may, upon request of the department, and with the approval of the governor, transfer funds from revenue sources set out above from one (1) appropriation to the deficient appropriation. No appropriation from the state highway fund may be used to fund any toll road or toll bridge project except as specifically provided for under IC 8-15-2-20.

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**2,500,000**	**2,500,000**
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments Expense	**61,524,711**	**62,139,958**
Augmentation allowed.		

The above appropriations for the state highway road construction and improvement

program are appropriated from the state highway road construction and improvement fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14.5. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payment Expense	**46,142,787**	**38,517,564**
Augmentation allowed.		

The above appropriations for the crossroads 2000 program are appropriated from the crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds remain, the funds may be used for the following purposes:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

MAJOR MOVES CONSTRUCTION PROGRAM		
Major Moves Construction Fund (IC 8-14-14-5)		
Formal Contracts Expense	**545,000,000**	**535,000,000**
Augmentation allowed.		
FEDERAL APPORTIONMENT		
Right-of-Way Expense	**174,250,000**	**113,100,000**
Formal Contracts Expense	**426,642,292**	**502,792,291**
Consulting Engineers Expense	**84,500,000**	**69,500,000**
Highway Planning and Research	**12,807,708**	**12,807,709**
Local Government Revolving Acct.	**266,000,000**	**266,000,000**

The department may establish an account to be known as the "local government revolving account". The account is to be used to administer the federal-local highway construction program. All contracts issued and all funds received for federal-local projects under this program shall be entered into this account.

If the federal apportionments for the fiscal years covered by this act exceed the above estimated appropriations for the department or for local governments, the excess federal apportionment is hereby appropriated for use by the department with the approval of the governor and the budget agency.

The department shall bill, in a timely manner, the federal government for all department payments that are eligible for total or partial reimbursement.

The department may let contracts and enter into agreements for construction and preliminary engineering during each year of the 2009-2011 biennium that obligate not more than one-third (1/3) of the amount of state funds estimated by the department to be available for appropriation in the following year for formal contracts and consulting engineers for the capital improvements program.

Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct and maintain roadside parks and highways where highways will connect any state highway now existing, or hereafter constructed, with any state park, state forest preserve, state game preserve, or the grounds of any state institution. There is appropriated to the department of transportation an amount sufficient to carry out the provisions of this paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from the motor vehicle highway account before distribution to local units of government.

LOCAL TECHNICAL ASSISTANCE AND RESEARCH

Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount sufficient for:
(1) the program of technical assistance under IC 8-23-2-5(6); and
(2) the research and highway extension program conducted for local government under IC 8-17-7-4.

The department shall develop an annual program of work for research and extension in cooperation with those units being served, listing the types of research and educational programs to be undertaken. The commissioner of the department of transportation may make a grant under this appropriation to the institution or agency selected to conduct the annual work program. Under IC 8-14-1-3(6), appropriations for the program of technical assistance and for the program of research and extension shall be taken from the local share of the motor vehicle highway account.

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:
(1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
(2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

There is apportioned to the department of transportation the following sums for the periods and purposes designated under the American Recovery and Reinvestment Act (ARRA) of 2009.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

FOR THE DEPARTMENT OF TRANSPORTATION

Highway Capital Improvements	
Formal Contracts Expense	**440,838,364**
Augmentation allowed	
Transportation Enhancements	
Formal Contracts Expense	**19,739,031**
Augmentation allowed	
Highway Capital Improvements - Metro Planning Organizations, Cities, Towns, and Counties	**197,390,312**
Augmentation allowed	
Rural Transit Funds	**20,316,134**
Augmentation allowed	

As soon as practical after passage of this act, the department with the approval of the governor shall prepare a plan for the allocation and expenditure of the appropriations listed above. The plan shall list the projects to be funded. The department shall present the plan to the state budget committee for review under IC 4-12-1-11.5.

In preparing that portion of the plan for expenditure for Highway Capital Improvements and Transportation Enhancements, the department shall adhere to the following goals to the extent practical:

(1) The plan shall comply with all applicable federal statutes, rules, and policies as necessary to ensure eligibility for the maximum level of federal funding.
(2) The plan shall be designed to obligate the federal funds and begin construction as soon as practical.
(3) The plan shall be designed to minimize the likelihood that any funding apportioned to Indiana will have to be returned to the federal government.
(4) The plan shall strive to make Indiana eligible for any increased funding that may become available as a result of reallocation from other states.
(5) The plan shall reasonably allocate funding to projects located across all areas of the state, with an emphasis on areas determined by the department to be economically distressed.
(6) The department may hold special lettings for contracts using the above appropriations. The department shall strive to limit each contract to a maximum of $10,000,000.
(7) The department shall strive to diversify the type of work using the above appropriations.

In preparing that portion of the plan for expenditure for Highway Capital Improvements - Local Government and Highway Capital Improvements - Metro Planning Organizations, Cities, Towns, and Counties, the department shall adhere to the following guidelines to the extent practical:

(1) The plan shall comply with all applicable federal statutes, rules, and policies as necessary to ensure eligibility for the maximum level of federal funding.
(2) The plan shall be designed to obligate the federal funds and begin construction

as soon as practical.
(3) The plan shall be designed to minimize the likelihood that any funding apportioned to Indiana will have to be returned to the federal government.
(4) The plan shall strive to make Indiana eligible for any increased funding that may become available as a result of reallocation from other states.
(5) The plan shall reasonably allocate funds to projects located across all areas of the state. However, if the department cannot identify local government projects that can be obligated within the established time frames the department may allocate funds as necessary to fully obligate all federal funding.
(6) For Highway Capital Improvements for Metro Planning Organizations the plan shall include projects selected by the respective metropolitan planning organizations. However, if the metropolitan planning organizations cannot identify projects that can be obligated within the established time frames, the department may select alternate projects as necessary to fully obligate all federal funding.
(7) The department may hold special lettings for contracts using the above appropriations. The department shall strive to limit each contract for Highway Capital Improvements for Cities, Towns, and Counties to a maximum of $7,000,000.

The department shall establish reasonable policies and guidelines for cities, towns, and counties and metropolitan planning organizations to follow to help ensure reasonable access and timely obligation of funds. The department shall provide reasonable assistance to cities, towns, and counties and metropolitan planning organizations in meeting deadlines established to ensure timely obligation of funding.

If the governor finds that any of the above goals conflict with another goal, the governor shall determine the appropriate weight to give to each goal. Actions taken by the governor or the department with respect to allocation, obligation, or expenditure of the above appropriations before passage of this act is deemed to have satisfied the requirement for budget committee review providing such actions were taken to conform to the plan or to comply with laws, policies, or direction issued by the United States Department of Transportation or any other federal agency as a condition to qualifying for the federal funds.

The department with the approval of the governor may adjust the above appropriations for Highway Capital Improvements, Transportation Enhancements, Highway Capital Improvements - Metropolitan Planning Organizations, Cities, Towns, and Counties as necessary to comply with federal law, policies, or direction established to ensure continuing eligibility for federal funding.

The department shall submit reports to the budget committee and legislative council by December 31 of 2009, 2010, and 2011 detailing the status of the appropriations and projects funded under the plan. The department may submit copies of reports required to be submitted to the federal government to fulfill this requirement.

The above appropriations do not revert but remain in effect until obligated.

SECTION 8. [EFFECTIVE JULY 1, 2009]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

A. FAMILY AND SOCIAL SERVICES

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

INDIANA PRESCRIPTION DRUG PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**1,117,830**	**1,117,830**
CHILDREN'S HEALTH INSURANCE PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**34,918,921**	**36,984,511**
FAMILY AND SOCIAL SERVICES ADMINISTRATION		
Total Operating Expense	**19,764,734**	**19,764,734**
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION		
Total Operating Expense	**6,061,868**	**6,062,487**
MEDICAID ADMINISTRATION		
Total Operating Expense	**36,427,564**	**36,427,564**
MEDICAID - CURRENT OBLIGATIONS		
General Fund		
Total Operating Expense	**1,116,000,000**	**1,428,800,000**

The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

INDIANA CHECK-UP PLAN (EXCLUDING IMMUNIZATION)		
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)		
Total Operating Expense	**137,466,043**	**157,766,043**
HOSPITAL CARE FOR THE INDIGENT FUND		
Total Operating Expense	**61,500,000**	**61,500,000**
MEDICAID DISABILITY ELIGIBILITY EXAMS		
Total Operating Expense	**937,000**	**937,000**
MEDICAL ASSISTANCE TO WARDS (MAW)		
Total Operating Expense	**13,100,000**	**13,100,000**
MARION COUNTY HEALTH AND HOSPITAL CORPORATION		
Total Operating Expense	**38,000,000**	**38,000,000**
MENTAL HEALTH ADMINISTRATION		
Other Operating Expense	**4,059,047**	**4,059,047**

Two hundred seventy-five thousand dollars ($275,000) of the above appropriation for

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

the state fiscal year beginning July 1, 2009, and ending June 30, 2010, and two hundred seventy-five thousand dollars ($275,000) of the above appropriation for the state fiscal year beginning July 1, 2010, and ending June 30, 2011, shall be distributed in the state fiscal year to neighborhood based community service programs.

CHILD PSYCHIATRIC SERVICES FUND		
Total Operating Expense	**20,423,760**	**20,423,760**
SERIOUSLY EMOTIONALLY DISTURBED		
Total Operating Expense	**15,975,408**	**15,975,408**
SERIOUSLY MENTALLY ILL		
General Fund		
Total Operating Expense	**91,046,702**	**91,046,702**
Mental Health Centers Fund (IC 6-7-1-32.1)		
Total Operating Expense	**4,311,650**	**4,311,650**
Augmentation allowed.		
COMMUNITY MENTAL HEALTH CENTERS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**7,000,000**	**7,000,000**

The above appropriation from the Tobacco Master Settlement Agreement Fund is in addition to other funds. The above appropriations for comprehensive community mental health services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

The comprehensive community mental health centers shall submit their proposed annual budgets (including income and operating statements) to the budget agency on or before August 1 of each year. All federal funds shall be applied in augmentation of the foregoing funds rather than in place of any part of the funds. The office of the secretary, with the approval of the budget agency, shall determine an equitable allocation of the appropriation among the mental health centers.

GAMBLERS' ASSISTANCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**4,490,809**	**4,490,809**
MVOV CONFERENCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**199,763**	**199,763**
SUBSTANCE ABUSE TREATMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**4,855,820**	**4,855,820**
QUALITY ASSURANCE/RESEARCH		
Total Operating Expense	**812,860**	**812,860**
PREVENTION		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**2,858,528**	**2,858,528**
Augmentation allowed.		
METHADONE DIVERSION CONTROL AND OVERSIGHT (MDCO) PROGRAM		
MDCO Fund (IC 12-23-18)		
Total Operating Expense	**243,486**	**243,486**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Augmentation allowed.			
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM			
DMHA Youth Tobacco Reduction Support Program (IC 4-33-12-6)			
Total Operating Expense	**250,000**	**250,000**	
Augmentation allowed.			
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Personal Services	**496,318**	**473,948**	
Other Operating Expense	**123,252**	**123,252**	
EVANSVILLE STATE HOSPITAL			
From the General Fund			
	20,276,654	**20,340,477**	
From the Mental Health Fund (IC 12-24-14-4)			
	677,943	**678,778**	
Augmentation allowed.			

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**15,636,749**	**15,701,407**
Other Operating Expense	**5,317,848**	**5,317,848**

LARUE CARTER MEMORIAL HOSPITAL		
From the General Fund		
	22,483,147	**22,534,726**
From the Mental Health Fund (IC 12-24-14-4)		
	476,465	**472,254**
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**16,020,593**	**16,067,961**
Other Operating Expense	**6,939,019**	**6,939,019**

LOGANSPORT STATE HOSPITAL		
From the General Fund		
	40,772,672	**40,769,722**
From the Mental Health Fund (IC 12-24-14-4)		
	1,378,232	**1,378,232**
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**32,407,597**	**32,404,647**
Other Operating Expense	**9,743,307**	**9,743,307**

MADISON STATE HOSPITAL

From the General Fund

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

16,403,876 16,402,626
From the Mental Health Fund (IC 12-24-14-4)
666,308 666,308
Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**13,135,516**	**13,134,266**
Other Operating Expense	**3,934,668**	**3,934,668**

RICHMOND STATE HOSPITAL
From the General Fund
37,112,498 37,096,244
From the Mental Health Fund (IC 12-24-14-4)
650,335 650,335
Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**29,512,684**	**29,496,430**
Other Operating Expense	**8,250,149**	**8,250,149**

PATIENT PAYROLL

Total Operating Expense	**285,785**	**285,785**

The federal share of revenue accruing to the state mental health institutions under IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP), shall be deposited in the mental health fund established by IC 12-24-14-1, and the remainder shall be deposited in the general fund.

In addition to the above appropriations, each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed $50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2009.

DIVISION OF FAMILY RESOURCES ADMINISTRATION

Personal Services	**6,061,903**	**6,061,903**
Other Operating Expense	**1,963,063**	**1,963,063**

COMMISSION ON THE SOCIAL STATUS OF BLACK MALES

Total Operating Expense	**173,179**	**173,179**

CHILD CARE LICENSING FUND
Child Care Fund (IC 12-17.2-2-3)

Total Operating Expense	**100,000**	**100,000**

Augmentation allowed.
ELECTRONIC BENEFIT TRANSFER PROGRAM

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**2,529,915**	**2,529,915**	

The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

STATE WELFARE - COUNTY ADMINISTRATION			
Total Operating Expense	**56,464,688**	**56,464,688**	
INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)			
Total Operating Expense	**7,402,387**	**7,402,387**	
IMPACT PROGRAM			
Total Operating Expense	**689,001**	**689,001**	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)			
Total Operating Expense	**31,776,757**	**31,776,757**	
IMPACT - TANF			
Total Operating Expense	**1,880,252**	**1,880,252**	
CHILD CARE & DEVELOPMENT FUND			
Total Operating Expense	**34,418,255**	**34,418,255**	

The foregoing appropriations for information systems/technology, education and training, Temporary Assistance to Needy Families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

BURIAL EXPENSES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,607,219**	**1,607,219**	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	**955,780**	**955,780**	
DIVISION OF AGING ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	**594,659**	**594,659**	
Other Operating Expense	**852,751**	**852,751**	

The above appropriations for the division of aging administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.

ROOM AND BOARD ASSISTANCE (R-CAP)			
Total Operating Expense	**13,477,844**	**13,477,844**	
C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	**48,765,643**	**48,765,643**	

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2009, and ending June 30,

2010, $12,900,000. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2010, and ending June 30, 2011, $12,900,000. After July 1, 2009, and before August 1, 2010, the office of the secretary (as defined in IC 12-7-2-135) shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the governor in each July, October, January, and April specifying the number of persons on the waiting list for C.H.O.I.C.E. In-Home Services at the end of the month preceding the date of the report, a schedule indicating the length of time persons have been on the waiting list, a description of the conditions or problems that contribute to the waiting list, the plan in the next six (6) months after the end of the reporting period to reduce the waiting list, and any other information that is necessary or appropriate to interpret the information provided in the report.

The division of aging shall conduct an annual evaluation of the cost effectiveness of providing home care. Before January of each year, the division shall submit a report to the budget committee, the budget agency, and the legislative council that covers all aspects of the division's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:
(1) the number and demographic characteristics of the recipients of home care during the preceding fiscal year;
(2) the total cost and per recipient cost of providing home care services during the preceding fiscal year;
(3) the number of recipients of home care services who would have been placed in long term care facilities had they not received home care services; and
(4) the total cost savings during the preceding fiscal year realized by the state due to recipients of home care services (including Medicaid) being diverted from long term care facilities.

The division shall obtain from providers of services data on their costs and expenditures regarding implementation of the program and report the findings to the budget committee, the budget agency, and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.

The foregoing appropriations for C.H.O.I.C.E. In-Home Services do not revert to the state general fund or any other fund at the close of any state fiscal year but remain available for the purposes of C.H.O.I.C.E. In-Home Services in subsequent state fiscal years.

OLDER HOOSIERS ACT		
Total Operating Expense	**1,573,446**	**1,573,446**
ADULT PROTECTIVE SERVICES		
Total Operating Expense	**1,956,528**	**1,956,528**
ADULT GUARDIANSHIP SERVICES		
Total Operating Expense	**477,135**	**477,135**
TITLE V EMPLOYMENT GRANT (OLDER WORKERS)		
Total Operating Expense	**229,034**	**229,034**
MEDICAID WAIVER		
Total Operating Expense	**322,275**	**322,275**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
OBRA/PASSARR			
Total Operating Expense	**91,108**	**91,108**	
TITLE III ADMINISTRATION GRANT			
Total Operating Expense	**252,163**	**252,163**	
OMBUDSMAN			
Total Operating Expense	**310,124**	**310,124**	
DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**360,764**	**360,764**	
VOCATIONAL REHABILITATION SERVICES			
Personal Services	**3,525,457**	**3,525,457**	
Other Operating Expense	**12,348,257**	**12,348,257**	
AID TO INDEPENDENT LIVING			
Total Operating Expense	**46,927**	**46,927**	
INDIANAPOLIS RESOURCE CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	**87,665**	**87,665**	
SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	**87,665**	**87,665**	
ATTIC, INCORPORATED			
Total Operating Expense	**87,665**	**87,665**	
LEAGUE FOR THE BLIND AND DISABLED			
Total Operating Expense	**87,665**	**87,665**	
FUTURE CHOICES, INC.			
Total Operating Expense	**158,113**	**158,113**	
THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.			
Total Operating Expense	**158,113**	**158,113**	
INDEPENDENT LIVING CENTER OF EASTERN INDIANA			
Total Operating Expense	**158,113**	**158,113**	
OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	**185,104**	**185,104**	
Other Operating Expense	**131,670**	**131,670**	
BLIND VENDING OPERATIONS			
Total Operating Expense	**129,905**	**129,905**	
DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL			
Personal Services	**2,970**	**2,970**	
Other Operating Expense	**12,038**	**12,038**	
OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**56,751**	**56,751**	
Other Operating Expense	**24,985**	**24,985**	
EMPLOYEE TRAINING			
Total Operating Expense	**6,112**	**6,112**	
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	**3,936,983**	**3,936,983**	
DAY SERVICES - DEVELOPMENTALLY DISABLED			
Other Operating Expense	**11,759,384**	**11,759,384**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
DIAGNOSIS AND EVALUATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**400,125**	**400,125**	
FEDERAL EARLY INTERVENTION			
Total Operating Expense	**6,149,513**	**6,149,513**	
SUPPORTED EMPLOYMENT			
Other Operating Expense	**3,880,000**	**3,880,000**	
EPILEPSY PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**463,758**	**463,758**	
CAREGIVER SUPPORT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Other Operating Expense	**809,500**	**809,500**	
BDDS OPERATING			
General Fund			
Total Operating Expense	**5,286,709**	**5,286,709**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,869,887**	**1,869,887**	
Augmentation allowed.			
OASIS - OBJECTIVE ASSISTANCE SYSTEM FROM INDEPENDENT SERVICES			
Total Operating Expense	**5,529,000**	**5,529,000**	
CRISIS MANAGEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**4,136,080**	**4,136,080**	
Augmentation allowed.			
OUTREACH - STATE OPERATING SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,232,973**	**2,232,973**	
Augmentation allowed.			
RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS			
General Fund			
Total Operating Expense	**93,996,290**	**93,996,290**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,229,000**	**15,229,000**	

The above appropriations for client services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid program for day services provided to residents of group homes and nursing facilities.

In the development of new community residential settings for persons with developmental disabilities, the division of disability and rehabilitative services must give priority to the appropriate placement of such persons who are eligible for Medicaid and currently residing in intermediate care or skilled nursing facilities and, to the extent permitted by law, such persons who reside with aged parents or guardians or families in crisis.

FOR THE DEPARTMENT OF CHILD SERVICES

DEPARTMENT OF CHILD SERVICES - ADMINISTRATION			
Personal Services	**89,445,563**	**89,445,563**	
Other Operating Expense	**20,582,245**	**20,582,245**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION			
Personal Services	**14,689,383**	**14,689,383**	
Other Operating Expense	**3,636,219**	**3,636,219**	
CHILD WELFARE SERVICES STATE GRANTS			
General Fund			
Total Operating Expense	**7,500,000**	**7,500,000**	
Excise and Financial Institution Taxes			
Total Operating Expense	**6,275,000**	**6,275,000**	
Augmentation allowed.			
TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)			
Total Operating Expense	**5,598,019**	**5,598,019**	

The foregoing appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

FAMILY AND CHILDREN FUND			
General Fund			
Total Operating Expense	**445,406,171**	**445,406,171**	
Augmentation allowed.			
Family and Children Reimbursement (IC 31-40-1-3)			
Total Operating Expense	**8,782,173**	**8,782,173**	
Augmentation allowed.			
YOUTH SERVICE BUREAU			
Total Operating Expense	**1,528,000**	**1,528,000**	
PROJECT SAFEPLACE			
Total Operating Expense	**125,000**	**125,000**	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	**6,826,935**	**6,826,935**	
CHILD WELFARE TRAINING			
Total Operating Expense	**1,729,473**	**1,729,473**	
SPECIAL NEEDS ADOPTION II			
Personal Services	**243,060**	**243,060**	
Other Operating Expense	**456,540**	**456,540**	
ADOPTION ASSISTANCE			
Total Operating Expense	**14,307,971**	**14,307,971**	
NON-RECURRING ADOPTION ASSISTANCE			
Total Operating Expense	**921,500**	**921,500**	
INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)			
Total Operating Expense	**4,804,602**	**4,804,602**	
CHILD PROTECTION AUTOMATION PROJECT (ICWIS)			
Total Operating Expense	**4,224,334**	**4,224,334**	
SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	**4,012,083**	**4,012,083**	

The funds appropriated above to the social services block grant are allocated in the following manner during the biennium:

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Division of Disability and Rehabilitative Services			
	343,481	**343,481**	
Division of Family Resources			
	1,100,000	**1,100,000**	
Division of Aging			
	687,396	**687,396**	
Department of Child Services			
	289,352	**289,352**	
Department of Health			
	296,504	**296,504**	
Department of Correction			
	1,295,350	**1,295,350**	

FOR THE DEPARTMENT OF ADMINISTRATION

DEPARTMENT OF CHILD SERVICES OMBUDSMAN BUREAU

Total Operating Expense	**145,400**	**145,400**

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH

Personal Services	**21,315,999**	**21,315,999**
Other Operating Expense	**7,410,840**	**7,410,840**

All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund. Augmentation allowed in amounts not to exceed revenue from penalties or fees collected by the state department of health.

The above appropriations for the state department of health include funds to establish a medical adverse events reporting system by making a grant to or an agreement with an appropriate agency.

AREA HEALTH EDUCATION CENTERS

Total Operating Expense	**1,387,500**	**1,387,500**

CANCER REGISTRY

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	**610,647**	**610,647**

MINORITY HEALTH INITIATIVE

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	**3,000,000**	**3,000,000**

The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition to work with the state department on the implementation of IC 16-46-11.

SICKLE CELL

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	**250,000**	**250,000**

AID TO COUNTY TUBERCULOSIS HOSPITALS

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	**96,883**	**96,883**

These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.

MEDICARE-MEDICAID CERTIFICATION		
Total Operating Expense	**6,269,426**	**6,269,426**

Personal services augmentation allowed in amounts not to exceed revenue from health facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee increases or those adopted by the Executive Board of the Indiana State Department of health pursuant to IC 16-19-3.

AIDS EDUCATION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**286,161**	**286,161**
Other Operating Expense	**531,084**	**531,084**
HIV/AIDS SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,162,254**	**2,162,254**
TEST FOR DRUG AFFLICTED BABIES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**58,121**	**58,121**

The above appropriations for drug afflicted babies shall be used for the following purposes:

(1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:
(A) the infant's weight is less than two thousand five hundred (2,500) grams;
(B) the infant's head is smaller than the third percentile for the infant's gestational age; and
(C) there is no medical explanation for the conditions described in clauses (A) and (B).
(2) If a meconium test determines the presence of a controlled substance in the infant's meconium, the infant may be declared a child in need of services as provided in IC 31-34-1-10 through IC 31-34-1-13. However, the child's mother may not be prosecuted in connection with the results of the test.
(3) The state department of health shall provide forms on which the results of a meconium test performed on an infant under subdivision (1) must be reported to the state department of health by physicians and hospitals.
(4) The state department of health shall, at least semi-annually:
(A) ascertain the extent of testing under this chapter; and
(B) report its findings under subdivision (1) to:
(i) all hospitals;
(ii) physicians who specialize in obstetrics and gynecology or work with infants and young children; and
(iii) any other group interested in child welfare that requests a copy of the report from the state department of health.
(5) The state department of health shall designate at least one (1) laboratory to

perform the meconium test required under subdivisions (1) through (8). The designated laboratories shall perform a meconium test on each infant described in subdivision (1) to detect the presence of a controlled substance.
(6) Subdivisions (1) through (7) do not prevent other facilities from conducting tests on infants to detect the presence of a controlled substance.
(7) Each hospital and physician shall:
(A) take or cause to be taken a meconium sample from every infant born under the hospital's and physician's care who meets the description under subdivision (1); and
(B) transport or cause to be transported each meconium sample described in clause (A) to a laboratory designated under subdivision (5) to test for the presence of a controlled substance as required under subdivisions (1) through (7).
(8) The state department of health shall establish guidelines to carry out this program, including guidance to physicians, medical schools, and birthing centers as to the following:
(A) Proper and timely sample collection and transportation under subdivision (7) of this appropriation.
(B) Quality testing procedures at the laboratories designated under subdivision (5) of this appropriation.
(C) Uniform reporting procedures.
(D) Appropriate diagnosis and management of affected newborns and counseling and support programs for newborns' families.
(9) A medically appropriate discharge of an infant may not be delayed due to the results of the test described in subdivision (1) or due to the pendency of the results of the test described in subdivision (1).

STATE CHRONIC DISEASES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**120,459**	**120,459**
Other Operating Expense	**957,968**	**957,968**

At least $82,560 of the above appropriations shall be for grants to community groups and organizations as provided in IC 16-46-7-8.

WOMEN, INFANTS, AND CHILDREN SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**190,000**	**190,000**
MATERNAL AND CHILD HEALTH SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**190,000**	**190,000**
CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**86,490**	**86,490**
CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**93,000**	**93,000**
ADOPTION HISTORY		
Adoption History Fund (IC 31-19-18-6)		

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**215,543**	**215,543**	
Augmentation allowed.			
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**13,862,070**	**13,862,070**	
Augmentation allowed.			
NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17-11)			
Personal Services	**366,971**	**366,971**	
Other Operating Expense	**2,294,672**	**2,294,672**	
Augmentation allowed.			
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	**11,458**	**11,458**	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Personal Services	**62,071**	**62,071**	
Other Operating Expense	**62,389**	**62,389**	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	**174,464**	**174,464**	
Augmentation allowed.			
PROJECT RESPECT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**537,904**	**537,904**	
DONATED DENTAL SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**42,932**	**42,932**	

The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

OFFICE OF WOMEN'S HEALTH			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**121,248**	**121,248**	
SPINAL CORD AND BRAIN INJURY			
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)			
Total Operating Expense	**1,175,770**	**1,175,770**	
INDIANA CHECK-UP PLAN - IMMUNIZATIONS			
Indiana Check-Up Plan Trust Fund (IC 12-15-44.2-17)			
Total Operating Expense	**11,000,000**	**11,000,000**	
WEIGHTS AND MEASURES FUND			
Weights and Measures Fund (IC 16-19-5-4)			
Total Operating Expense	**22,824**	**22,824**	
Augmentation allowed.			
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**750,000**	**750,000**	
COMMUNITY HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**17,500,000**	**20,000,000**	
PRENATAL SUBSTANCE USE & PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**150,000**	**150,000**	
LOCAL HEALTH MAINTENANCE FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,860,000**	**3,860,000**	
Augmentation allowed.			

The amount appropriated from the tobacco master settlement agreement fund is in lieu of the appropriation provided for this purpose in IC 6-7-1-30.5 or any other law. Of the above appropriations for the local health maintenance fund, $60,000 each year shall be used to provide additional funding to adjust funding through the formula in IC 16-46-10 to reflect population increases in various counties. Money appropriated to the local health maintenance fund must be allocated under the following schedule each year to each local board of health whose application for funding is approved by the state department of health:

COUNTY POPULATION	AMOUNT OF GRANT
over 499,999	94,112
100,000 - 499,999	72,672
50,000 - 99,999	48,859
under 50,000	33,139

LOCAL HEALTH DEPARTMENT ACCOUNT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,000,000**	**3,000,000**	

The foregoing appropriations for the local health department account are statutory distributions pursuant to IC 4-12-7.

FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD			
TOBACCO USE PREVENTION AND CESSATION PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**10,859,308**	**10,859,308**	

A minimum of 75% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**10,525,311**	**10,524,650**	
Other Operating Expense	**1,028,728**	**1,029,396**	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	**16,817,364**	**16,822,021**	
Other Operating Expense	**1,959,367**	**1,959,367**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
C. VETERANS' AFFAIRS			
FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	**538,944**	**538,944**	
Other Operating Expense	**80,108**	**80,108**	
DISABLED AMERICAN VETERANS OF WORLD WARS			
Total Operating Expense	**40,000**	**40,000**	
AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM			
Total Operating Expense	**30,000**	**30,000**	
VETERANS OF FOREIGN WARS			
Total Operating Expense	**30,000**	**30,000**	
VIETNAM VETERANS OF AMERICA			
Total Operating Expense			**20,000**
MILITARY FAMILY RELIEF FUND			
Military Family Relief Fund (IC 10-17-12-8)			
Total Operating Expense	**450,000**	**450,000**	
INDIANA VETERANS' HOME			
From the General Fund			
	12,815,594	**12,815,594**	
From the Comfort and Welfare Fund (IC 10-17-9-7(c))			
	9,381,362	**9,381,362**	
Augmentation allowed from the Comfort and Welfare Fund in amounts not to exceed revenue collected for Medicaid and Medicare reimbursement.			

The amounts specified from the General Fund and the Comfort and Welfare Fund are for the following purposes:

Personal Services	**16,956,676**	**16,956,676**
Other Operating Expense	**5,240,280**	**5,240,280**
COMFORT AND WELFARE PROGRAM		
Comfort and Welfare Fund (IC 10-17-9-7(c))		
Total Operating Expense	**10,127,221**	**10,127,221**
Augmentation allowed.		

SECTION 9. [EFFECTIVE JULY 1, 2009]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY		
BLOOMINGTON CAMPUS		
Total Operating Expense	**194,908,592**	**190,670,086**
Fee Replacement	**26,901,091**	**39,480,478**
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES		

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
EAST			
Total Operating Expense	**7,978,684**	**7,896,005**	
Fee Replacement	**1,896,844**	**1,400,591**	
KOKOMO			
Total Operating Expense	**10,409,563**	**10,345,995**	
Fee Replacement	**2,103,973**	**1,553,532**	
NORTHWEST			
Total Operating Expense	**17,243,776**	**16,949,512**	
Fee Replacement	**3,899,173**	**2,879,072**	
SOUTH BEND			
Total Operating Expense	**22,157,280**	**21,772,918**	
Fee Replacement	**5,658,917**	**4,178,432**	
SOUTHEAST			
Total Operating Expense	**20,002,235**	**19,846,717**	
Fee Replacement	**5,048,022**	**3,727,359**	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	**96,398,467**	**90,550,133**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	**104,111,058**	**102,027,773**	
Fee Replacement	**4,189,020**	**4,160,100**	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**1,565,404**	**1,603,670**	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	**1,440,072**	**1,475,274**	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	**2,045,819**	**2,095,829**	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	**1,826,182**	**1,870,823**	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	**1,642,036**	**1,682,175**	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	**1,522,791**	**1,560,016**	
THE CAMPUS OF INDIANA STATE UNIVERSITY			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**1,815,496**	**1,859,876**	

The Indiana University School of Medicine - Indianapolis shall submit to the Indiana commission for higher education before May 15 of each year an accountability report containing data on the number of medical school graduates who entered primary care physician residencies in Indiana from the school's most recent graduating class.

FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)

GENERAL ACADEMIC DIVISIONS			
Total Operating Expense	**80,314,605**	**80,232,626**	
Fee Replacement	**20,004,544**	**13,472,705**	
TOTAL APPROPRIATIONS - IUPUI	**220,477,027**	**212,040,867**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Indiana University can be made by the institution with the approval of the commission for higher education and the budget agency. Indiana University shall maintain current operations at all statewide medical education sites.

FOR INDIANA UNIVERSITY

ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	**832,596**	**832,596**	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Spinal Cord and Brain Injury Fund (IC 16-41-42.2-3)			
Total Operating Expense	**524,230**	**524,230**	
STATE DEPARTMENT OF TOXICOLOGY			
Total Operating Expense	**2,463,380**	**2,463,380**	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	**2,477,440**	**2,477,440**	
GEOLOGICAL SURVEY			
Total Operating Expense	**3,102,244**	**3,102,244**	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	**56,543**	**56,543**	
I-LIGHT NETWORK OPERATIONS			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**2,000,000**	**2,000,000**	

FOR PURDUE UNIVERSITY

WEST LAFAYETTE			
Total Operating Expense	**248,053,173**	**241,119,004**	
Fee Replacement	**26,722,911**	**27,614,524**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES			
CALUMET			
Total Operating Expense	**27,028,286**	**26,750,801**	
Fee Replacement	**1,491,261**	**1,491,824**	
NORTH CENTRAL			
Total Operating Expense	**11,847,744**	**12,229,238**	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES			
	40,367,291	**40,471,863**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY			
AT FORT WAYNE (IPFW)			
Total Operating Expense	**37,378,801**	**37,816,896**	
Fee Replacement	**5,995,241**	**5,980,642**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Purdue University can be made by the institution with the approval of the commission for higher education and the budget agency.

FOR PURDUE UNIVERSITY			
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**3,449,706**	**3,449,706**	

The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease testing service at West Lafayette, and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 21-46-3-5. Notwithstanding IC 21-46-3-4, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

STATEWIDE TECHNOLOGY			
Total Operating Expense	**6,433,939**	**6,433,939**	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	**7,234,605**	**7,234,605**	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	**7,238,961**	**7,238,961**	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	**522,558**	**522,558**	
UNIVERSITY-BASED BUSINESS ASSISTANCE			
Total Operating Expense	**1,889,039**	**1,889,039**	
FOR INDIANA STATE UNIVERSITY			
Total Operating Expense	**72,442,778**	**71,536,249**	

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Fee Replacement	**8,231,452**	**9,455,023**	
NURSING PROGRAM			
Total Operating Expense	**240,000**	**240,000**	
FOR UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**39,044,222**	**39,172,365**	
Fee Replacement	**11,920,469**	**11,119,519**	
HISTORIC NEW HARMONY			
Total Operating Expense	**553,428**	**553,428**	
FOR BALL STATE UNIVERSITY			
Total Operating Expense	**125,529,452**	**125,182,828**	
Fee Replacement	**11,543,674**	**14,296,955**	
ENTREPRENEURIAL COLLEGE			
From the General Fund			
	960,000	**960,000**	
From the ARRA State Fiscal Stabilization Fund (Section 14002(b))			
	1,000,000	**1,000,000**	

The amounts specified from the General Fund and the American Recovery and Reinvestment Act are for the following purposes:

Total Operating Expense	**1,960,000**	**1,960,000**	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	**4,273,836**	**4,273,836**	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	**37,420,510**	**37,190,537**	
Fee Replacement	**5,275,650**	**5,282,662**	
FOR IVY TECH COMMUNITY COLLEGE			
Total Operating Expense	**164,419,166**	**175,842,161**	
Fee Replacement	**26,656,511**	**31,178,968**	
VALPO NURSING PARTNERSHIP			
Total Operating Expense	**100,484**	**100,484**	
FT. WAYNE PUBLIC SAFETY TRAINING CENTER			
Total Operating Expense	**1,000,000**	**1,000,000**	
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**600,000**	**600,000**	

The above appropriations do not include funds for the course development grant program.

The sums herein appropriated to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech Community College, and the Indiana Higher Education Telecommunications System (IHETS) are in addition to all income of said institutions and IHETS, respectively, from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

All such income and all such fees, earnings, and receipts on hand June 30, 2009, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

The foregoing appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech Community College, and IHETS include the employers' share of Social Security payments for university and IHETS employees under the public employees' retirement fund, or institutions covered by the Indiana state teachers' retirement fund. The funds appropriated also include funding for the employers' share of payments to the public employees' retirement fund and to the Indiana state teachers' retirement fund at a rate to be established by the retirement funds for both fiscal years for each institution and for IHETS employees covered by these retirement plans.

The treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College shall, at the end of each three (3) month period, prepare and file with the auditor of state a financial statement that shall show in total all revenues received from any source, together with a consolidated statement of disbursements for the same period. The budget director shall establish the requirements for the form and substance of the reports.

The reports of the treasurer also shall contain in such form and in such detail as the governor and the budget agency may specify, complete information concerning receipts from all sources, together with any contracts, agreements, or arrangements with any federal agency, private foundation, corporation, or other entity from which such receipts accrue.

All such treasurers' reports are matters of public record and shall include without limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College on the basis of vouchers stating the total amount claimed against each fund

or account, or both, but not to exceed the legally made appropriations.

Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency. Each institution shall retain the applications for a reasonable period of time and submit a list of all grant applications, at least monthly, to the commission for higher education for informational purposes.

For all university special appropriations, an itemized list of intended expenditures, in such form as the governor and the budget agency may specify, shall be submitted to support the allotment request. All budget requests for university special appropriations shall be furnished in a like manner and as a part of the operating budgets of the state universities.

The trustees of Indiana University, the trustees of Purdue University, the trustees of Indiana State University, the trustees of University of Southern Indiana, the trustees of Ball State University, the trustees of Vincennes University, the trustees of Ivy Tech Community College and the directors of IHETS are hereby authorized to accept federal grants, subject to IC 4-12-1.

Fee replacement funds are to be distributed as requested by each institution, on payment due dates, subject to available appropriations.

FOR THE MEDICAL EDUCATION BOARD		
FAMILY PRACTICE RESIDENCY FUND		
Total Operating Expense	**2,247,056**	**2,247,056**

Of the foregoing appropriations for the medical education board-family practice residency fund, $1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

FOR THE COMMISSION FOR HIGHER EDUCATION		
Total Operating Expense	**1,476,735**	**1,476,735**
STATEWIDE TRANSFER WEB SITE		
Total Operating Expense	**644,293**	**644,293**
FOR THE DEPARTMENT OF ADMINISTRATION		
ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL		
Total Operating Expense	**1,045,098**	**1,046,630**
COLUMBUS LEARNING CENTER LEASE PAYMENT		
Total Operating Expense	**4,988,000**	**4,934,000**
FOR THE STATE BUDGET AGENCY		
MEDICAL EDUCATION CENTER EXPANSION		
Total Operating Expense	**3,000,000**	**3,000,000**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

The above appropriations for medical education center expansion are intended to help increase medical school class size on a statewide basis. The funds shall be used to help increase enrollment for years 1 and 2 and to provide clinical instruction for years 3 and 4. The funds shall be distributed to the nine (9) existing medical education centers in proportion to the increase in enrollment for each center. The budget agency shall release the funds after a plan is submitted and favorably reviewed by the budget committee.

TECHNICAL ASSISTANCE AND ADVANCED MANUFACTURING		
Total Operating Expense	**2,500,000**	**2,500,000**

The above appropriation for technical assistance and advanced manufacturing is intended to be used to expand post graduate pharmacy residency training and post graduate biomedical engineering specialization and for a technical assistance program for cost containment through the healthcare technology assistance program at Purdue University. Funds shall be released after favorable review by the budget committee.

CORE RESEARCH		
Total Operating Expense	**7,500,000**	**7,500,000**

The above appropriations for core research are intended to fund facilities, equipment, researchers, and related expenses at Purdue University and Indiana University to conduct basic research in the core life sciences that are aligned with Indiana's major bioscience employment sectors. Those sectors include pharmaceutical, biotech, medical devices and equipment, orthopedics, and agricultural feedstock and chemicals. Funds shall be released after favorable review by the budget committee. Purdue University and Indiana University shall report to the budget committee on the status of the program one (1) year after the funds are released.

GIGAPOP PROJECT		
Build Indiana Fund (IC 4-30-17)		
Total Operating Expense	**771,951**	**771,951**
SOUTH CENTRAL EDUCATIONAL ALLIANCE - BEDFORD SERVICE AREA		
Build Indiana Fund (IC 4-30-17)		
Total Operating Expense	**395,266**	**395,266**
SOUTHEAST INDIANA EDUCATION SERVICES		
Build Indiana Fund (IC 4-30-17)		
Total Operating Expense	**695,226**	**695,226**
DEGREE LINK		
Build Indiana Fund (IC 4-30-17)		
Total Operating Expense	**541,465**	**541,465**

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech Community College and Vincennes University locations through Degree Link.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
WORKFORCE CENTERS			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**862,110**	**862,110**	
MIDWEST HIGHER EDUCATION COMMISSION			
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**95,000**	**95,000**	
FOR THE STATE STUDENT ASSISTANCE COMMISSION			
Total Operating Expense	**1,073,337**	**1,073,337**	
FREEDOM OF CHOICE GRANTS			
Total Operating Expense	**49,010,522**	**50,480,838**	
HIGHER EDUCATION AWARD PROGRAM			
Total Operating Expense	**143,700,712**	**148,011,733**	
NURSING SCHOLARSHIP PROGRAM			
Total Operating Expense	**418,389**	**418,389**	
HOOSIER SCHOLAR PROGRAM			
Total Operating Expense	**404,500**	**404,500**	

For the higher education awards and freedom of choice grants made for the 2009-2011 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:

(1) Financial Need: For purposes of these awards, financial need shall be limited to actual undergraduate tuition and fees for the prior academic year as established by the commission.

(2) Maximum Base Award: The maximum award shall not exceed the lesser of:

(A) eighty percent (80%) of actual prior academic year undergraduate tuition and fees; or

(B) eighty percent (80%) of the sum of the highest prior academic year undergraduate tuition and fees at any public institution of higher education and the lowest appropriation per full-time equivalent (FTE) undergraduate student at any public institution of higher education.

(3) Minimum Award: No actual award shall be less than $1,000.

(4) Award Size: A student's maximum award shall be reduced one (1) time:

(A) for dependent students, by the expected contribution from parents based upon information submitted on the financial aid application form; and

(B) for independent students, by the expected contribution derived from information submitted on the financial aid application form.

(5) Award Adjustment: The maximum base award may be adjusted by the commission, for any eligible recipient who fulfills college preparation requirements defined by the commission.

(6) Adjustment:

(A) If the dollar amounts of eligible awards exceed appropriations and program reserves, all awards may be adjusted by the commission by reducing the maximum award under subdivision (2)(A) or (2)(B).

(B) If appropriations and program reserves are sufficient and the maximum awards are not at the levels described in subdivision (2)(A) and (2)(B), all awards may be adjusted by the commission by proportionally increasing the awards to the maximum

award under that subdivision so that parity between those maxima is maintained but not exceeded.

For the Hoosier scholar program for the 2009-2011 biennium, each award shall not exceed five hundred dollars ($500) and shall be made available for one (1) year only. Receipt of this award shall not reduce any other award received under any state funded student assistance program.

STATUTORY FEE REMISSION		
Total Operating Expense	**20,557,932**	**20,557,932**
PART-TIME STUDENT GRANT DISTRIBUTION		
Total Operating Expense	**5,462,100**	**5,462,100**

Priority for awards made from the above appropriation shall be given first to eligible students meeting TANF income eligibility guidelines as determined by the family and social services administration and second to eligible students who received awards from the part-time grant fund during the school year associated with the biennial budget year. Funds remaining shall be distributed according to procedures established by the commission. The maximum grant that an applicant may receive for a particular academic term shall be established by the commission but shall in no case be greater than a grant for which an applicant would be eligible under IC 21-12-3 if the applicant were a full-time student. The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

The family and social services administration, division of family resources, shall apply all qualifying expenditures for the part-time grant program toward Indiana's maintenance of effort under the federal Temporary Assistance for Needy Families (TANF) program (45 CFR 260 et seq.).

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA		
Total Operating Expense	**458,253**	**458,253**
MINORITY TEACHER SCHOLARSHIP FUND		
Total Operating Expense	**415,919**	**415,919**
COLLEGE WORK STUDY PROGRAM		
Total Operating Expense	**837,719**	**837,719**
21ST CENTURY ADMINISTRATION		
Total Operating Expense	**2,102,648**	**2,102,648**
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	**27,314,852**	**28,134,298**

Augmentation for 21st Century Scholar Awards allowed from the general fund.

The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR 265.

Family and social services administration, division of family resources, shall apply all qualifying expenditures for the 21st century scholars program toward Indiana's

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

maintenance of effort under the federal Temporary Assistance for Needy Families (TANF) program (45 CFR 260 et seq.)

NATIONAL GUARD SCHOLARSHIP

Total Operating Expense	**2,874,264**	**2,874,264**

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2009, shall be the total allowable state expenditure for the program in the 2009-2011 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall develop a plan to ensure that the total dollar amount does not exceed the above appropriations and any program reserves.

INSURANCE EDUCATION SCHOLARSHIPS

Insurance Education Scholarship Fund (IC 21-12-9-5)

Total Operating Expense	**100,000**	**100,000**

Augmentation allowed.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION

STATE BOARD OF EDUCATION

Total Operating Expense	**3,144,762**	**3,144,762**

The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-19-4; for the academic standards project to distribute copies of the academic standards and provide teachers with curriculum frameworks; for special evaluation and research projects including national and international assessments; and for state board and roundtable administrative expenses.

SUPERINTENDENT'S OFFICE

From the General Fund

	8,495,125	**8,495,125**

From the Professional Standards Fund (IC 20-28-2-8)

	395,000	**395,000**

Augmentation allowed from the Professional Standards Fund.

The amounts specified from the General Fund and the Professional Standards Fund are for the following purposes:

Personal Services	**5,895,372**	**5,895,372**
Other Operating Expense	**2,994,753**	**2,994,753**

WOODROW WILSON TEACHING FELLOWSHIP PROGRAM

ARRA State Fiscal Stabilization Fund (Section 14002(b))

Total Operating Expense	**5,000,000**	**0**

The foregoing appropriation for the Woodrow Wilson teaching fellowship program shall be used for new math and science teachers for underserved areas.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
RILEY HOSPITAL			
Total Operating Expense	**27,900**	**27,900**	
BEST BUDDIES			
Total Operating Expense	**250,000**	**250,000**	
MOTORCYCLE OPERATOR SAFETY EDUCATION FUND			
Safety Education Fund (IC 20-30-13-11)			
Personal Services	**154,388**	**154,388**	
Other Operating Expense	**829,642**	**829,642**	

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-30-13-11.

SCHOOL TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**224,364**	**224,364**	
Other Operating Expense	**28,119**	**28,119**	
Augmentation allowed.			
EDUCATION LICENSE PLATE FEES			
Education License Plate Fees Fund (IC 9-18-31)			
Total Operating Expense	**141,200**	**141,200**	
ACCREDITATION SYSTEM			
Personal Services	**566,462**	**566,462**	
Other Operating Expense	**283,966**	**283,966**	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	**24,750,000**	**24,750,000**	

The foregoing appropriations for special education are made under IC 20-35-6-2.

SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)			
Personal Services	**386,527**	**386,527**	
Augmentation allowed.			
CAREER AND TECHNICAL EDUCATION			
Personal Services	**1,390,117**	**1,390,117**	
Other Operating Expense	**36,828**	**36,828**	
ADVANCED PLACEMENT PROGRAM			
Other Operating Expense	**953,284**	**953,284**	

The above appropriations for the Advanced Placement Program are to provide funding for students of accredited public and nonpublic schools.

PSAT PROGRAM			
Other Operating Expense	**717,449**	**717,449**	

The above appropriations for the PSAT program are to provide funding for students of accredited public and nonpublic schools.

EDUCATION SERVICE CENTERS

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Total Operating Expense	**1,100,000**	**1**	

No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars ($3) per student for fiscal year 2009-2010 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2008 and at least three dollars ($3) per student for fiscal year 2010-2011, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2009. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)

Total Operating Expense	**25,000**	**25,000**	

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-26-11-8 and IC 20-26-11-10.

TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION

Total Operating Expense	**2,403,792**	**2,403,792**	

The foregoing appropriations shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area career and technical education schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

DISTRIBUTION FOR TUITION SUPPORT

Total Operating Expense	**6,399,400,000**	**6,518,400,000**	

After July 1, 2009, but before June 30, 2011, the state budget agency shall transfer six hundred ten million dollars ($610,000,000) from the state tuition reserve fund to the state general fund to support the foregoing appropriations. The $610,000,000 represents the ARRA(a) monies used to restore state support and fund the CY 2009 tuition support distribution pursuant to the school funding formula contained in HEA 1001-2007.

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2009 session of the general assembly.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

If the above appropriations for distribution for tuition support are more than are required under this SECTION, any excess shall revert to the general fund.

The above appropriations for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each calendar year shall equal the amount required under the statute enacted for the purpose referred to above.

DISTRIBUTION FOR SUMMER SCHOOL

Other Operating Expense	**18,360,000**	**18,360,000**

It is the intent of the 2009 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT

Total Operating Expense	**4,720,000**	**4,720,000**

The above appropriation for the early intervention program may be used for grants to local school corporations for grant proposals for early intervention programs.

The foregoing appropriations may be used by the department for the reading diagnostic assessment and subsequent remedial programs or activities. The reading diagnostic assessment program, as approved by the board, is to be made available on a voluntary basis to all Indiana public and nonpublic school first and second grade students upon the approval of the governing body of school corporations. The board shall determine how the funds will be distributed for the assessment and related remediation. The department or its representative shall provide progress reports on the assessment as requested by the board and the education roundtable.

SCHOOL CIRCUIT BREAKER REPLACEMENT CREDITS

Total Operating Expense	**45,000,000**	**30,000,000**

The above appropriations for school circuit breaker replacement credits replace the appropriations in HEA 1001-2008, SECTION 857.

ADULT EDUCATION DISTRIBUTION

Total Operating Expense	**14,000,000**	**14,000,000**

It is the intent of the 2009 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
NATIONAL SCHOOL LUNCH PROGRAM			
Total Operating Expense	**5,400,000**	**5,400,000**	
MARION COUNTY DESEGREGATION COURT ORDER			
Total Operating Expense	**18,000,000**	**18,000,000**	

The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT			
Total Operating Expense	**39,000,000**	**39,000,000**	

Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic school shall provide to the department the requirements established in IC 20-33-5-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

FULL-DAY KINDERGARTEN			
Total Operating Expense	**58,500,000**	**58,500,000**	

The above appropriations for full day kindergarten are available to school corporations and charter schools that apply to the department of education for funding of full day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total full day kindergarten enrollment of all participating school corporations and charter schools (as defined in IC 20-43-1-11) for the current year, and then multiplied by the school corporation's or charter school's full day kindergarten enrollment (as defined in IC 20-43-1-11) for the current year. However, a school corporation or charter school may not receive more than $2,500 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

To provide full day kindergarten programs, a school corporation or charter school that determines there is inadequate space to offer a program in the school corporation's or charter school's existing facilities may offer the program in any suitable space located within the geographic boundaries of the school corporation or, in the case

of a charter school, a location that is in the general vicinity of the charter school's existing facilities. A full day kindergarten program offered by a school corporation or charter school must meet the academic standards and other requirements of IC 20.

A school corporation or charter school that receives a grant must meet the academic standards and other requirements of IC 20.

In awarding grants from the above appropriations, the department of education may not refuse to make a grant to a school corporation or reduce the award that would otherwise be made to the school corporation because the school corporation used federal grants or loans, including Title I grants, to fund part or all of the school corporation's full day kindergarten program in a school year before the school year in which the grant will be given or because the school corporation intends to use federal grants or loans, including Title I grants, to fund part of the school corporation's full day kindergarten program in a school year in which the grant will be given.

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

(1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:

(A) scientifically proven methods of teaching reading;

(B) the use of data to guide instruction; and

(C) the use of age appropriate literacy and mathematics assessments.

(2) Making uniform, predictively valid, observational assessments that:

(A) provide frequent information concerning the student's progress to the student's teacher; and

(B) measure the student's progress in literacy;

available to teachers in kindergarten through grade 3. Teachers shall monitor students participating in a program, and the school corporation or charter school shall report the results of the assessments to the parents of a child completing an assessment and to the department.

(3) Undertaking a longitudinal study of students in programs in Indiana to determine the achievement levels of the students in kindergarten and later grades.

The school corporation or charter school may use any funds otherwise allowable under state and federal law, including the school corporation's general fund, any funds available to the charter school, or voluntary parent fees, to provide full day kindergarten programs.

TESTING AND REMEDIATION		
Total Operating Expense	**39,000,000**	**39,000,000**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency.

The above appropriation for testing and remediation shall be used by school corporations to provide remediation programs for students who attend public and nonpublic schools.

For purposes of tuition support, these students are not to be counted in the average daily membership.

GRADUATION EXAM REMEDIATION		
Other Operating Expense	**4,958,910**	**4,958,910**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and approval of the formula and components shall be made by the budget agency.

SPECIAL EDUCATION PRESCHOOL		
Total Operating Expense	**19,200,000**	**0**

The above appropriations shall be distributed to guarantee a minimum of $2,750 per child enrolled in special education preschool programs. It is the intent of the 2009 general assembly that the above appropriations for special education preschool shall be the total allowable expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

NON-ENGLISH SPEAKING PROGRAM		
Other Operating Expense	**6,965,055**	**6,965,055**

The above appropriations for the Non-English Speaking Program are for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is two hundred dollars ($200) per pupil. It is the intent of the 2009 general assembly that the above appropriations for the Non-English Speaking Program shall be the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

GIFTED AND TALENTED EDUCATION PROGRAM		
Personal Services	**148,024**	**148,024**
Other Operating Expense	**12,788,157**	**12,788,157**

DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION		
Total Operating Expense	**250,000**	**250,000**

The distribution for adult career and technical education programs shall be made in accordance with the state plan for vocational education.

PRIMETIME		
Personal Services	**202,136**	**202,136**
Other Operating Expense	**32,053**	**32,053**
DRUG FREE SCHOOLS		

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
Personal Services	**46,203**	**46,203**	
Other Operating Expense	**20,451**	**20,451**	
PROFESSIONAL DEVELOPMENT DISTRIBUTION			
Other Operating Expense	**10,000,000**	**10,000,000**	

The foregoing appropriation for professional development distribution includes schools defined under IC 20-31-2-8.

ALTERNATIVE EDUCATION			
Total Operating Expense	**6,580,319**	**6,580,319**	

The above appropriation includes funding to provide $5,000 for each child attending a charter school operated by an accredited hospital specializing in the treatment of alcohol or drug abuse. This funding is in addition to tuition support for the charter school.

The foregoing appropriation for alternative education may be used for dropout prevention.

SENATOR DAVID C. FORD EDUCATIONAL TECHNOLOGY PROGRAM (IC 20-20-13)			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Total Operating Expense	**5,000,000**	**0**	
Build Indiana Fund (IC 4-30-17)			
Total Operating Expense	**3,809,965**	**3,809,965**	

Of the foregoing appropriation, five million dollars ($5,000,000) shall be used to support start-up costs to establish New Tech High Schools in Indiana.

Of the above appropriations for the Senator David C. Ford Educational Technology Program, $825,000 shall be allocated each year to the buddy system. The department shall use the remaining funds to make grants to school corporations to promote student learning through the use of technology. Notwithstanding distribution guidelines in IC 20-20-13, the department shall develop guidelines for distribution of the grants. Up to $200,000 may be used each year to support the operation of the office of the special assistant to the superintendent of public instruction for technology.

PROFESSIONAL STANDARDS DIVISION			
From the General Fund			
	2,882,513	**2,882,513**	
From the Professional Standards Fund (IC 20-28-2-8)			
	1,000,000	**1,000,000**	
Augmentation allowed.			

The amounts specified from the General Fund and the Professional Standards Fund are for the following purposes:

Personal Services	**2,243,571**	**2,243,571**	
Other Operating Expense	**1,638,942**	**1,638,942**	

The above appropriations for the Professional Standards Division do not include funds

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation

to pay stipends for mentor teachers.

FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND
POSTRETIREMENT PENSION INCREASES

Other Operating Expense	**58,190,084**	**60,517,687**

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 5-10.4 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION

Other Operating Expense	**629,116,164**	**654,280,810**

Augmentation allowed.

If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefits for the Post Retirement Pension Increases that are funded on a "pay as you go" basis plus the base benefits under the pre-1996 account of the teachers' retirement fund is:

(1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 5-10.4; or

(2) less than the above appropriations for a year, the excess shall be retained in the general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD

Personal Services	**587,688**	**587,688**
Other Operating Expense	**52,720**	**52,720**

FOR THE STATE LIBRARY

Personal Services	**2,589,615**	**2,589,615**
Other Operating Expense	**850,689**	**850,689**
STATEWIDE LIBRARY SERVICES		
Total Operating Expense	**1,593,503**	**1,593,503**

The foregoing appropriations for statewide library services will be used to provide services to libraries across the state. These services may include, but will not be limited to, programs including Wheels, I*Ask, and professional development. The state library shall identify statewide library services that are to be provided by a vendor. Those services identified by the library shall be procured through a competitive process using one (1) or more requests for proposals covering the service.

LIBRARY SERVICES FOR THE BLIND - ELECTRONIC NEWSLINES

Other Operating Expense	**36,400**	**36,400**
ACADEMY OF SCIENCE		
Total Operating Expense	**8,811**	**8,811**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
FOR THE ARTS COMMISSION			
Personal Services	**418,557**	**418,557**	
Other Operating Expense	**2,783,811**	**2,783,811**	

The foregoing appropriation to the arts commission includes $325,000 each year to provide grants under IC 4-23-2.5 to:
(1) the arts organizations that have most recently qualified for general operating support as major arts organizations as determined by the arts commission; and
(2) the significant regional organizations that have most recently qualified for general operating support as mid-major arts organizations, as determined by the arts commission and its regional re-granting partners.

FOR THE HISTORICAL BUREAU			
Personal Services	**361,055**	**361,055**	
Other Operating Expense	**10,479**	**10,479**	
HISTORICAL MARKER PROGRAM			
Total Operating Expense			**25,444**
FOR THE COMMISSION ON PROPRIETARY EDUCATION			
Personal Services	**299,783**	**299,783**	
Other Operating Expense	**22,040**	**22,040**	
PUBLIC TELEVISION DISTRIBUTION			
Total Operating Expense	**2,576,000**	**2,576,000**	

These appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc. shall submit a distribution plan for the eight Indiana public education television stations that shall be approved by the budget agency after review by the budget committee. Of the above appropriations, $368,000 each year shall be distributed equally among the eight radio stations.

SECTION 10. [EFFECTIVE JULY 1, 2009]

DISTRIBUTIONS

FOR THE AUDITOR OF STATE		
HEA 1001 (2008) HOMESTEAD CREDITS		
Total Operating Expense	**110,000,000**	**40,000,000**

The above appropriations are for additional homestead credits for property taxes paid in 2009 and 2010. ARRA(b) funds determined by the budget agency to be available shall be used to make the distributions.

GAMING TAX		
Total Operating Expense	**139,753,902**	**139,753,902**

SECTION 11. [EFFECTIVE JULY 1, 2009]

The following allocations of federal funds are available for vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq. for Vocational and Technical Education) (20 U.S.C. 2371 for Tech Prep Education). These funds shall be received by the department of workforce development, commission on vocational and technical education, and shall be allocated by the budget agency after consultation with the commission on vocational and technical education, the department of education, the commission for higher education, and the department of correction. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP	**2,557,290**	**2,557,290**
SECONDARY VOCATIONAL PROGRAMS	**14,318,661**	**14,318,661**
POSTSECONDARY VOCATIONAL PROGRAMS	**8,202,039**	**8,202,039**
TECHNOLOGY - PREPARATION EDUCATION	**2,463,650**	**2,463,650**

SECTION 12. [EFFECTIVE JULY 1, 2009]

In accordance with IC 22-4.1-13, the budget agency, with the advice of the commission on vocational and technical education and the budget committee, may augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2009]

Utility bills for the month of June, travel claims covering the period June 16 to June 30, payroll for the period of the last half of June, any interdepartmental bills for supplies or services for the month of June, and any other miscellaneous expenses incurred during the period June 16 to June 30 shall be charged to the appropriation for the succeeding year. No interdepartmental bill shall be recorded as a refund of expenditure to any current year allotment account for supplies or services rendered or delivered at any time during the preceding June period.

SECTION 14. [EFFECTIVE JULY 1, 2009]

The budget agency, under IC 4-10-11, IC 4-12-1-13, and IC 4-13-1, in cooperation with the Indiana department of administration, may fix the amount of reimbursement for traveling expenses (other than transportation) for travel within the limits of Indiana. This amount may not exceed actual lodging and miscellaneous expenses incurred. A person in travel status, as defined by the state travel policies and procedures established by the Indiana department of administration and the budget agency, is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service.

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner,

are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service for properly approved travel within the continental United States and a minimum of $50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than $90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than $85 for any twenty-four (24) hour period. While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than $65 for any twenty-four (24) hour period.

In the case of the state supported institutions of postsecondary education, approval for out-of-state travel may be given by the chief executive officer of the institution, or the chief executive officer's authorized designee, for the chief executive officer's respective personnel.

Before reimbursing overnight travel expenses, the auditor of state shall require documentation as prescribed in the state travel policies and procedures established by the Indiana department of administration and the budget agency. No appropriation from any fund may be construed as authorizing the payment of any sum in excess of the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service when used in the discharge of state business. The Indiana department of administration and the budget agency may adopt policies and procedures relative to the reimbursement of travel and moving expenses of new state employees and the reimbursement of travel expenses of prospective employees who are invited to interview with the state.

SECTION 15. [EFFECTIVE JULY 1, 2009]

Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions, and councils who are entitled to a salary per diem is $50 per day. However, members of boards, commissions, or councils who receive an annual or a monthly salary paid by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

SECTION 16. [EFFECTIVE JULY 1, 2009]

No payment for personal services shall be made by the auditor of state unless the payment has been approved by the budget agency or the designee of the budget agency.

SECTION 17. [EFFECTIVE JULY 1, 2009]

No warrant for operating expenses, capital outlay, or fixed charges shall be issued to any department or an institution unless the receipts of the department or institution

have been deposited into the state treasury for the month. However, if a department or an institution has more than $10,000 in daily receipts, the receipts shall be deposited into the state treasury daily.

SECTION 18. [EFFECTIVE JULY 1, 2009]

In case of loss by fire or any other cause involving any state institution or department, the proceeds derived from the settlement of any claim for the loss shall be deposited in the state treasury, and the amount deposited is hereby reappropriated to the institution or department for the purpose of replacing the loss. If it is determined that the loss shall not be replaced, any funds received from the settlement of a claim shall be deposited into the state general fund.

SECTION 19. [EFFECTIVE JULY 1, 2009]

If an agency has computer equipment in excess of the needs of that agency, then the excess computer equipment may be sold under the provisions of surplus property sales, and the proceeds of the sale or sales shall be deposited in the state treasury. The amount so deposited is hereby reappropriated to that agency for other operating expenses of the then current year, if approved by the director of the budget agency.

SECTION 20. [EFFECTIVE JULY 1, 2009]

If any state penal or benevolent institution other than the Indiana state prison, Pendleton correctional facility, or Putnamville correctional facility shall, in the operation of its farms, produce products or commodities in excess of the needs of the institution, the surplus may be sold through the division of industries and farms, the director of the supply division of the Indiana department of administration, or both. The proceeds of any such sale or sales shall be deposited in the state treasury. The amount deposited is hereby reappropriated to the institution for expenses of the then current year if approved by the director of the budget agency. The exchange between state penal and benevolent institutions of livestock for breeding purposes only is hereby authorized at valuations agreed upon between the superintendents or wardens of the institutions. Capital outlay expenditures may be made from the institutional industries and farms revolving fund if approved by the budget agency and the governor.

SECTION 21. [EFFECTIVE JULY 1, 2009]

This act does not authorize any rehabilitation and repairs to any state buildings, nor does it allow that any obligations be incurred for lands and structures, without the prior approval of the budget director or the director's designee. This SECTION does not apply to contracts for the state universities supported in whole or in part by state funds.

SECTION 22. [EFFECTIVE JULY 1, 2009]

If an agency has an annual appropriation fixed by law, and if the agency also receives an appropriation in this act for the same function or program, the appropriation in this act supersedes any other appropriations and is the total appropriation for

the agency for that program or function.

SECTION 23. [EFFECTIVE JULY 1, 2009]

The balance of any appropriation or funds heretofore placed or remaining to the credit of any division of the state of Indiana, and any appropriation or funds provided in this act placed to the credit of any division of the state of Indiana, the powers, duties, and functions whereof are assigned and transferred to any department for salaries, maintenance, operation, construction, or other expenses in the exercise of such powers, duties, and functions, shall be transferred to the credit of the department to which such assignment and transfer is made, and the same shall be available for the objects and purposes for which appropriated originally.

SECTION 24. [EFFECTIVE JULY 1, 2009]

The director of the division of procurement of the Indiana department of administration, or any other person or agency authorized to make purchases of equipment, shall not honor any requisition for the purchase of an automobile that is to be paid for from any appropriation made by this act or any other act, unless the following facts are shown to the satisfaction of the commissioner of the Indiana department of administration or the commissioner's designee:
(1) In the case of an elected state officer, it shall be shown that the duties of the office require driving about the state of Indiana in the performance of official duty.
(2) In the case of department or commission heads, it shall be shown that the statutory duties imposed in the discharge of the office require traveling a greater distance than one thousand (1,000) miles each month or that they are subject to official duty call at all times.
(3) In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment.

In computing the number of miles required to be driven by a department head or an employee, the distance between the individual's home and office or designated official station is not to be considered as a part of the total. Department heads shall annually submit justification for the continued assignment of each vehicle in their department, which shall be reviewed by the commissioner of the Indiana department of administration, or the commissioner's designee. There shall be an insignia permanently affixed on each side of all state owned cars, designating the cars as being state owned. However, this requirement does not apply to state owned cars driven by elected state officials or to cases where the commissioner of the Indiana department of administration or the commissioner's designee determines that affixing insignia on state owned cars would hinder or handicap the persons driving the cars in the performance of their official duties.

SECTION 25. [EFFECTIVE JULY 1, 2009]

When budget agency approval or review is required under this act, the budget agency

may refer to the budget committee any budgetary or fiscal matter for an advisory recommendation. The budget committee may hold hearings and take any actions authorized by IC 4-12-1-11, and may make an advisory recommendation to the budget agency.

SECTION 26. [EFFECTIVE JULY 1, 2009]

The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

SECTION 27. [EFFECTIVE JULY 1, 2009]

Federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d).

SECTION 28. [EFFECTIVE JULY 1, 2009]

A contract or an agreement for personal services or other services may not be entered into by any agency or department of state government without the approval of the budget agency or the designee of the budget director.

SECTION 29. [EFFECTIVE JULY 1, 2009]

Except in those cases where a specific appropriation has been made to cover the payments for any of the following, the auditor of state shall transfer, from the personal services appropriations for each of the various agencies and departments, necessary payments for Social Security, public employees' retirement, health insurance, life insurance, and any other similar payments directed by the budget agency.

SECTION 30. [EFFECTIVE JULY 1, 2009]

Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2009-2011 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE JULY 1, 2009]

CONSTRUCTION

For the 2009-2011 biennium, the following amounts, from the funds listed as follows, are hereby appropriated to provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals, and

the purchase and sale of land, including equipment for such properties and other projects as specified.

State General Fund - Lease Rentals
328,620,484
State General Fund - Construction
114,714,276
State Police Building Commission Fund (IC 9-29-1-4)
3,200,000
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))
330,727
Cigarette Tax Fund (IC 6-7-1-29.1)
3,600,000
Veterans' Home Building Fund (IC 10-17-9-7)
5,449,777
Postwar Construction Fund (IC 7.1-4-8-1)
34,411,484
Regional Health Care Construction Account (IC 4-12-8.5)
21,489,259
Build Indiana Fund (IC 4-30-17)
2,400,000
State Highway Fund (IC 8-23-9-54)
25,000,000
ARRA State Fiscal Stabilization Fund (Section 14002(a))
62,070,098

TOTAL 601,286,105

The allocations provided under this SECTION are made from the state general fund, unless specifically authorized from other designated funds by this act. The budget agency, with the approval of the governor, in approving the allocation of funds pursuant to this SECTION, shall consider, as funds are available, allocations for the following specific uses, purposes, and projects:

A. GENERAL GOVERNMENT

FOR THE SENATE

Remodeling	**260,000**

FOR THE STATE BUDGET AGENCY

Health and Safety Contingency Fund	**5,000,000**
Aviation Technology Center	**2,471,771**
Airport Facilities Lease	**45,301,441**
Stadium Lease Rental	**82,000,000**

DEPARTMENT OF ADMINISTRATION - PROJECTS

Preventive Maintenance	**7,841,835**
Repair and Rehabilitation	**2,935,000**

DEPARTMENT OF ADMINISTRATION - LEASES

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
General Fund			
Lease - Government Center North			**27,872,783**
Lease - Government Center South			**34,073,925**
Lease - State Museum			**14,579,033**
Lease - McCarty Street Warehouse			**1,509,375**
Lease - Parking Garages			**10,428,265**
Lease - Toxicology Lab			**10,593,099**
Lease - Wabash Valley Correctional			**36,517,566**
Lease - Miami Correctional			**29,364,180**
Lease - Pendleton Juvenile Correctional			**10,217,237**
Lease - New Castle Correctional			**23,691,809**
Postwar Construction Fund (IC 7.1-4-8-1)			
Lease - Rockville Correctional			**10,783,470**
Regional Health Care Construction Account (IC 4-12-8.5)			
Lease - Evansville State Hospital			**5,462,562**
Lease - Southeast Regional Treatment			**10,358,654**
Lease - Logansport State Hospital			**5,668,043**
INDIANA FINANCE AUTHORITY			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Muscatatuck Urban Training Center Infrastructure			**2,000,000**
B. PUBLIC SAFETY			
(1) LAW ENFORCEMENT			
INDIANA STATE POLICE			
State Police Building Commission Fund (IC 9-29-1-4)			
Preventive Maintenance			**1,015,000**
Repair and Rehabilitation			**2,185,000**
LAW ENFORCEMENT TRAINING BOARD			
Law Enforcement Academy Building Fund (IC 5-2-1-13(a))			
Preventive Maintenance			**330,727**
ADJUTANT GENERAL			
Preventive Maintenance			**250,000**
Land Acquisition			**4,000,000**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Renovation for Youth Challenge Program			**2,000,000**
(2) CORRECTIONS			
DEPARTMENT OF CORRECTION - PROJECTS			
Preventive Maintenance			**76,828**
CORRECTIONAL UNITS			
Preventive Maintenance			**1,438,770**
STATE PRISON			
Preventive Maintenance			**954,492**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,298,000**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			**1,257,064**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**3,465,000**
WOMEN'S PRISON			
Preventive Maintenance			**538,832**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**291,000**
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			**350,388**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**365,000**
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**864,822**
Postwar Construction Fund (IC 7.1-4-8-1)			
Construct New Fire Station			**250,000**
Repair and Rehabilitation			**1,570,000**
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Preventive Maintenance			**322,804**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**740,000**
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**395,510**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**212,500**
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**272,932**
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**806,330**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,300,000**
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**357,296**
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance			**663,704**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,054,000**
RECEPTION-DIAGNOSTIC CENTER			
Preventive Maintenance			**214,464**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**692,000**
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			**584,172**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**1,853,000**
WABASH VALLEY CORRECTIONAL FACILITY			
Preventive Maintenance			**608,820**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**160,000**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
CHAIN O' LAKES CORRECTIONAL FACILITY			
Preventive Maintenance			**76,828**
Postwar Construction Fund (IC 7.1-4-8-1)			
Construct New Maintenance Building			**180,000**
Construct New Dormitory			**320,000**
MADISON CORRECTIONAL FACILITY			
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**90,000**
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			**664,560**
CAMP SUMMIT CORRECTIONAL FACILITY			
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**470,000**
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			**228,738**
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance			**150,000**
Repair and Rehabilitation			**1,000,000**
FISH AND WILDLIFE			
Preventive Maintenance			**2,000,000**
Repair and Rehabilitation			**3,650,000**
FORESTRY			
Preventive Maintenance			**2,000,000**
Repair and Rehabilitation			**4,000,000**
MUSEUMS AND HISTORIC SITES			
Preventive Maintenance			**475,000**
Historic Sites Exhibits			**650,000**
Repair and Rehabilitation			**2,000,000**
NATURE PRESERVES			
Preventive Maintenance			**230,000**
Repair and Rehabilitation			**1,268,542**
OUTDOOR RECREATION			
Preventive Maintenance			**50,000**
Outdoor Rec. SCORP			**40,000**
Repair and Rehabilitation			**473,645**
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			**2,900,000**
Repair and Rehabilitation			**20,063,689**
State Parks Bond Payments			**917,028**
Falls of the Ohio Lease			**364,000**
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			**3,600,000**
DIVISION OF WATER			
Preventive Maintenance			**125,000**
Div. of Water Flood Plain Mapping			**400,000**
Repair and Rehabilitation			**2,425,000**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
ELKHART RIVER			
Flood Control			**400,000**
ENFORCEMENT			
Preventive Maintenance			**250,000**
STATE MUSEUM			
Preventive Maintenance			**762,500**
ENTOMOLOGY			
Repair and Rehabilitation			**1,000,000**
WAR MEMORIALS COMMISSION			
Preventive Maintenance			**1,234,000**
IWM Fire Suppression/Material Abatement			**300,000**
Indiana War Memorial ADA Access			**250,000**
Repair and Rehabilitation			**192,000**
LITTLE CALUMET RIVER BASIN COMMISSION			
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Repair and Rehabilitation			**14,000,000**
KANKAKEE RIVER BASIN COMMISSION			
Repair and Rehabilitation			**1,000,000**

D. TRANSPORTATION

DEPARTMENT OF TRANSPORTATION			
State Highway Fund (IC 8-23-9-54)			
Buildings and Grounds			**25,000,000**

The above appropriations for highway buildings and grounds may be used for land acquisition, site development, construction and equipping of new highway facilities and for maintenance, repair, and rehabilitation of existing state highway facilities after review by the budget committee.

AIRPORT DEVELOPMENT			
Build Indiana Fund (IC 4-30-17)			
Airport Development			**2,400,000**

The foregoing allocation for the Indiana department of transportation is for airport development and shall be used for the purpose of assisting local airport authorities and local units of governments in matching available federal funds under the airport improvement program and for matching federal grants for airport planning and for the other airport studies. Matching grants of aid shall be made in accordance with the approved annual capital improvements program of the Indiana department of transportation and with the approval of the governor and the budget agency.

E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance			**45,000**
Repair and Rehabilitation			**287,660**

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance			**500,000**
Repair and Rehabilitation			**360,000**
MADISON STATE HOSPITAL			
Preventive Maintenance			**971,409**
Repair and Rehabilitation			**956,800**
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance			**963,144**
Repair and Rehabilitation			**1,486,700**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**3,000,000**
RICHMOND STATE HOSPITAL			
Preventive Maintenance			**1,210,724**
Repair and Rehabilitation			**2,403,700**
LARUE CARTER MEMORIAL HOSPITAL			
Preventive Maintenance			**1,863,118**
(2) PUBLIC HEALTH			
SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Preventive Maintenance			**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,288,013**
SCHOOL FOR THE DEAF			
Preventive Maintenance			**565,714**
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,029,501**
(3) VETERANS' AFFAIRS			
INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance			**1,500,000**
Repair and Rehabilitation			**3,949,777**
ARRA State Fiscal Stabilization Fund (Section 14002(b))			
Repair and Rehabilitation			**3,000,000**
F. EDUCATION			
HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**25,202,564**
PURDUE UNIVERSITY - TOTAL SYSTEM			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**19,777,318**
INDIANA STATE UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			

	FY 2009-2010 Appropriation	FY 2010-2011 Appropriation	Biennial Appropriation
General Repair and Rehab			**4,681,980**
UNIVERSITY OF SOUTHERN INDIANA			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**1,121,926**
BALL STATE UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**6,726,300**
VINCENNES UNIVERSITY			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**2,272,968**
IVY TECH COMMUNITY COLLEGE			
ARRA State Fiscal Stabilization Fund (Section 14002(a))			
General Repair and Rehab			**2,287,042**

SECTION 32. [EFFECTIVE JULY 1, 2009]

The budget agency may employ one (1) or more architects or engineers to inspect construction, rehabilitation, and repair projects covered by the appropriations in this act or previous acts.

SECTION 33. [EFFECTIVE UPON PASSAGE]

If any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of two (2) biennia, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

SECTION 34. [EFFECTIVE UPON PASSAGE]

The budget agency may retain balances in the mental health fund at the end of any fiscal year to ensure there are sufficient funds to meet the service needs of the developmentally disabled and the mentally ill in any year.

SECTION 35. [EFFECTIVE JULY 1, 2009]

If the budget director determines at any time during the biennium that the executive branch of state government cannot meet its statutory obligations due to insufficient funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with the approval of the governor and after review by the budget committee, may transfer from the counter-cyclical revenue and economic stabilization fund to the general fund any additional amount necessary to maintain a positive balance in the general fund.

SECTION 36. [EFFECTIVE JULY 1, 2009] **(a) On or before July 15, 2010, the budget agency shall calculate whether receipts from actual tax collections for the state fiscal year ending June 30, 2010, exceed the May 27, 2009, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2010, exceed the May 27, 2009, adjusted state revenue forecast for that state fiscal year, fifty percent (50%) of the excess revenue is appropriated to the department of education to be used as a special one (1) time tuition support**

distribution in accordance with the school funding formula in effect at the time of the distribution. The budget agency and the department of education may exceed the calendar year tuition support maximum distribution contained in IC 20-43-2-2 as necessary to implement this SECTION.

(b) This SECTION expires June 30, 2011.

SECTION 37. [EFFECTIVE JULY 1, 2009] **Funds distributed to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College as required by and pursuant to Section 14002(a)(2)(A)(ii) of the American Recovery and Reinvestment Act of 2009 to restore state operating support for fiscal year 2009, fiscal year 2010, and fiscal year 2011 shall be treated as a special one (1) time distribution and at least fifty percent (50%) of the funds shall be used only for general repair and rehabilitation of facilities for instruction or research or for repair and rehabilitation of dormitories or other student housing. Funds shall be distributed in one (1) or more installments after June 30, 2009, and before July 1, 2011, on the schedule determined by the budget agency after review by the budget committee. The review and approval requirements contained in IC 21-33-3-6 shall apply to the use of funds authorized under this section.**

SECTION 38. [EFFECTIVE JULY 1, 2009] **The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:**

Purdue University	
Life Sciences Laboratory Renovations	**10,000,000**
Medical School Renovations	**12,000,000**
Indiana University	
Life Sciences Laboratory Renovations	**10,000,000**
Indiana University Purdue University at Indianapolis	
Life Sciences Laboratory Renovations	**10,000,000**
Ivy Tech Community College	
Anderson Campus	**20,000,000**
Bloomington Campus	**20,000,000**
Warsaw Campus	**10,100,000**

Of the above authorization for medical school renovations, a maximum of six million dollars ($6,000,000) is eligible for fee replacement.

SECTION 39. [EFFECTIVE JULY 1, 2009] **The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required under IC 21-33-3, to provide funds for the acquisition, renovation, expansion, and improvements for the following projects (including all related and subordinate components of the following projects) and may undertake the project if the total costs financed by the bond issue, excluding any amount necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, do not exceed the total authority listed below for that institution:**

Purdue University	
Lafayette Campus	
Student Fitness and Wellness Center	**98,000,000**
Indiana University Purdue University at Fort Wayne	
Parking Garage	**16,800,000**

The foregoing projects are not eligible for fee replacement appropriations in any year.

SECTION 40. [EFFECTIVE JULY 1, 2009] **The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required under IC 21-33-3, for the**

following project if the principal costs of any bonds issued, excluding any amount necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed twenty million dollars ($20,000,000):

Purdue University West Lafayette -- Drug Discovery Facility

The foregoing project is not eligible for fee replacement appropriations in any year.

SECTION 41. [EFFECTIVE UPON PASSAGE] **(a) The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:**

Indiana State University - Life Sciences/Chemistry	
Laboratory Renovations & Chiller	**14,800,000**
Ball State University - Central Campus	
Academic Project, Phase I & Utilities	**33,000,000**
Ivy Tech - Elkhart Phase I	**4,000,000**

(b) Except for an additional four million dollars ($4,000,000) authorized for Ivy Tech - Elkhart Phase I, the authorizations under this SECTION are a restatement of and are not in addition to the authorizations under P.L.234-2007, SECTION 179. The four million dollars ($4,000,000) authorized for Ivy Tech - Elkhart Phase I is in addition to sixteen million dollars ($16,000,000) authorized under P.L.234-2007, SECTION 179.

SECTION 42. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding SECTION 244 of HEA 1001-2005, the trustees of Purdue University may, subject to the approvals required by IC 21-33-3, issue and sell bonds under IC 21-34 for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below:**

Purdue University North Central Campus	
Parking Garage No. 1	**$8,000,000**

(b) The authorization under this SECTION is a restatement of and is not in addition to the authorization under P.L.234-2007, SECTION 186. However, the foregoing project is not eligible for fee replacement appropriations in any year.

SECTION 43. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "ARRA" refers to the federal American Recovery and Reinvestment Act of 2009.**

(b) As used in this SECTION, "Title I" refers to Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

(c) With respect to ARRA funds that are specifically designated for subgrants to local education agencies based on Title I or incentive grants, the following apply:

(1) The governor and the department of education may take any actions necessary to qualify the state for the ARRA funds related to Title I. If permitted by the ARRA, school corporations shall submit plans to the department of education for approval before spending the ARRA funds related to Title I.

(2) To the extent it does not conflict with federal law or rules or guidelines that would make Indiana ineligible to receive ARRA funds related to Title I, the ARRA funds must be used to support Title I eligible students for the following:

(A) Repair and rehabilitation of facilities.

(B) Upgrading technology or equipment.

(C) Training or professional development.

(D) Summer school or other remediation programs and purposes for which the expenses

are one (1) time in nature and do not increase the base operating expenses of schools to a level that would be difficult to maintain.

(d) The department of education shall review the use of all Title I expenditures to ensure the proper use of Title I funds under federal laws and regulations.

SECTION 44. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "ARRA" refers to the federal American Recovery and Reinvestment Act of 2009.**

(b) With respect to ARRA funds under Division A, Title VIII of the ARRA for special education, the following apply:

(1) The governor and the department of education may take any actions necessary to qualify the state for the ARRA funds under Division A, Title VIII of the ARRA. If permitted by the ARRA, school corporations shall submit plans to the department of education for approval before spending the ARRA funds under Division A, Title VIII of the ARRA.

(2) To the extent it does not conflict with federal law or rules or guidelines that would make Indiana ineligible to receive ARRA funds under Division A, Title VIII of the ARRA, the ARRA funds must be used to support special education students for the following:

(A) Repair and rehabilitation of facilities.

(B) Upgrading technology or equipment, including adaptive technology.

(C) Training or professional development.

(D) Programs and purposes for which the expenses are one (1) time in nature and do not increase the base operating expenses of school corporations to a level that would be difficult to maintain.

(c) The department of education shall review the use of all special education to ensure the proper use of special education funds under federal laws and regulations.

SECTION 45. IC 4-2-1-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 5. (a) As used in this section, "compensation" means the total of all money paid to a state officer for performing duties as a state officer, regardless of the source of funds from which the money is paid. The term includes all employee benefits paid to the state officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits.**

(b) A state officer may waive some or all of the state officer's compensation for any year by filing a notice that satisfies the following:

(1) The notice is in writing.

(2) The notice states in substance all of the following:

(A) The position held by the state officer.

(B) The calendar year covered by the notice.

(C) The part of the state officer's compensation that will be waived under this section.

(D) That the state officer understands that the notice is irrevocable beginning January 1 of the year covered by the notice.

(3) The notice is signed by the state officer who wants to waive compensation.

(c) A state officer who wants to waive compensation under this section must file the notice with the auditor of state, or in the case of the auditor of state, the secretary of state, before January 1 of the year covered by the notice.

(d) Beginning January 1 of the year covered by the notice, a notice filed under this section is irrevocable during the year covered by the notice.

(e) A state officer who files a notice under this section:

(1) is not entitled to the part of compensation waived for duties performed in the year covered by the notice; and

(2) may not be paid the part of compensation waived for duties performed in the year covered by the notice.

(f) The compensation amount computed for a state officer under this chapter is not affected by a waiver under this section.

SECTION 46. IC 4-4-11.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: Sec. 1. As used in this chapter, "bond" means any:

(1) bond or mortgage credit certificate for which it is necessary to procure volume under the volume cap under Section 146 of the Internal Revenue Code; **or**

(2) bond or other obligation for which a special volume cap is authorized under a federal act.

SECTION 47. IC 4-4-11.5-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: **Sec. 13.5. As used in this chapter, "special volume cap" means the maximum dollar amount of bonds that may be allocated to the state under the authority of a federal act. The special volume cap is in addition to the volume cap as defined in section 14 of this chapter.**

SECTION 48. IC 4-4-11.5-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: **Sec. 19.5. The IFA shall determine the allocation of any special volume cap in accordance with the federal act authorizing the special volume cap.**

SECTION 49. IC 4-10-18-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The state board of finance may lend money from the fund to entities listed in subsections (e) through ~~(j)~~ **(k)** for the purposes specified in those subsections.

(b) An entity must apply for the loan before May 1, 1989, in a form approved by the state board of finance. As part of the application, the entity shall submit a plan for its use of the loan proceeds and for the repayment of the loan. Within sixty (60) days after receipt of each application, the board shall meet to consider the application and to review its accuracy and completeness and to determine the need for the loan. The board shall authorize a loan to an entity that makes an application if the board approves its accuracy and completeness and determines that there is a need for the loan and an adequate method of repayment.

(c) The state board of finance shall determine the terms of each loan, which must include the following:

(1) The duration of the loan, which must not exceed twelve (12) years.

(2) The repayment schedule of the loan, which must provide that no payments are due during the first two (2) years of the loan.

(3) A variable rate of interest to be determined by the board and adjusted annually. The interest rate must be the greater of:

(A) five percent (5%); or

(B) two-thirds (2/3) of the interest rate for fifty-two (52) week United States Treasury bills on the anniversary date of the loan, but not to exceed ten percent (10%).

(4) The amount of the loan or loans, which may not exceed the maximum amounts established for the entity by this section.

(5) Any other conditions specified by the board.

(d) An entity may borrow money under this section by adoption of an ordinance or a resolution and, as set forth in IC 5-1-14, may use any source of revenue to repay a loan under this section. This section constitutes complete authority for the entity to borrow from the fund. If an entity described in subsection (i) fails to make any repayments of a loan, the amount payable shall be withheld by the auditor of state from any other money payable to the consolidated city. If any other entity described in this section fails to make any repayments of a loan, the amount payable shall be withheld by the

auditor of state from any other money payable to the entity. The amount withheld shall be transferred to the fund to the credit of the entity.

(e) A loan under this section may be made to a city located in a county having a population of more than twenty-four thousand (24,000) but less than twenty-five thousand (25,000) for the city's waterworks facility. The amount of the loan may not exceed one million six hundred thousand dollars ($1,600,000).

(f) A loan under this section may be made to a city the territory of which is included in part within the Lake Michigan corridor (as defined in IC 14-13-3-2) for a marina development project. As a part of its application under subsection (b), the city must include the following:

(1) Written approval by the Lake Michigan marina development commission of the project to be funded by the loan proceeds.

(2) A written determination by the commission of the amount needed by the city, for the project and of the amount of the maximum loan amount under this subsection that should be lent to the city.

The maximum amount of loans available for all cities that are eligible for a loan under this subsection is eight million six hundred thousand dollars ($8,600,000).

(g) A loan under this section may be made to a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000) for use by the airport authority in the county for the construction of runways. The amount of the loan may not exceed seven million dollars ($7,000,000). The county may lend the proceeds of its loan to an airport authority for the public purpose of fostering economic growth in the county.

(h) A loan under this section may be made to a city having a population of more than fifty-nine thousand (59,000) but less than fifty-nine thousand seven hundred (59,700) for the construction of parking facilities. The amount of the loan may not exceed three million dollars ($3,000,000).

(i) A loan or loans under this section may be made to a consolidated city, a local public improvement bond bank, or any board, authority, or commission of the consolidated city, to fund economic development projects under IC 36-7-15.2-5 or to refund obligations issued to fund economic development projects. The amount of the loan may not exceed thirty million dollars ($30,000,000).

(j) A loan under this section may be made to a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000) for extension of airport runways. The amount of the loan may not exceed three hundred thousand dollars ($300,000).

(k) A loan under this section may be made to Covington Community School Corporation to refund the amount due on a tax anticipation warrant loan. The amount of the loan may not exceed two million seven hundred thousand dollars ($2,700,000), to be paid back from any source of money that is legally available to the school corporation. Notwithstanding subsection (b), the school corporation must apply for the loan before June 30, 2010. Notwithstanding subsection (c), repayment of the loan shall be made in equal installments over five (5) years with the first installment due not more than six (6) months after the date loan proceeds are received by the school corporation.

~~(k)~~ **(l)** IC 6-1.1-20 does not apply to a loan made by an entity under this section.

~~(l)~~ **(m)** As used in this section, "entity" means a governmental entity authorized to obtain a loan under subsections (e) through ~~(j).~~ **(k).**

SECTION 50. IC 4-13-1-4, AS AMENDED BY P.L.1-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. The department shall, subject to this chapter, do the following:

(1) Execute and administer all appropriations as provided by law, and execute and administer all provisions of law that impose duties and functions upon the executive department of government, including executive investigation of state agencies supported by appropriations and the assembly

of all required data and information for the use of the executive department and the legislative department.

(2) Supervise and regulate the making of contracts by state agencies.

(3) Perform the property management functions required by IC 4-20.5-6.

(4) Assign office space and storage space for state agencies in the manner provided by IC 4-20.5-5.

(5) Maintain and operate the following for state agencies:

(A) Central duplicating.

(B) Printing.

(C) Machine tabulating.

(D) Mailing services.

(E) Centrally available supplemental personnel and other essential supporting services.

The department may require state agencies to use these general services in the interests of economy and efficiency. The general services rotary fund is established through which these services may be rendered to state agencies. The budget agency shall determine the amount for the general services rotary fund.

(6) Control and supervise the acquisition, operation, maintenance, and replacement of state owned vehicles by all state agencies. The department may establish and operate, in the interest of economy and efficiency, a motor vehicle pool, and may finance the pool by a rotary fund. The budget agency shall determine the amount to be deposited in the rotary fund.

(7) Promulgate and enforce rules relative to the travel of officers and employees of all state agencies when engaged in the performance of state business. These rules may allow reimbursement for travel expenses by any of the following methods:

(A) Per diem.

(B) For expenses necessarily and actually incurred.

(C) Any combination of the methods in clauses (A) and (B).

The rules must require the approval of the travel by the commissioner and the head of the officer's or employee's department prior to payment.

(8) Administer IC 4-13.6.

(9) Prescribe the amount and form of certified checks, deposits, or bonds to be submitted in connection with bids and contracts when not otherwise provided for by law.

(10) Rent out, with the approval of the governor, any state property, real or personal:

(A) not needed for public use; or

(B) for the purpose of providing services to the state or employees of the state;

the rental of which is not otherwise provided for or prohibited by law. Property may not be rented out under this subdivision for a term exceeding ten (10) years at a time. However, if property is rented out for a term of more than four (4) years, the commissioner must make a written determination stating the reasons that it is in the best interests of the state to rent property for the longer term. This subdivision does not include the power to grant or issue permits or leases to explore for or take coal, sand, gravel, stone, gas, oil, or other minerals or substances from or under the bed of any of the navigable waters of the state or other lands owned by the state.

(11) Have charge of all central storerooms, supply rooms, and warehouses established and operated by the state and serving more than one (1) agency.

(12) Enter into contracts and issue orders for printing as provided by IC 4-13-4.1.

(13) Sell or dispose of surplus property under IC 5-22-22, or if advantageous, to exchange or trade in the surplus property toward the purchase of other supplies, materials, or equipment, and to make proper adjustments in the accounts and inventory pertaining to the state agencies concerned.

(14) With respect to power, heating, and lighting plants owned, operated, or maintained by any state agency:

(A) inspect;

(B) regulate their operation; and

(C) recommend improvements to those plants to promote economical and efficient operation.

(15) Administer, determine salaries, and determine other personnel matters of the department of correction ombudsman bureau established by IC 4-13-1.2-3.

(16) Adopt rules to establish and implement a "Code Adam" safety protocol as described in IC 4-20.5-6-9.2.

(17) Adopt policies and standards for making state owned property reasonably available to be used free of charge as locations for making motion pictures.

(18) Administer, determine salaries, and determine other personnel matters of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 51. IC 4-13-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 19. Department of Child Services Ombudsman

Sec. 1. As used in this chapter, "child" means a person who:

(1) is less than eighteen (18) years of age;

(2) is at least eighteen (18) years of age at the time a complaint is made but was less than eighteen (18) years of age at the time of the alleged act or omission that is the subject of the complaint; or

(3) is at least eighteen (18) years of age but has been under the continuing jurisdiction of a juvenile court based upon an informal adjustment, child in need of services action under IC 31-34, or termination of parental rights action under IC 31-35 since becoming eighteen (18) years of age.

Sec. 2. As used in this chapter, "ombudsman" means:

(1) the person appointed by the governor to serve as ombudsman; or

(2) an employee or other individual approved by the office of the department of child services ombudsman to act in the capacity of ombudsman;

to investigate and resolve complaints that allege the department of child services failed to protect the health and safety of any child or failed to follow specific laws, rules, or written policies.

Sec. 3. The office of department of child services ombudsman is established as a separate bureau within the department. The ombudsman appointed by the governor shall report directly to the commissioner. The ombudsman appointed by the governor must be an attorney licensed to practice law in Indiana or a social worker with at least a master's degree. The ombudsman appointed by the governor must have significant experience or education in child development and child advocacy, including at least two (2) years experience working with child abuse and neglect.

Sec. 4. (a) The governor shall appoint the ombudsman. The ombudsman serves at the pleasure of the governor. An individual may not be appointed as ombudsman if the individual has been employed by the department of child services at any time during the preceding twelve (12) months. The governor shall appoint a successor ombudsman not later than thirty (30) days after a vacancy occurs in the position of the ombudsman.

(b) The office of the department of child services ombudsman may employ technical experts and other employees to carry out the purposes of this chapter. However, the office of the department of child services ombudsman may not hire an individual to serve as an ombudsman if the individual has been employed by the department of child services during the preceding twelve (12) months.

(c) The ombudsman and any other person employed or authorized by the ombudsman:

(1) are subject to the same criminal history and background checks, to be performed by the department of child services, that are required for department of child services family case managers; and

(2) are subject to the same disqualification for employment criteria as department of child services family case managers.

Sec. 5. (a) The office of the department of child services ombudsman may receive, investigate, and attempt to resolve a complaint alleging that the department of child services, by an action or omission occurring on or after January 11, 2005, failed to follow a specific law, rule, or department written policy and thereby failed to protect the health or safety of any child.

(b) The office of the department of child services ombudsman may also do the following:

(1) Take action, including the establishing of a program of public education, to secure and ensure the legal rights of children.

(2) Periodically review relevant policies and procedures with a view toward the safety and welfare of children.

(3) When appropriate, refer a person making a report of child abuse or neglect to the department of child services and, if appropriate, to an appropriate law enforcement agency.

(4) Recommend changes in procedures for investigating reports of abuse and neglect and overseeing the welfare of children who are under the jurisdiction of a juvenile court.

(5) Make the public aware of the services of the ombudsman, the purpose of the office, and information concerning contacting the office.

(6) Examine policies and procedures and evaluate the effectiveness of the child protection system, specifically the respective roles of the department of child services, the court, the medical community, service providers, guardians ad litem, court appointed special advocates, and law enforcement agencies.

(7) Review and make recommendations concerning investigative procedures and emergency responses contained in the report prepared under section 10 of this chapter.

(c) Upon request of the office of the department of child services ombudsman, the local child protection team shall assist the office of the department of child services ombudsman by:

(1) investigating and making recommendations on a matter; or

(2) redacting or revising any report to be prepared for the complainant so that confidentiality laws are maintained.

If a local child protection team was involved in an initial investigation, a different local child protection team may assist in the investigation under this subsection.

(d) At the end of an investigation of a complaint, the office of the department of child services ombudsman shall provide an appropriate report as follows:

(1) If the complainant is a parent, guardian, custodian, court appointed special advocate, guardian ad litem, or court, the ombudsman may provide the same report to the complainant and the department of child services.

(2) If the complainant is not a person described in subdivision (1), the ombudsman shall provide a redacted version of its findings to the complainant stating in general terms that the actions of the department of child services were or were not appropriate.

(e) The department of child services ombudsman shall provide a copy of the report and recommendations to the department of child services. The office of the department of child services ombudsman may not disclose to:

(1) a complainant;

(2) another person who is not a parent, guardian, or custodian of the child who was subject of the department of child services' action or omission; or

(3) the court, court appointed special advocate, or guardian ad litem of the child in a case that was filed as a child in need of services or a termination of parental rights action;

any information that the department of child services could not, by law, reveal to the complainant, parent, guardian, custodian, person, court, court appointed special advocate, or guardian ad litem.

(f) If, after reviewing a complaint or conducting an investigation and considering the response of an agency, facility, or program and any other pertinent material, the office of the department of child services ombudsman determines that the complaint has merit or the investigation reveals a problem, the ombudsman may recommend that the agency, facility, or program:

(1) consider the matter further;

(2) modify or cancel its actions;

(3) alter a rule, order, or internal policy; or

(4) explain more fully the action in question.

(g) At the office of the department of child services ombudsman's request, the agency, facility, or program shall, within a reasonable time, inform the office of the department of child services ombudsman about the action taken on the recommendation or the reasons for not complying with it.

(h) The office of the department of child services ombudsman may not investigate the following:

(1) A complaint from an employee of the department of child services that relates to the employee's employment relationship with the department of child services.

(2) A complaint challenging a department of child services substantiation of abuse or neglect or a complaint concerning a licensing issue or an adoption assistance matter that is currently the subject of a pending administrative review procedure before the exhaustion of administrative remedies provided by law, rule, or written policy. Investigation of any such complaint received shall be stayed until the administrative remedy has been exhausted. However, if the administrative process is not completed within six (6) months after initiation of the administrative process, the office of child services ombudsman may proceed with its investigation.

(i) If the office of the department of child services ombudsman does not investigate a complaint, the office of the department of child services ombudsman shall notify the complainant of the decision not to investigate and the reasons for the decision.

Sec. 6. (a) The office of the department of child services ombudsman shall be given appropriate access to department of child services records of a child who is the subject of a complaint that is filed under this chapter.

(b) A state or local government agency or entity that has records that are relevant to a complaint or an investigation conducted by an ombudsman shall provide the ombudsman with access to the records.

(c) A person is immune from:

(1) civil or criminal liability; and

(2) actions taken under:

(A) a professional disciplinary procedure; or

(B) procedures related to the termination or imposition of penalties under a contract dealing with an employee or contractor of the department of child services;

for the release or disclosure of records to the ombudsman under this chapter, unless the release or disclosure constitutes gross negligence or willful or wanton misconduct.

(d) Information or records of a state or local government agency provided to the office of the department of child services ombudsman may not be disclosed to the complainant or others if

confidential under laws, rules, or regulations governing the state or local government agency that provided the information or records.

Sec. 7. The office of the department of child services ombudsman shall do the following:

(1) Establish procedures to receive and investigate complaints.

(2) Establish physical, technological, and administrative access controls for all information maintained by the office of the department of child services ombudsman.

(3) Except as necessary to investigate and resolve a complaint, ensure that the identity of a complainant will not be disclosed without:

(A) the complainant's written consent; or

(B) a court order.

Sec. 8. The office of the department of child services ombudsman may adopt rules under IC 4-22-2 necessary to carry out this chapter.

Sec. 9. An ombudsman is not personally liable for the good faith performance of the ombudsman's official duties.

Sec. 10. (a) The office of the department of child services ombudsman shall prepare a report each year on the operations of the office.

(b) The office of the department of child services ombudsman shall include the following information in the annual report required under subsection (a):

(1) The office of the department of child services ombudsman's activities.

(2) The general status of children in Indiana, including:

(A) the health and education of children; and

(B) the administration or implementation of programs for children.

(3) Any other issues, concerns, or information concerning children.

(c) A copy of the report shall be provided to the following:

(1) The governor.

(2) The legislative council.

(3) The Indiana department of administration.

(4) The department of child services.

A report provided under this subsection to the legislative council must be in an electronic format under IC 5-14-6.

(d) A copy of the report shall be posted on the department of child services' Internet web site and on any Internet web site maintained by the office of the department of child services ombudsman.

Sec. 11. (a) A person who:

(1) except as provided in subsection (b), intentionally interferes with or prevents the completion of the work of an ombudsman;

(2) knowingly offers compensation to an ombudsman in an effort to affect the outcome of an investigation or a potential investigation;

(3) knowingly or intentionally retaliates against another person who provides information to an ombudsman; or

(4) knowingly or intentionally threatens an ombudsman, a person who has filed a complaint, or a person who provides information to an ombudsman, because of an investigation or potential investigation;

commits interference with the office of the department of child services ombudsman, a Class A misdemeanor.

(b) Expungement of records held by the department of child services that occurs by statutory mandate, judicial order or decree, administrative review or process, automatic operation of either the Indiana Child Welfare Information System (ICWIS) computer system or the

Management Gateway for Indiana Kids (MaGIK) computer system, or in the normal course of business shall not be considered intentional interference or prevention for the purposes of subsection (a).

(c) A complainant who knowingly or intentionally discloses to the public information about a case before the conclusion of an investigation and the release of the finding to the department of child services commits unlawful disclosure of information concerning a department of child services investigation, a Class A misdemeanor.

Sec. 12. The Indiana department of administration shall provide and maintain office space for the office of the department of child services ombudsman.

SECTION 52. IC 5-1-14-10, AS AMENDED BY P.L.146-2008, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) If an issuer has issued obligations under a statute that establishes a maximum term or repayment period for the obligations, notwithstanding that statute, the issuer may continue to make payments of principal, interest, or both, on the obligations after the expiration of the term or period if principal or interest owed to owners of the obligations remains unpaid.

(b) This section does not authorize the use of revenues or funds to make payments of principal and interest other than those revenues or funds that were pledged for the payments before the expiration of the term or period.

(c) Except as otherwise provided by this section, **IC 16-22-8-43,** IC 36-7-12-27, ~~or~~ IC 36-7-14-25.1, **or IC 36-9-13-30 (but only with respect to any bonds issued under IC 36-9-13-30 that are secured by a lease entered into by a political subdivision organized and existing under IC 16-22-8),** the maximum term or repayment period for obligations issued after June 30, 2008, that are wholly or partially payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years **after the date of the first principal or lease rental payment,** for obligations that are wholly or partially payable from tax increment revenues derived from property taxes;

(3) twenty (20) years after the date of the first lease rental payment, for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments; or

~~(3)~~ **(4)** twenty (20) years **after the date of the first principal or lease rental payment,** for obligations that are not described in subdivision (1), ~~or~~ (2), **or (3)** and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.

SECTION 53. IC 5-1-14-16, AS ADDED BY P.L.146-2008, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies to obligations that are:

(1) issued after June 30, 2008, by a local issuing body; and

(2) payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes;

including obligations that are issued under a statute that permits the bonds to be issued without complying with any other law or otherwise expressly exempts the bonds from the requirements of this section.

(b) An agreement for the issuance of obligations must provide for the payment of principal and interest on the obligations in nearly equal payment amounts and at regular designated intervals over the maximum term of the obligations except to the extent that:

(1) interest for a particular repayment period has been paid from the proceeds of the obligations under section 6 of this chapter; or

(2) the local issuing body authorizes a different payment schedule to:

(A) maintain substantially equal payments, in the aggregate, in any period in which the local issuing body pays the interest and principal on outstanding obligations;

(B) provide for the payment of principal on the obligations in amounts and at intervals that will produce an aggregate amount of principal payments greater than or equal to the aggregate amount that would otherwise be paid as of the same date;

(C) provide for level principal payments over the term of the obligations, in order to reduce total interest costs; ~~or~~

(D) with respect to obligations wholly or partially payable from tax increment revenues derived from property taxes, provide for the payment of principal and interest in varying amounts over the term of the obligations as necessary due to the variation in the amount of tax increment revenues available for those payments; **or**

(E) provide for a repayment schedule that will result in the same or a lower amount of interest being paid on obligations that would be issued using nearly equal payment amounts.

SECTION 54. IC 5-10-8-2.2, AS AMENDED BY P.L.3-2008, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2.2. (a) As used in this section, "dependent" means a natural child, stepchild, or adopted child of a public safety employee who:

(1) is less than eighteen (18) years of age;

(2) is at least eighteen (18) years of age and has a physical or mental disability (using disability guidelines established by the Social Security Administration); or

(3) is at least eighteen (18) and less than twenty-three (23) years of age and is enrolled in and regularly attending a secondary school or is a full-time student at an accredited college or university.

(b) As used in this section, "public safety employee" means a full-time firefighter, police officer, county police officer, or sheriff.

(c) This section applies only to local unit public employers and their public safety employees.

(d) A local unit public employer may provide programs of group health insurance for its active and retired public safety employees through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter.

(4) If the local unit public employer is a school corporation, by electing to provide the coverage through a state employee health plan under section 6.7 of this chapter.

A local unit public employer may provide programs of group insurance other than group health insurance for the local unit public employer's active and retired public safety employees by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(e) A local unit public employer may pay a part of the cost of group insurance for its active and retired public safety employees. However, a local unit public employer that provides group life insurance for its active and retired public safety employees shall pay a part of the cost of that insurance.

(f) A local unit public employer may not cancel an insurance contract under this section during the policy term of the contract.

(g) After June 30, 1989, a local unit public employer that provides a group health insurance program for its active public safety employees shall also provide a group health insurance program to the following persons:

(1) Retired public safety employees.

(2) Public safety employees who are receiving disability benefits under IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-8, or IC 36-8-10.

(3) Surviving spouses and dependents of public safety employees who die while in active service or after retirement.

(h) A public safety employee who is retired or has a disability and is eligible for group health insurance coverage under subsection (g)(1) or (g)(2):

(1) may elect to have the person's spouse, dependents, or spouse and dependents covered under the group health insurance program at the time the person retires or becomes disabled;

(2) must file a written request for insurance coverage with the employer within ninety (90) days after the person retires or begins receiving disability benefits; and

(3) must pay an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active public safety employee (however, the employer may elect to pay any part of the person's premiums).

(i) Except as provided in IC 36-8-6-9.7(f), IC 36-8-6-10.1(h), IC 36-8-7-12.3(g), IC 36-8-7-12.4(j), IC 36-8-7.5-13.7(h), IC 36-8-7.5-14.1(i), IC 36-8-8-13.9(d), IC 36-8-8-14.1(h), and IC 36-8-10-16.5 for a surviving spouse or dependent of a public safety employee who dies in the line of duty, a surviving spouse or dependent who is eligible for group health insurance under subsection (g)(3):

(1) may elect to continue coverage under the group health insurance program after the death of the public safety employee;

(2) must file a written request for insurance coverage with the employer within ninety (90) days after the death of the public safety employee; and

(3) must pay the amount that the public safety employee would have been required to pay under this section for coverage selected by the surviving spouse or dependent (however, the employer may elect to pay any part of the surviving spouse's or dependents' premiums).

(j) The eligibility for group health insurance under this section for a public safety employee who is retired or has a disability ends on the earlier of the following:

(1) When the public safety employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program for active public safety employees.

(k) A surviving spouse's eligibility for group health insurance under this section ends on the earliest of the following:

(1) When the surviving spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the unit providing the insurance terminates the health insurance program for active public safety employees.

(3) The date of the surviving spouse's remarriage.

(4) When health insurance becomes available to the surviving spouse through employment.

(l) A dependent's eligibility for group health insurance under this section ends on the earliest of the following:

(1) When the dependent becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the unit providing the insurance terminates the health insurance program for active public safety employees.

(3) When the dependent no longer meets the criteria set forth in subsection (a).

(4) When health insurance becomes available to the dependent through employment.

(m) A public safety employee who is on leave without pay is entitled to participate for ninety (90)

days in any group health insurance program maintained by the local unit public employer for active public safety employees if the public safety employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(n) A local unit public employer may provide group health insurance for retired public safety employees or their spouses not covered by subsections (g) through (l) and may provide group health insurance that contains provisions more favorable to retired public safety employees and their spouses than required by subsections (g) through (l). A local unit public employer may provide group health insurance to a public safety employee who is on leave without pay for a longer period than required by subsection (m), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 55. IC 5-10-8-2.6, AS AMENDED BY P.L.1-2005, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2.6. (a) This section applies only to local unit public employers and their employees. This section does not apply to public safety employees, surviving spouses, and dependents covered by section 2.2 of this chapter.

(b) A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter.

(4) If the local unit public employer is a school corporation, by electing to provide the coverage through a state employee health plan under section 6.7 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer.

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a teacher (as defined in IC 20-18-2-22) for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed

immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement date, files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

(g) A retired employee's eligibility to continue insurance under subsection (e) ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under subsection (e) may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

(3) Two (2) years after the date of the employee's death.

(4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 56. IC 5-10-8-6.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.7. (a) As used in this section, "state employee health plan" means a:**

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees.

(b) The state personnel department shall allow a school corporation to elect to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan. If a school corporation elects to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan, it must provide coverage for all active and retired employees of the school corporation under the state employee health plan (other than any employees covered by an Indiana comprehensive health insurance association policy).

(c) The following apply if a school corporation elects to provide coverage for active and retired employees of the school corporation under subsection (b):

(1) The state shall not pay any part of the cost of the coverage.

(2) The coverage provided to an active or retired school corporation employee under this section must be the same as the coverage provided to an active or retired state employee under the state employee health plan.

(3) Notwithstanding sections 2.2 and 2.6 of this chapter:

(A) the school corporation shall pay for the coverage provided to an active or retired school corporation employee under this section an amount not more than the amount paid by the state for coverage provided to an active or retired state employee under the state employee health plan; and

(B) an active or retired school corporation employee shall pay for the coverage provided to the active or retired school corporation employee under this section an amount that is at least equal to the amount paid by an active or retired state employee for coverage provided to the active or retired state employee under the state employee health plan.

(4) The school corporation shall pay any administrative costs of the school corporation's participation in the state employee health plan.

(5) The school corporation shall provide the coverage elected under subsection (b) for a period of at least three (3) years beginning on the date the coverage of the school corporation employees under the state employee health plan begins.

(d) The state personnel department shall provide an enrollment period at least every thirty (30) days for a school corporation that elects to provide coverage under subsection (b).

(e) The state personnel department may adopt rules under IC 4-22-2 to implement this section.

(f) Neither this section nor a school corporation's election to participate in a state employee health plan as provided in this section impairs the rights of an exclusive representative of the certificated or noncertificated employees of the school corporation to collectively bargain all matters related to school employee health insurance programs and benefits.

(g) This subsection applies to school corporations that do not elect to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan as provided in this section. The department of education, with the assistance of the state personnel department, shall for each year after 2010 calculate the difference between:

(1) the total cost to be paid by a school corporation for the year to provide coverage of health care services; minus

(2) the total cost the school corporation would have paid for the year to provide coverage of health care services if the school corporation had elected to provide coverage under a state employee health plan in the preceding year as provided in this section.

(h) If the result of the calculation for a school corporation under subsection (g) is positive, for contracts entered into or renewed after 2010 to provide coverage for health care services:

(1) the school corporation's employees shall pay the pro rata difference; and

(2) the school corporation may not pay the difference on behalf of the school corporation's employees from any funds of the school corporation.

SECTION 57. IC 5-10-8-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) The retiree health benefit trust fund is established to provide funding for a retiree health benefit plan developed under IC 5-10-8.5.**

(b) The trust fund shall be administered by the budget agency. The expenses of administering

the trust fund shall be paid from money in the trust fund. The trust fund consists of cigarette tax revenues deposited in the fund under IC 6-7-1-28.1(7) and other appropriations, revenues, or transfers to the trust fund under IC 4-12-1.

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

(d) The trust fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the trust fund by the state board of finance, the budget agency, or any other state agency.

(e) The trust fund shall be established and administered in a manner that complies with Internal Revenue Code requirements concerning health reimbursement arrangement (HRA) trusts. Contributions by the state to the trust fund are irrevocable. All assets held in the trust fund must be held for the exclusive benefit of participants of the retiree health benefit plan developed under IC 5-10-8.5 and their beneficiaries. All assets in the trust fund:

(1) are dedicated exclusively to providing benefits to participants of the plan and their beneficiaries according to the terms of the plan; and

(2) are exempt from levy, sale, garnishment, attachment, or other legal process.

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

(g) The money in the trust fund is appropriated to the budget agency for providing the retiree health benefit plan developed under IC 5-10-8.5.

SECTION 58. IC 5-10-8.5-15, AS ADDED BY P.L.44-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) A participant's employer shall make contributions annually to the account on behalf of the participant. The amount of the contribution each fiscal year must equal the following, based on the participant's age on the last day of the calendar year that is in the fiscal year in which the contribution is made:

Participant's Age in Years	Annual Contribution Amount
Less than 30	~~$500~~ **$450**
At least 30, but less than 40	~~$800~~ **$720**
At least 40, but less than 50	~~$1,100~~ **$990**
At least 50	~~$1,400~~ **$1,260**

(b) The budget agency shall determine by rule the date on which the contributions are credited to participants' subaccounts.

SECTION 59. IC 5-22-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. **(a)** A contract entered into by a state agency may require the contractor to offer to political subdivisions the services, ~~or~~ supplies, **or transportation equipment, including buses,** that are the subject of the contract under conditions specified in the contract.

(b) Before making a procurement decision regarding a procurement that costs at least fifty thousand dollars ($50,000), a political subdivision must consult:

(1) at least two (2) cooperative purchasing organizations that offer; or

(2) if only one (1) cooperative purchasing organization exists, one (1) cooperative purchasing organization that offers;

the same or similar services, supplies, or equipment for purchase. A political subdivision shall maintain records of the cooperative purchasing organizations consulted, including the price of the same or similar service, supply, or equipment, with other relevant documents that support the procurement determination. The records and documents are public records and subject to review by the state board of accounts.

(c) The Indiana department of administration may adopt rules to regulate purchases described in subsection (b) by political subdivisions. A rule adopted under this subsection may

supplement this article and may not be inconsistent with this article.

(d) The Indiana department of administration may establish written policies for purchases described in subsection (b) by political subdivisions to ensure that political subdivisions secure the best available price and quality of an item purchased under this article. A written policy established under this subsection for purchases described in subsection (b):

(1) may apply to all purchases generally or to a specific purchase as stated in the solicitation for that purchase;

(2) must provide for evaluation criteria and selection criteria appropriate for each type or quantity of purchase; and

(3) may supplement this article or a policy, guideline, or ordinance adopted by a political subdivision.

SECTION 60. IC 5-28-26-18, AS AMENDED BY P.L.146-2008, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A unit may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable from any funds available to the unit.

(c) The bonds shall be authorized by a resolution of the unit.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within:

(1) fifty (50) years for bonds issued before July 1, 2008; ~~or~~

(2) twenty-five (25) years for bonds issued after June 30, 2008, **and before July 1, 2009; or**

(3) twenty-five (25) years after the date of the first principal payment for bonds issued after June 30, 2009.

(f) The unit shall sell the bonds at public or private sale upon terms determined by the district.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a global commerce center, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include the cost of:

(1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the district, but not to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

(h) A unit that issues bonds under this section may enter an interlocal agreement with any other unit located in the area served by the district in which the global commerce center is designated. A party to an agreement under this section may pledge any of its revenues, including taxes or allocated taxes under IC 36-7-14, to the bonds or lease rental obligations of another party to the agreement.

SECTION 61. IC 5-28-34 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 34. Green Industries Fund

Sec. 1. As used in this chapter, "fund" means the green industries fund established by section 3 of this chapter.

Sec. 2. For the purposes of this chapter, "green industry" means an Indiana business that manufactures products that reduce energy consumption or lower emissions in the market of their intended use, including the following:

(1) Biofuels.
(2) Advanced technology vehicles.
(3) Alternative fuel vehicles and power systems.
(4) Clean diesel technology.
(5) Domestic appliances.
(6) Distributed power generation.
(7) Emission control systems.
(8) Energy monitoring, management, and efficiency.
(9) Fuel cells.
(10) Renewable energy.
(11) Smart grid technology.
(12) Highly insulative building construction products.
(13) Construction products manufactured from at least fifty percent (50%) postconsumer products.
(14) Other sectors determined by the corporation.

Sec. 3. (a) The green industries fund is established. The fund shall be administered by the corporation.

(b) The fund may be used to provide grants and loans to Indiana manufacturing companies for the following purposes:

(1) To strengthen Indiana's economy by focusing investment in advanced manufacturing clusters focused on more energy efficient and environmentally sustainable technologies, processes, and products.
(2) To accelerate job creation through training and education initiatives to enhance the skills and employment prospects of Indiana's workforce in green industries.
(3) To facilitate the redevelopment of Indiana manufacturing sites, facilities, and processes to operate in a more energy efficient and environmentally sustainable manner.
(4) To stimulate the development of technologies, processes and products that reduce energy consumption or lower emissions in the market of their intended use.
(5) To encourage public-private partnerships focused on development of green industries among Indiana manufacturing companies, public or private educational institutions, nonprofit organizations and charitable foundations, research and development organizations, and state agencies.

Sec. 4. (a) An Indiana manufacturing company may apply for one (1) or more grants or loans from the fund.

(b) The corporation shall give priority to applications that meet three (3) or more of the purposes listed in section 3 of this chapter. The corporation shall base the award of a grant or loan on the number and quality of jobs being created, the community's economic need, and the capital investment being made by the applicant.

(c) A grant may not exceed fifty percent (50%) of the applicant's project costs.

SECTION 62. IC 6-1.1-1-3.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO

READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.8. "Civil taxing unit" has the meaning set forth in IC 6-1.1-18.5-1.**

SECTION 63. IC 6-1.1-1-5.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 5.4. "Department" refers to the department of local government finance.**

SECTION 64. IC 6-1.1-1-8.4, AS ADDED BY P.L.146-2008, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8.4. **(a)** "Inventory" means:

(1) materials held for processing or for use in production;

(2) finished or partially finished goods of a manufacturer or processor; and

(3) property held for sale in the ordinary course of trade or business.

(b) The term includes:

(1) items that qualify as inventory under 50 IAC 4.2-5-1 (as effective December 31, 2008); **and**

(2) a mobile home or manufactured home that:

(A) does not qualify as real property;

(B) is located in a mobile home community; and

(C) has never been occupied.

SECTION 65. IC 6-1.1-4-4, AS AMENDED BY P.L.136-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. ~~(a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the basis for taxes payable in 2003.~~

~~(b)~~ **(a)** A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~2009,~~ **2010,** and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

~~(c)~~ **(b)** In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the assessing officials of each county.

~~(d)~~ **(c)** For a general reassessment that begins on or after July 1, ~~2009,~~ **2010,** the assessed value of real property shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable in the year following the year in which the general reassessment is to be completed.

SECTION 66. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.6. (a) If a county assessor fails before July 2 of a particular year to prepare and deliver to the county auditor a complete detailed list of all of the real property listed for taxation in the county as required by IC 6-1.1-5-14 and at least one hundred eighty (180) days have elapsed after the July 1 deadline specified in IC 6-1.1-5-14 for delivering the list, the department of local government finance may develop annual adjustment factors under this section for that year. In developing annual adjustment factors under this section, the department of local government finance shall use data in its possession that is obtained from:**

(1) the county assessor; or

(2) any of the sources listed in the rule, including county or state sales data, government studies, ratio studies, cost and depreciation tables, and other market analyses.

(b) Using the data described in subsection (a), the department of local government finance shall propose to establish annual adjustment factors for the affected tax districts for one (1) or

more of the classes of real property. The proposal may provide for the equalization of annual adjustment factors in the affected township or county and in adjacent areas. The department of local government finance shall issue notice and provide opportunity for hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final annual adjustment factors.

(c) The annual adjustment factors finally determined by the department of local government finance after the hearing required under subsection (b) apply to the annual adjustment of real property under section 4.5 of this chapter for:

(1) the assessment date; and

(2) the real property;

specified in the final determination of the department of local government finance.

SECTION 67. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract **and any addendum to the employment contract.**

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 68. IC 6-1.1-4-19.5, AS AMENDED BY P.L.146-2008, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the county assessor;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance;

(7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract; and

(8) a provision stating that the department of local government finance is a party to the contract **and any addendum to the contract.**

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local

government finance may develop:

(1) one (1) or more model contracts;

(2) one (1) contract with alternate provisions; or

(3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 69. IC 6-1.1-4-42 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 42. (a) This section applies to assessment dates after January 15, 2010.**

(b) As used in this section, "golf course" means an area of land and yard improvements that are predominately used to play the game of golf. A golf course consists of a series of holes, each consisting of a teeing area, fairway, rough and other hazards, and the green with the pin and cup.

(c) The true tax value of real property regularly used as a golf course is the valuation determined by applying the income capitalization appraisal approach. The income capitalization approach used to determine the true tax value of a golf course must:

(1) incorporate an applicable income capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use;

(2) provide for the uniform and equal assessment of golf courses of similar grade quality and play length; and

(3) exclude the value of personal property, intangible property, and income derived from personal or intangible property.

(d) For assessment dates after January 15, 2010, and before March 1, 2012, a township assessor (if any) or the county assessor shall gather and process information from the owner of a golf course to carry out this section in accordance with the rules adopted by the department of local government finance under IC 4-22-2.

(e) For assessment dates after February 28, 2012, the department of local government finance shall, by rules adopted under IC 4-22-2, establish uniform income capitalization tables and procedures to be used for the assessment of golf courses. The department of local government finance may rely on analysis conducted by a state educational institution to develop the income capitalization tables and procedures required under this section. Assessing officials shall use the tables and procedures adopted by the department of local government finance to assess, reassess, and annually adjust the assessed value of golf courses.

(f) The department of local government finance may prescribe procedures, forms, and due dates for the collection from the owners or operators of golf courses of the necessary earnings, income, profits, losses, and expenditures data necessary to carry out this section. An owner or operator of a golf course shall comply with the procedures and reporting schedules prescribed by the department of local government finance.

SECTION 70. IC 6-1.1-5.5-2, AS AMENDED BY P.L.144-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) As used in this chapter, "conveyance document" means any of the following:

(1) Any of the following that purports to transfer a real property interest for valuable consideration:

(A) A document.

(B) A deed.

(C) A contract of sale.

(D) An agreement.

(E) A judgment.

(F) A lease that includes the fee simple estate and is for a period in excess of ninety (90) years.
(G) A quitclaim deed serving as a source of title.
(H) Another document presented for recording.
(2) Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order, condemnation, or probate.
(3) Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.
(b) The term does not include the following:
(1) Security interest documents such as mortgages and trust deeds.
(2) Leases that are for a term of less than ninety (90) years.
(3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.
(4) Quitclaim deeds not serving as a source of title.
(5) Public utility or governmental easements or rights-of-way.

SECTION 71. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:
(1) the department of local government finance:
(A) to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; **and**
(B) for data base management expenses; or
(2) the Indiana board to:
(A) conduct appeal activities; or
(B) pay for appeal services.
(b) 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 money may be invested.
(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 72. IC 6-1.1-7-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 15. (a) This section applies to a mobile home or manufactured home:**
(1) that has deteriorated to a degree that it can no longer provide suitable protection from the elements as to be used as a primary place of residence;
(2) that has little or no value as a structure to be rehabilitated for use as a primary place of residence;
(3) on which personal property tax liability has been imposed in an amount that exceeds the estimated resale value of the mobile home or manufactured home; and
(4) that has been abandoned in a mobile home community licensed under IC 16-41-27.
(b) The holder of the title of a mobile home or manufactured home described in subsection (a) may submit a written request to the county assessor for the county where the mobile home or manufactured home is located requesting that personal property tax liability imposed on the mobile home or manufactured home be waived. If the county assessor determines that the property that is the subject of the request meets the requirements in subsection (a), the county assessor shall send to the applicant a letter that waives the property taxes, special assessments, interest, penalties, and costs assessed against the property under this article, subject to compliance with subsection (c). The county assessor shall deliver a copy of the letter to the

county auditor and the county treasurer.

(c) Upon receipt of a letter waiving property taxes imposed on a mobile home or manufactured home, the holder of the title of the property that is the subject of a letter issued under subsection (b) shall:

(1) deliver a signed statement to the county assessor stating that the mobile home or manufactured home:

(A) will be dismantled or destroyed either at its present site or at a remote site; and

(B) will not be used again as a dwelling or other shelter; and

(2) dismantle or destroy the mobile home or manufactured home and not use the mobile home or manufactured home as a structure after the issuance date of the letter waiving property taxes.

(d) The county auditor shall remove from the tax duplicate the property taxes, special assessments, interest, penalties, and costs for which a waiver is granted under this section.

SECTION 73. IC 6-1.1-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 7. (a) The fixed property of a bus company consists of ~~real property and tangible personal property which is located within or on the~~ real property.

(b) A bus company's property which is not described in subsection (a) is indefinite-situs distributable property. This property includes, but is not limited to, buses and other mobile equipment. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the bus company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 74. IC 6-1.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 8. (a) The fixed property of an express company consists of real property. ~~and tangible personal property which has a definite situs.~~ The remainder of the express company's property is indefinite-situs distributable property.

(b) The department of local government finance shall apportion and distribute the assessed valuation of an express company's indefinite-situs distributable property among the taxing districts in which the fixed property of the company is located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the express company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the value of the company's fixed property which is located in the taxing district, and the denominator of which is the value of the company's fixed property which is located in this state.

SECTION 75. IC 6-1.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 9. (a) The fixed property of a light, heat, or power company consists of

~~(1) automotive and other mobile equipment;~~

~~(2) office furniture and fixtures;~~

~~(3) other tangible personal property which is not used as part of the company's production plant, transmission system, or distribution system; and~~

~~(4)~~ real property which is not part of the company's right-of-ways, transmission system, or distribution system.

(b) A light, heat, or power company's property which is not described as fixed property in subsection (a) of this section is definite-situs distributable property. This property includes, but is not

limited to, turbo-generators, boilers, transformers, transmission lines, distribution lines, and pipe lines.

SECTION 76. IC 6-1.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 10. (a) The fixed property of a pipe line company consists of

~~(1)~~ real property which is not part of a pipe line or right-of-way of the company. ~~and~~

~~(2) tangible personal property which is not part of the company's distribution system.~~

(b) A pipe line company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's pipe lines are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the pipe line company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's pipe lines in the taxing district, and the denominator of which is the length of the company's pipe lines in this state.

SECTION 77. IC 6-1.1-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 11. (a) The fixed property of the railroad company consists of real property which is not required for the operation of the railroad. ~~and tangible personal property which is located within or on that real property.~~ The remaining property of the railroad company is distributable property.

(b) A railroad company's definite-situs distributable property consists of the company's:

(1) rights-of-way and road beds;

(2) station and depot grounds;

(3) yards, yard sites, superstructures, turntable, and turnouts;

(4) tracks;

(5) telegraph poles, wires, instruments, and other appliances, which are located on the right-of-ways; and

(6) any other buildings or fixed situs personal property used in the operation of the railroad.

(c) A railroad company's property which is not described in subsection (a) or (b) is indefinite-situs distributable property. This property includes, but is not limited to, rolling stock. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the railroad company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the railroad company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in the taxing district, and the denominator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in this state.

SECTION 78. IC 6-1.1-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) The fixed property of a railroad car company consists of real property. ~~and tangible personal property which has a definite situs.~~ The remainder of the railroad car company's property is indefinite-situs distributable property.

(b) The department of local government finance shall assess a railroad car company's indefinite-situs distributable property on the basis of the average number of cars owned or used by the company within this state during the twelve (12) months of the calendar year preceding the year of assessment. The average number of cars within this state equals the product of:

(1) the sum of "M" plus "E"; multiplied by

(2) a fraction, the numerator of which is "N", and the denominator of which is the number two (2).

"M" equals the mileage traveled by the railroad car company's cars in this state divided by the mileage traveled by the company's cars both within and outside this state. "E" equals the earnings generated by the company's cars in this state divided by the earnings generated by the company's cars both within and outside this state. "N" equals the total number of cars owned or used by the company both within and outside this state.

SECTION 79. IC 6-1.1-8-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 13. (a) The fixed property of a sleeping car company consists of real property. ~~and tangible personal property which has a definite situs.~~

(b) A sleeping car company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in or through which the company operates cars. The department of local government finance shall make the apportionment in a manner which it considers fair.

SECTION 80. IC 6-1.1-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 14. (a) The fixed property of a street railway company consists of

~~(1)~~ real property which is not part of the company's tracks or rights-of-way. ~~and~~

~~(2) tangible personal property which is located within or on the real property described in subdivision (1).~~

(b) A street railway company's property which is not described in subsection (a) is distributable property. This property includes, but is not limited to:

(1) rights-of-way of the company;

(2) tangible personal property which is located on a right-of-way of the company; and

(3) rolling stock.

(c) The department of local government finance shall apportion and distribute the assessed valuation of a street railway company's indefinite-situs distributable property among the taxing districts in or through which the company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the street railway company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the company's average daily regularly scheduled passenger vehicle route miles in the taxing district, and the denominator of which is the company's average daily regularly scheduled passenger vehicle route miles in this state.

SECTION 81. IC 6-1.1-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 15. (a) The fixed property of a telephone, telegraph, or cable company consists of

~~(1) tangible personal property which is not used as part of the distribution system of the company; and~~

~~(2)~~ real property which is not part of the company's rights-of-way or distribution system.

(b) A telephone, telegraph, or cable company's property which is not described under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's lines or cables, including laterals, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the telephone, telegraph, or cable company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's lines and cables, including laterals, which are located in the taxing district, and the denominator of which is the length of the company's lines and cables, including laterals, which are located in this state.

SECTION 82. IC 6-1.1-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 17. (a) The fixed property of a water distribution company consists

of

~~(1) tangible personal property which is not used as part of the company's distribution system; and~~

~~(2)~~ real property which is not part of the company's rights-of-way or distribution system.

A well, settling basin, or reservoir (except an impounding reservoir) is not fixed property of a water distribution company if it is used to store treated water or water in the process of treatment.

(b) A water distribution company's property which is not described as fixed property under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's water mains, including feeder and distribution mains, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the water distribution company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's water mains, including feeder and distribution mains, which are located in the taxing district, and the denominator of which is the length of the company's water mains, including feeder and distribution mains, which are located in this state.

SECTION 83. IC 6-1.1-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 18. For a public utility company which is not within one (1) of the classes of companies whose property is described in sections 6 through 17 of this chapter, the fixed property of the company consists of real property. ~~and tangible personal property.~~ The remainder of the company's property is indefinite-situs distributable property. The department of local government finance shall, in a manner which it considers fair, apportion and distribute the assessed valuation of the company's indefinite-situs distributable property among the taxing districts in which the company operates its system.

SECTION 84. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 11. ~~(a) A taxpayer or the county assessor of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.~~

~~(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.~~ **(a) The industrial company that owns or uses the industrial facility assessed by the department of local government finance under this chapter may appeal that assessment to the Indiana board. Subject to subsections (b), (c), (d), and (e), the county assessor of the county in which the industrial facility assessed by the department of local government finance is located may appeal that assessment to the Indiana board.**

(b) The county assessor of a qualifying county may not expend public money appealing an assessment under this section unless the following requirements are met before a petition for review is submitted to the Indiana board:

(1) The county assessor submits to the county fiscal body a written estimate of the cost of the appeal.

(2) The county fiscal body adopts a resolution approving the county assessor's proposed expenditure to carry out the appeal.

(3) The total amount of the proposed expenditure is in accordance with an appropriation made by the county fiscal body in the manner provided by law.

(c) Except as otherwise provided in subsections (d) and (e), an appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final

unappealable order of the department of local government finance.

(d) With respect to an appeal filed by a county assessor under this section, the following apply:

(1) In the petition for review to the Indiana board, the county assessor shall state what the county assessor contends the assessed value of the industrial facility should be and provide substantial evidence in support of that contention. Failure to comply with this requirement results in dismissal of the county assessor's petition for review and no further appeal of the assessment by the county assessor may be taken.

(2) Not later than thirty (30) days after the county assessor files a petition for review in compliance with subdivision (1), the Indiana board shall hold a hearing at which the county assessor must establish a reasonable likelihood of success on any contentions made in the petition for review including, without limitation, the contention required under subdivision (1) regarding the assessed value of the real estate. The industrial company whose industrial facility is the subject of the county assessor's petition for review and the department of local government finance has the right to appear at this hearing and to present testimony, to cross-examine witnesses, and to present evidence regarding the county assessor's contentions.

(3) Not later than thirty (30) days after the hearing held under subdivision (2), the Indiana board shall issue a determination whether the county assessor has established a reasonable likelihood of success on the contentions in the petition for review. If the Indiana board determines that the county assessor has not established a reasonable likelihood of success on the contentions in the petition for review, the county assessor's petition for review shall be dismissed and no further appeal of the assessment by the county assessor may be taken. If the Indiana board determines that the county assessor has established a reasonable likelihood of success on the contentions in the petition for review, the Indiana board's determination does not create the presumption that the county assessor's contentions are valid. A determination by the Indiana board that the county assessor has established a reasonable likelihood of success on the contentions in the petition for review may be appealed to the Indiana tax court as an interlocutory appeal. A party may petition for review by the Indiana supreme court of the Indiana tax court's ruling regarding an interlocutory appeal brought under this subdivision.

(4) The Indiana board shall not hold a hearing on the appeal under IC 6-1.1-15-4 and the county assessor shall not be permitted to conduct discovery under the Indiana board's administrative rules until a determination has been issued under subdivision (3) and:

(A) any interlocutory appeal under subdivision (3) has been ruled on by the Indiana tax court; or

(B) the Indiana supreme court has either rejected a petition for review concerning the Indiana tax court's ruling on the interlocutory appeal or issued a decision regarding the Indiana tax court's ruling on the interlocutory appeal.

(e) On any appeal that has not been dismissed, the Indiana board shall issue an order within one (1) year after:

(1) the taxpayer filed its petition for review;

(2) the issuance of the Indiana board's determination under subsection (d)(3) in the case of an appeal by the county assessor; or

(3) the Indiana tax court or Indiana supreme court rules on a taxpayer's interlocutory appeal under subsection (d)(3) in the case of an appeal by the county assessor;

whichever is latest.

SECTION 85. IC 6-1.1-8.7-8, AS AMENDED BY P.L.219-2007, SECTION 21, IS AMENDED

TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 8. (a) The industrial company that owns or uses the industrial facility assessed **by the department** under this chapter ~~a taxpayer that petitioned for assessment of an industrial facility assessed under this chapter, or~~ **may appeal that assessment to the Indiana board. Subject to subsections (b), (c), (d), and (e),** the county assessor of the county in which the industrial facility is located may appeal an assessment by the department made under this chapter to the Indiana board. ~~An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department.~~

(b) ~~The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year of the date the appeal is filed.~~ **The county assessor of a qualifying county may not expend public money appealing an assessment under this section unless the following requirements are met before a petition for review is submitted to the Indiana board:**

(1) The county assessor submits to the county fiscal body a written estimate of the cost of the appeal.

(2) The county fiscal body adopts a resolution approving the county assessor's proposed expenditure to carry out the appeal.

(3) The total amount of the proposed expenditure is in accordance with an appropriation made by the county fiscal body in the manner provided by law.

(c) Except as otherwise provided in subsections (d) and (e), an appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department.

(d) With respect to an appeal filed by a county assessor under this section, the following apply:

(1) In the petition for review to the Indiana board, the county assessor shall state what the county assessor contends the assessed value of the industrial facility should be and provide substantial evidence in support of that contention. Failure to comply with this requirement results in dismissal of the county assessor's petition for review, and no further appeal of the assessment by the county assessor may be taken.

(2) Not later than thirty (30) days after the county assessor files a petition for review in compliance with subdivision (1), the Indiana board shall hold a hearing at which the county assessor must establish a reasonable likelihood of success on any contentions made in the petition for review including, without limitation, the contention required under subdivision (1) regarding the assessed value of the real estate. The industrial company whose industrial facility is the subject of the county assessor's petition for review and the department have the right to appear at this hearing and to present testimony, to cross examine witnesses, and to present evidence regarding the county assessor's contentions.

(3) Not later than thirty (30) days after the hearing held under subdivision (2), the Indiana board shall issue a determination whether the county assessor has established a reasonable likelihood of success on the contentions in the petition for review. If the Indiana board determines that the county assessor has not established a reasonable likelihood of success on the contentions in the petition for review, the county assessor's petition for review shall be dismissed, and no further appeal of the assessment by the county assessor may be taken. If the Indiana board determines that the county assessor has established a reasonable likelihood of success on the contentions in the petition for review, the Indiana board's determination does not create the presumption that the county assessor's contentions are valid. A determination by the Indiana board that the county assessor has established a

reasonable likelihood of success on the contentions in the petition for review may be appealed to the Indiana tax court as an interlocutory appeal. A party may petition for review by the Indiana supreme court of the Indiana tax court's ruling regarding an interlocutory appeal brought under this subdivision.

(4) The Indiana board shall not hold a hearing on the appeal under IC 6-1.1-15-4 and the county assessor shall not be permitted to conduct discovery under the Indiana board's administrative rules until a determination has been issued under subdivision (3) and:

(A) any interlocutory appeal under subdivision (3) has been ruled on by the Indiana tax court; or

(B) the Indiana supreme court has either rejected a petition for review concerning the Indiana tax court's ruling on the interlocutory appeal or issued a decision regarding the Indiana tax court's ruling on the interlocutory appeal.

(e) On any appeal that has not been dismissed, the Indiana board shall issue an order within one (1) year after:

(1) the taxpayer filed its petition for review;

(2) the issuance of the Indiana board's determination under subsection (d)(3) in the case of an appeal by the county assessor; or

(3) the Indiana tax court or the Indiana supreme court rules on a taxpayer's interlocutory appeal under subsection (d)(3) in the case of an appeal by the county assessor;

whichever is latest.

SECTION 86. IC 6-1.1-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 **or 3.5** of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21; ~~or~~

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16; ~~and~~ **or**

(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16;

(2) the exemption application referred to in section 3 **or 3.5** of this chapter was filed properly at least once ~~after the property was designated~~ for a religious use ~~as described in~~ **under** IC 6-1.1-10-21 or an educational, **literary, scientific, religious, or charitable** use ~~as described in~~ **under** IC 6-1.1-10-16; **and**

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16 or IC 6-1.1-10-21.

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-16 or IC 6-1.1-10-21. However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt

purpose after the date of the last properly filed exemption application, ~~this subsection does not apply.~~ **the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16 or IC 6-1.1-10-21 has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16.**

SECTION 87. IC 6-1.1-12-37, AS AMENDED BY P.L.87-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 37. (a) The following definitions apply throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence:

(A) that is located in Indiana;

(B) that:

(i) the individual owns;

(ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;

(iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or

(iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) that consists of a dwelling, and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

For assessments after 2009, the term includes a deck attached to the dwelling, a patio adjacent to the dwelling, and a swimming pool and a gazebo assessed as real property that is located on the one (1) acre of real estate that immediately surrounds the dwelling. The term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

(1) the assessment date; or

(2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) forty-five thousand dollars ($45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

(1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;

(2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;

(3) the names of:

(A) the applicant and the applicant's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) do not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked

on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the person must file the statement during the year for which the person desires to obtain the deduction. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

(f) If an individual who is receiving the deduction provided by this section or who otherwise qualifies property for a deduction under this section:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:

(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property database under subsection (i) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

(g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

SECTION 88. IC 6-1.1-15-1, AS AMENDED BY P.L.136-2009, SECTION 5, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

(1) The assessment of the taxpayer's tangible property.

(2) A deduction for which a review under this section is authorized by any of the following:

(A) IC 6-1.1-12-25.5.

(B) IC 6-1.1-12-28.5.

(C) IC 6-1.1-12-35.5.

(D) IC 6-1.1-12.1-5.

(E) IC 6-1.1-12.1-5.3.

(F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in subsection (b) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (b).

(d) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (b). To obtain the review, the taxpayer must file a notice in writing with the township assessor, or the county assessor if the township is not served by a township assessor. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. The notice to obtain a review must be filed not later than the later of:

(1) May 10 of the year; or

(2) forty-five (45) days after the date of the tax statement mailed by the county treasurer, regardless of whether the assessing official changes the taxpayer's assessment.

(e) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (d) after the time prescribed in subsection (d) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) or (d) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(f) The written notice filed by a taxpayer under subsection (c) or (d) must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (c) or (d):

(1) initiates a review under this section; and

(2) constitutes a request by the taxpayer for a preliminary informal meeting with the official referred to in subsection (a).

(h) A county or township official who receives a notice for review filed by a taxpayer under subsection (c) or (d) shall:

(1) immediately forward the notice to the county board; and

(2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:

(A) discussing the specifics of the taxpayer's assessment or deduction;

(B) reviewing the taxpayer's property record card;

(C) explaining to the taxpayer how the assessment or deduction was determined;

(D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;

(E) noting and considering objections of the taxpayer;

(F) considering all errors alleged by the taxpayer; and

(G) otherwise educating the taxpayer about:

(i) the taxpayer's assessment or deduction;

(ii) the assessment or deduction process; and

(iii) the assessment or deduction appeal process.

(i) Not later than ten (10) days after the informal preliminary meeting, the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. ~~The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.~~

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

(p) This subsection applies if the assessment for which a notice of review is filed increased the assessed value of the assessed property by more than ten percent (10%) over the assessed value finally determined for the immediately preceding assessment date. The county assessor or township assessor making the assessment has the burden of proving that the assessment is correct.

SECTION 89. IC 6-1.1-15-12, AS AMENDED BY P.L.146-2008, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.

(2) The assessment was against the wrong person.

(3) Taxes on the same property were charged more than one (1) time in the same year.

(4) There was a mathematical error in computing the taxes or penalties on the taxes.

(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.

(6) The taxes, as a matter of law, were illegal.

(7) There was a mathematical error in computing an assessment.

(8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

(1) The township assessor (if any).

(2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

~~(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.~~

SECTION 90. IC 6-1.1-17-0.5, AS AMENDED BY P.L.90-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit.

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed

value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

(1) Successful appeals of the assessed value of property located in the taxing unit.

(2) Deductions under IC 6-1.1-12-37 **and IC 6-1.1-12-37.5** that ~~are granted~~ **result from the granting of applications for the standard deduction for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44** after the county auditor certifies assessed value as described in this section.

(3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies assessed value as described in this section.

(4) Reassessments of real property under IC 6-1.1-4-11.5.

Not later than December 31 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and to the department of local government finance. The certified statement must list any adjustments to the amount of the reduction under this subsection and the information submitted under section 1 of this chapter that are necessary. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

(1) county property tax assessment board of appeals;

(2) Indiana board; or

(3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.

SECTION 91. IC 6-1.1-17-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. For the March 1, 2006, assessment date for property taxes first due and payable in 2007 in LaPorte County, the certified net assessed values submitted by the LaPorte County auditor to the department of local government finance in accordance with section 1 of this chapter:**

(1) is considered proper, valid, and legally sufficient for purposes of finalizing budgets, rates, and levies by the department under section 16 of this chapter; and

(2) serves as the basis for the 2007 reconciliation tax bill.

SECTION 92. IC 6-1.1-17-3, AS AMENDED BY P.L.87-2009, SECTION 6, AND AS AMENDED BY P.L.136-2009, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before ~~August~~ **September** 10 of the calendar

year. ~~*A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.*~~

~~*(b) Beginning in 2010, except as provided in IC 6-1.1-22-8.1(h), before October 1 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:*~~

~~*(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);*~~

~~*(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:*~~

~~*(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);*~~

~~*(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;*~~

~~*(C) any credits that apply in the determination of the tax liability; and*~~

~~*(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:*~~

~~*(i) the county board of tax adjustment; or*~~

~~*(ii) the department of local government finance;*~~

~~*(3) a prominently displayed notation that:*~~

~~*(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and*~~

~~*(B) based on various factors, including potential actions by:*~~

~~*(i) the county board of tax adjustment; or*~~

~~*(ii) the department of local government finance;*~~

~~*it is possible that the tax liability as finally determined will differ substantially from the estimate;*~~

~~*(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and*~~

~~*(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).*~~

~~*(c) The department of local government finance shall:*~~

~~*(1) prescribe a form for; and*~~

~~*(2) provide assistance to county auditors in preparing;*~~

~~*statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).*~~

~~*(d)*~~ *(b)* The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

~~(e)~~ *(c)* The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f)~~ *(d)* This subsection expires January 1, 2009. A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 93. IC 6-1.1-17-3.5, AS ADDED BY P.L.146-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under ~~IC 6-1.1-17-20~~ **section 20 of this chapter** or IC 36-3-6-9.

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a civil taxing unit located in more than one (1) county, the civil taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the civil taxing unit's net assessed valuation is located.

(d) A civil taxing unit must file the information under subsection (b) at least ~~fifteen (15)~~ **forty-five (45)** days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

(e) A county fiscal body shall **complete the following at least fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter:**

(1) Review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section. ~~and~~

(2) Issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the civil taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in nonfarm personal income for the county for the preceding six (6) calendar years; and

(2) increases in the budgets and tax levies of other civil taxing units in the county.

(g) The department of local government finance must provide each county fiscal body with the most recent available information concerning increases in Indiana nonfarm personal income and increases in county nonfarm personal income.

(h) If a civil taxing unit fails to file the information required by subsection (b) with the fiscal

body of the county in which the civil taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that civil taxing unit are continued for the ensuing budget year.

(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any civil taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year.

SECTION 94. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) for budget years beginning before July 1, ~~2010,~~ **2011,** ~~September 30~~ **November 1** if a resolution adopted under section 5.6(d) of this chapter is in effect.

(2) The proper officers of all other political subdivisions, not later than ~~September 30~~ **November 1.**

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, ~~2010.~~ **2011.**

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4. ~~after September 20 of that year.~~

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the

ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 95. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget years beginning before July 1, ~~2010,~~ **2011,** this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, ~~2010,~~ **2011,** this section applies to all school corporations. Beginning in ~~2010,~~ **2011,** each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in ~~2010~~ **2011** under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year ~~2010.~~ **2011.**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting ~~after September 20 of that year.~~ **under IC 6-1.1-29-4.**

(d) This subsection does not apply to budget years after June 30, ~~2010.~~ **2011.** The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. Notwithstanding any resolution adopted under this subsection, beginning in ~~2010,~~ **2011,** each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 96. IC 6-1.1-17-9, AS AMENDED BY P.L.146-2008, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county board of tax

adjustment shall complete the duties assigned to it under this chapter on or before ~~October 1st~~ **November 2** of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until ~~November~~ **December** 1 of each year.

(b) If the county board of tax adjustment fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, the county auditor shall send a certificate notice of those rates to each political subdivision of the county. The county auditor shall send these notices within five (5) days after:

(1) publication of the notice required by section 12 of this chapter; **or**

(2) the tax rates are calculated and fixed by the county auditor;

whichever applies.

(d) When the county auditor calculates and fixes tax rates, that action shall be treated as if it were the action of the county board of tax adjustment.

SECTION 97. IC 6-1.1-17-12, AS AMENDED BY P.L.146-2008, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. ~~As soon as~~ **If** the budgets, tax rates, ~~and~~ **or** tax levies are ~~approved or~~ modified by the county board of tax adjustment **or county auditor,** the county auditor shall within fifteen (15) days **of the modification** prepare a notice of the tax rates to be charged on each one hundred dollars ($100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of **the modification by** the county ~~board's action.~~ **board or county auditor.** The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 98. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's ~~action on~~ **or county auditor's modification of** a political subdivision's budget, **tax rate, or tax levy** by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget, ~~and~~ **tax rate, or** tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer, of the date, time, and location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns

property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall provide written notice to:

(1) the first ten (10) taxpayers whose names appear on the petition; or

(2) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer;

at least five (5) days before the date of the hearing.

SECTION 99. IC 6-1.1-17-14, AS AMENDED BY P.L.146-2008, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

~~(1)~~ a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.

~~(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009; or~~

~~(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services, for property taxes first due and payable before January 1, 2009.~~

SECTION 100. IC 6-1.1-17-15, AS AMENDED BY P.L.146-2008, SECTION 159, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as ~~fixed~~ **modified** by the county board of tax adjustment or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 101. IC 6-1.1-17-16, AS AMENDED BY P.L.146-2008, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund,

tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ~~two (2) weeks~~ **ten (10) calendar days** from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

(1) the county auditor;

(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;

(3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department:

(A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or

(B) fails to act on the appeal before the department certifies its action under subsection (f); a taxpayer who signed the statement filed to initiate the appeal.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 102. IC 6-1.1-17-20, AS AMENDED BY P.L.146-2008, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20. (a) This section applies

~~(1)~~ to each governing body of a taxing unit that:

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) ~~if the~~ **either:**

(A) is:

(i) a conservancy district subject to IC 14-33-9;

(ii) a solid waste management district subject to IC 13-21; or

(iii) a fire protection district subject to IC 36-8-11-18; or

(B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year **that** is more than the result of:

~~(A)~~ **(i)** the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

~~(B)~~ **(ii)** one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative

body under IC 36-3-6-9.

(c) ~~This subsection does not apply to a public library.~~ If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least ~~fourteen (14)~~ **thirty (30)** days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 103. IC 6-1.1-17-20.5, AS ADDED BY P.L.146-2008, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20.5. (a) This section applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body. **For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.**

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body.

(d) This subsection applies to a taxing unit not described in subsection (c). The governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body in the county where the taxing unit has the most net assessed valuation.

SECTION 104. IC 6-1.1-18.5-7, AS AMENDED BY P.L.146-2008, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing

unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to ~~the local government tax control board established by section 11 of this chapter before the tax levy is advertised. The local government tax control board shall then review and make a recommendation to~~ the department of local government finance. ~~on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year.~~ The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 105. IC 6-1.1-18.5-8, AS AMENDED BY P.L.146-2008, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

(1) bonded indebtedness; or

(2) lease rentals under a lease with an original term of at least five (5) years.

(b) Except as provided by subsections (g) and (h), a civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2) (as in effect before July 1, 2008), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

(1) incur the bonded indebtedness; or

(2) enter into the lease.

~~The department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.~~

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

(g) This subsection applies only to bonds, leases, and other obligations for which a civil taxing unit:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations payable from ad valorem property taxes but not described in subdivision (1), adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may issue or enter into bonds, a lease, or any other obligation.

(h) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may construct, alter, or repair a capital project.

SECTION 106. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) ~~Subject to subsection (d),~~ The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under:

(A) IC 12-29-2-1.2, for only those civil taxing units that authorized financial assistance under IC 12-29-1 before 2002 for a community mental health center as long as the tax levy under this section does not exceed the levy authorized in 2002;

(B) IC 12-29-2-2 through IC 12-29-2-5; and

(C) IC 12-29-2-13; or

(2) community mental retardation and other developmental disabilities centers under IC 12-29-1-1;

to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property that took effect after February 28, 1979.

(b) ~~Subject to subsection (d),~~ For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

~~(d) The exemptions under subsections (a) and (b) from the ad valorem property tax levy limits do not apply to a civil taxing unit that did not fund a community mental health center or community mental retardation and other developmental disabilities center in 2008.~~

(d) For a county that:

(1) did not impose an ad valorem property tax levy in 2008 for the county general fund to provide financial assistance under IC 12-29-1 (community mental retardation and other developmental disabilities center) or IC 12-29-2 (community mental health center); and

(2) determines for 2009 or a later calendar year to impose a levy as described in subdivision (1);

the ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the part of the county's general fund levy that is used in the first calendar year for which a determination is made under subdivision (2) to provide financial assistance under IC 12-29-1 or IC 12-29-2. The department of local government finance shall review a county's proposed budget

that is submitted under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final determination of the amount to which the levy limits do not apply under this subsection for the first calendar year for which a determination is made under subdivision (2).

(e) The ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the county's general fund levy in the amount determined by the department of local government finance under subsection (d) in each calendar year following the calendar year for which the determination under subsection (b) is made.

SECTION 107. IC 6-1.1-18.5-10.5, AS AMENDED BY P.L.146-2008, SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10.5. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19, if the civil taxing unit is a participating unit in a fire protection territory established before August 1, 2001. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter on a civil taxing unit that is a participating unit in a fire protection territory established before August 1, 2001, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(b) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19 for the three (3) calendar years in which the participating unit levies a tax to support the territory. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter for the three (3) calendar years for which the participating unit levies a tax to support the territory, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(c) This subsection applies to property taxes first due and payable after December 31, 2008. **Except as provided in subsection (d),** notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

(d) The limits specified in subsection (c) do not apply to a civil taxing unit in the first year in which the civil taxing unit becomes a participating unit in a fire protection territory established under IC 36-8-19. In the first year in which a civil taxing unit becomes a participating unit in a fire protection territory, the civil taxing unit shall submit its proposed budget, proposed ad valorem property tax levy, and proposed property tax rate for the fire protection territory to the department of local government finance. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for the fire protection territory for that calendar year. In making its determination under this subsection, the department of local government finance shall consider the amount that the civil taxing unit is obligated to provide to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. However, the department of local government finance may not approve under this subsection a property tax levy greater than zero (0) if the civil taxing unit did not exist as of the March 1 assessment date for which the tax levy will be imposed. For purposes of applying subsection (c) to the civil taxing unit's property tax levy for the fire protection territory in subsequent calendar years, the department

of local government finance may determine not to consider part or all of the part of the first year property tax levy imposed to establish an operating balance.

SECTION 108. IC 6-1.1-18.5-12, AS AMENDED BY P.L.146-2008, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

(1) before ~~September~~ **October** 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before December 31 of the calendar year immediately preceding the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall ~~promptly deliver to the local government tax control board every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board shall~~ immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the ~~local government tax control board~~ **department of local government finance** has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the ~~board~~ **department** with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing ~~of the local government tax control board~~ after having been given written notice ~~from the local government tax control board~~ requiring that person's attendance; or

(2) fails to produce ~~for the local government tax control board's use~~ the books and records that the ~~local government tax control board~~ **department** by written notice required the officer or member to produce;

then the ~~local government tax control board~~ **department** may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the ~~local government tax control board~~ **department** to provide information to the ~~local government tax control board~~ **department** or to produce books and records for the ~~local government tax control board's~~ **department's** use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

SECTION 109. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008, SECTION 180, IS

AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the ~~local government tax control board may recommend~~ **department may find** that a civil taxing unit **should** receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the ~~local government tax control board~~ **department** the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006 **plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;**

divided by the sum determined under this STEP for the calendar year immediately preceding

the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006 **plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;**

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars ($10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and

contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent ($0.01) per one hundred dollars ($100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites

in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents ($0.0667) for each one hundred dollars ($100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year

for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

SECTION 110. IC 6-1.1-18.5-13.5, AS AMENDED BY P.L.224-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.5. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009. With respect to an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy ~~recommended by the local government tax control board~~ under this section for the ensuing calendar year may not exceed the greater of:

(1) twenty-five thousand dollars ($25,000); or

(2) twenty percent (20%) of the sum of:

(A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus

(B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 111. IC 6-1.1-18.5-13.6, AS AMENDED BY P.L.146-2008, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2008. For an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a county to increase its levy in excess of the limitations established under section 3 of this chapter if the ~~local~~

~~government tax control board~~ **department** finds that the county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system;

under IC 3-11-6.

SECTION 112. IC 6-1.1-18.5-14, AS AMENDED BY P.L.146-2008, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) ~~The local government tax control board may recommend to~~ The department of local government finance **may order** a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year **if the department finds** that **the error** affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 113. IC 6-1.1-18.5-15, AS AMENDED BY P.L.146-2008, SECTION 183, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The department of local government finance, upon ~~receiving a recommendation made~~ **making a finding** under section 13 or 14 of this chapter, shall enter an order ~~adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board.~~ **setting forth its final determination.**

(b) A civil taxing unit may petition for judicial review of the final determination made by the department of local government finance under subsection (a). The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 114. IC 6-1.1-18.5-16, AS AMENDED BY P.L.146-2008, SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A civil taxing unit may request permission from the ~~local government tax control board~~ **department** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the ~~local government tax control board~~ **department** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the ~~local government tax control board~~ **department** determines that a shortfall described in subsection (a) or (b) has occurred, ~~it shall recommend to~~ the department of local government finance **may find** that the civil taxing unit **should** be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter. ~~and the department may adopt such recommendation.~~ However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the

particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 115. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsections (h) and (i), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the unit for that year.

(i) This subsection applies only to a civil taxing unit that:

(1) has a levy excess for a particular calendar year;

(2) in the preceding calendar year experienced a shortfall in property tax collections below the civil taxing unit's property tax levy approved by the department of local government finance under IC 6-1.1-17; and

(3) did not receive permission from the ~~local government tax control board~~ **department** to

impose, because of the shortfall in property tax collections in the preceding calendar year, a property tax levy that exceeds the limits imposed by section 3 of this chapter.

The amount that a civil taxing unit subject to this subsection must transfer to the civil taxing unit's levy excess fund in the calendar year in which the excess is collected shall be reduced by the amount of the civil taxing unit's shortfall in property tax collections in the preceding calendar year (but the reduction may not exceed the amount of the civil taxing unit's levy excess).

SECTION 116. IC 6-1.1-18.5-21, AS ADDED BY P.L.114-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. A civil taxing unit may determine that the ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to all or part of the ad valorem property taxes imposed to repay a loan under **either or both of the following:**

(1) IC 6-1.1-21.3.

(2) IC 6-1.1-21.9.

SECTION 117. IC 6-1.1-19-1, AS AMENDED BY P.L.146-2008, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~The following definitions apply throughout~~ **As used in** this chapter,

~~(1)~~ "appeal" refers to an appeal taken to the department of local government finance by or in respect of a school corporation under any of the following:

~~(A)~~ **(1)** IC 6-1.1-17.

~~(B)~~ **(2)** IC 20-43.

~~(2) "Tax control board" means the school property tax control board established by section 4.1 of this chapter.~~

SECTION 118. IC 6-1.1-19-3, AS AMENDED BY P.L.146-2008, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. ~~(a)~~ When an appeal is taken to the department of local government finance, the department may exercise the powers described in IC 6-1.1-17 to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation.

~~(b) The department of local government finance may not exercise any of the powers described in subsection (a) until it receives, regarding the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.~~

SECTION 119. IC 6-1.1-19-7, AS AMENDED BY P.L.2-2006, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. ~~(a) Any recommendation that is to be made by the tax control board to the department of local government finance under any law that applies to the appeal must be made at the time prescribed in this chapter.~~

~~(b) If a time for making a recommendation is not prescribed in this chapter, the recommendation must be made at a time that permits the department of local government finance to complete the duties of the department that are set forth in IC 6-1.1-17 within the time allowed by law for the completion of the duties or within the additional time that is reasonably necessary for the department of local government finance and the tax control board to complete the duties set forth in this chapter.~~

~~(c)~~ **(a)** A tax levy is not invalid because of the failure of ~~either the tax control board or~~ the department of local government finance to complete its duties within the time or time limits provided by this chapter or any other law.

~~(d)~~ **(b)** Subject to this chapter, the department of local government finance may

~~(1) accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to the department of local government finance under this chapter; and~~

~~(2)~~ make any order that is consistent with IC 6-1.1-17.

~~(e)~~ **(c)** A school corporation may petition for judicial review of the final determination of the department of local government finance. ~~under subsection (d).~~ The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order. ~~under subsection (d).~~

SECTION 120. IC 6-1.1-20-1.9, AS AMENDED BY P.L.146-2008, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.9. **(a)** As used in this chapter, "registered voter" means the following:

(1) In the case of a petition under section 3.1 of this chapter to initiate a petition and remonstrance process, an individual who is registered to vote in the political subdivision on the date the ~~proper officers of the political subdivision publish notice under section 3.1(b)(2) of this chapter of a preliminary determination by the political subdivision to issue bonds or enter into a lease.~~ **county voter registration board makes the determination under section 3.1(b)(8) of this chapter regarding whether persons who signed the petition are registered voters.**

(2) In the case of:

(A) a petition under section 3.2 of this chapter in favor of the proposed debt service or lease payments; or

(B) a remonstrance under section 3.2 of this chapter against the proposed debt service or lease payments;

an individual who is registered to vote in the political subdivision on the date ~~that is thirty (30) days after the notice of the applicability of the petition and remonstrance process is published under section 3.2(b)(1) of this chapter.~~ **the county voter registration board makes the determination under section 3.2(b)(5) of this chapter regarding whether persons who signed the petition or remonstrance are registered voters.**

(3) In the case of a petition under section 3.5 of this chapter requesting the application of the local public question process under section 3.6 of this chapter concerning proposed debt service or lease payments, an individual who is registered to vote in the political subdivision on the date the county voter registration board makes the determination under section 3.5(b)(8) of this chapter regarding whether persons who signed the petition are registered voters.

~~(3)~~ **(b) As used in this chapter,** in the case of ~~a~~ **an election on a** public question held under section 3.6 of this chapter, **"eligible voter" means** an individual who:

(1) is ~~registered to vote in the political subdivision on the date that is thirty (30) days before the date of~~ **eligible to vote in** the election in **the political subdivision in** which the public question will be held, **as determined under IC 3; and**

(2) resides within the boundaries of the political subdivision for which the public question is being considered.

SECTION 121. IC 6-1.1-20-3.1, AS AMENDED BY P.L.146-2008, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 8;

(C) will not be used for any combination of grade 9 through grade 12; and

(D) will not cost more than ten million dollars ($10,000,000).

(3) A high school building or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of grade 9 through grade 12;

(C) will not be used for any combination of kindergarten through grade 8; and

(D) will not cost more than twenty million dollars ($20,000,000).

(4) Any other controlled project that:

(A) is not a controlled project described in subdivision (1), (2), or (3); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) Twelve million dollars ($12,000,000).

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars ($1,000,000).

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

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

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

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

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

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

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

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

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

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

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

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

(D) The purpose of the bonds or lease.

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

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

(i) a new school facility; or

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

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

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

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

(A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

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

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

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

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

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

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

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

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

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(9) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8) make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own real property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to

determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

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

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

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

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

SECTION 122. IC 6-1.1-20-3.2, AS AMENDED BY P.L.146-2008, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.2. (a) This section applies only to controlled projects described in section 3.1(a) of this chapter.

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

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

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

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

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

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision. Each signature on a petition must be dated, and the date of signature may not be before the date on which the petition and

remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county voter registration office under subdivision (4).

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

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

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

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

(D) govern the closing date for the petition and remonstrance period; and

(E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition or remonstrance must indicate whether the person is signing the petition or remonstrance as a registered voter within the political subdivision or is signing the petition or remonstrance as the owner of real property within the political subdivision. A person who signs a petition or remonstrance as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition or remonstrance as a real property owner must indicate the address of the real property owned by the person in the political subdivision. The county voter registration office may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county voter registration office shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county voter registration office within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county voter registration office shall determine whether each person who signed the petition or remonstrance is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition or remonstrance forward a copy of the petition or remonstrance to the county auditor. Not more than ten (10) business days after receiving the copy of the petition or remonstrance, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition or remonstrance as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition or remonstrance as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(6) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (5) make the final determination of:

(A) the number of registered voters in the political subdivision that signed a petition and,

based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a petition; and

(B) the number of registered voters in the political subdivision that signed a remonstrance and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a remonstrance.

Whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition or remonstrance under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition or remonstrance only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition or remonstrance is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition or remonstrance, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(7) The county voter registration office must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within thirty-five (35) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county voter registration office may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(8) If a greater number of persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county voter registration office's certificate under subdivision (7). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(9) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance if required by:

(A) IC 6-1.1-18.5-8; or
(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 123. IC 6-1.1-20-3.5, AS ADDED BY P.L.146-2008, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:
(A) An elementary school building, middle school building, or other school building for academic instruction that:
(i) will be used for any combination of kindergarten through grade 8;
(ii) will not be used for any combination of grade 9 through grade 12; and
(iii) will cost more than ten million dollars ($10,000,000).
(B) A high school building or other school building for academic instruction that:
(i) will be used for any combination of grade 9 through grade 12;
(ii) will not be used for any combination of kindergarten through grade 8; and
(iii) will cost more than twenty million dollars ($20,000,000).
(C) Any other controlled project that:
(i) is not a controlled project described in clause (A) or (B); and
(ii) will cost the political subdivision more than the lesser of twelve million dollars ($12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars ($1,000,000)).
(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

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

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:
(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.
(B) The result of:
(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by
(ii) the net assessed value of taxable property within the political subdivision.
(C) The information specified in subdivision (3)(A) through (3)(G).
(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:
(A) publication in accordance with IC 5-3-1; and
(B) first class mail to the organizations described in subdivision (1).
(3) A notice under subdivision (2) of the preliminary determination of the political subdivision

to issue bonds or enter into a lease must include the following information:

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

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

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

(D) The purpose of the bonds or lease.

(E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.

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

(i) a new school facility; or

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

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

(G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(H) The information specified in subdivision (1)(A) through (1)(B).

(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

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

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

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

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

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

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

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

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

(8) The county voter registration office shall determine whether each person who signed the

petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

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

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

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

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

or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

SECTION 124. IC 6-1.1-20-3.6, AS ADDED BY P.L.146-2008, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.6. (a) **Except as provided in section 3.7 of this chapter,** this section applies only to a controlled project described in section 3.5(a) of this chapter.

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

(c) **Except as provided in subsection (j),** the following question shall be submitted to the **eligible** voters at the election conducted under this section:

"Shall _____ (insert the name of the political subdivision) issue bonds or enter into a lease to finance _____ (insert ~~the~~ **a brief** description of the controlled project), **which is estimated to cost not more than _____ (insert the total cost of the project) and is estimated to increase the property tax rate for debt service by _____ (insert increase in tax rate as determined by the department of local government finance)?".**

The public question must appear on the ballot in the form approved by the county election board. If the political subdivision proposing to issue bonds or enter into a lease is located in more than one (1) county, the county election board of each county shall jointly approve the form of the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the language certified to the county election board by the county auditor.

(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of each county in which the political subdivision is located. ~~After the public question is certified,~~ **The certification must occur not later than noon:**

(1) sixty (60) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or

(2) August 1 if the public question is to be placed on the general or municipal election ballot.

Subject to the certification requirements and deadlines under this subsection and except as provided in subsection (j), the public question shall be placed on the ballot at the next primary election, general election, or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held ~~in the six (6) month period after the county auditor certifies~~ **during the first year in which** the public question **is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election,** the public question shall be placed on the ballot at a special election to be held

~~(1) not earlier than ninety (90) days; and~~

~~(2) not later than one hundred twenty (120) days;~~

~~after the public question is certified if the fiscal body of the political subdivision that wishes to issue the bonds or enter into the lease requests the public question to be voted on in a special election. However, in a year in which a general election or municipal election is held, the public question may~~

~~be placed on the ballot at a special election only if the fiscal body of the political subdivision that requests the special election agrees to~~ **on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon sixty (60) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). However, in 2009, a political subdivision may hold a special election under this section on any date scheduled for the special election if notice of the special election was given before July 1, 2009, to the election division of the secretary of state's office as provided in IC 3-10-8-4. The fiscal body of the political subdivision that requests the special election shall** pay the costs of holding the special election. ~~In a year in which a general election is not held and a municipal election is not held, the fiscal body of the political subdivision that requests the special election is not required to pay the costs of holding the special election.~~ The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.

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

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

(2) The department of local government finance.

(f) Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the **eligible** voters voting on the public question vote in favor of the public question.

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

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

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

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

(i) A political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section and section 3.5 of this chapter.

(j) This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than forty-nine (49) days before the election at which the public question would be on the ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on

the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than one (1) year after the date the resolution withdrawing the public question is adopted.

(k) If a public question regarding a controlled project is placed on the ballot to be voted on at a public question under this section, the political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's Internet web site:

(1) The cost per square foot of any buildings being constructed as part of the controlled project.

(2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.

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

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

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

(6) The purpose of the bonds or lease.

(7) In the case of a controlled project proposed by a school corporation:

(A) the current and proposed square footage of school building space per student;

(B) enrollment patterns within the school corporation; and

(C) the age and condition of the current school facilities.

SECTION 125. IC 6-1.1-20-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.7. (a) This section applies to the following:**

(1) The issuance of bonds or the entering into a lease for a controlled project:

(A) to which section 3.5 of this chapter applies; and

(B) for which a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter within the time required under section 3.5(b)(7) of this chapter.

(2) The issuance of bonds or the entering into a lease for a capital project:

(A) that is not a controlled project to which section 3.5 of this chapter applies; and

(B) that would, but for the application of section 1.1(6) of this chapter to the project, be a controlled project to which section 3.5 of this chapter applies.

(b) If the proper officers of a political subdivision make a preliminary determination to issue bonds described in subsection (a) or enter into a lease described in subsection (a), the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in section 3.6 of this chapter applies to the issuance of the bonds or the entering into the lease, notwithstanding that:

(1) a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter (in the case of bonds or a lease described in subsection (a)(1)); or

(2) because of the application of section 1.1(6) of this chapter, the bonds or lease is not considered to be issued or entered into for a controlled project (in the case of bonds or a lease described in subsection (a)(2)).

(c) The following apply to the adoption of a resolution by the fiscal body of a political subdivision under subsection (b):

(1) In the case of bonds or a lease described in subsection (a)(1) and for which no petition requesting the application of the local public question process under section 3.6 of this

chapter has been filed within the time required under section 3.5(b)(7) of this chapter, the fiscal body must adopt the resolution not more than sixty (60) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(2) In the case of bonds or a lease described in subsection (a)(1) for which a petition requesting the application of the local public question process under section 3.6 of this chapter:

(A) has been filed under section 3.5 of this chapter; and

(B) is determined to have an insufficient number of signatures to require application of the local public question process under section 3.6 of this chapter;

the fiscal body must adopt the resolution not more than thirty (30) days after the county voter registration office makes the final determination under section 3.5 of this chapter that a sufficient number of persons have not signed the petition.

(3) In the case of bonds or a lease described in subsection (a)(2), the fiscal body must adopt the resolution not more than thirty (30) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(4) The fiscal body shall certify the resolution to the county election board of each county in which the political subdivision is located, and the county election board shall place the public question on the ballot as provided in section 3.6 of this chapter.

(d) Except to the extent it is inconsistent with this section, section 3.6 of this chapter applies to a local public question placed on the ballot under this section.

SECTION 126. IC 6-1.1-20-10, AS AMENDED BY P.L.146-2008, SECTION 199, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) This section applies to a political subdivision that adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease. During the period commencing with the adoption of the ordinance or resolution and, if a petition and remonstrance process is commenced under section 3.2 of this chapter, continuing through the sixty (60) day period commencing with the notice under section 3.2(b)(1) of this chapter, the political subdivision seeking to issue bonds or enter into a lease for the proposed controlled project may not promote a position on the petition or remonstrance by doing any of the following:

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

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

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

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

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

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

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

employee's office or agency.

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

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

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

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

(1) commits a Class A infraction; and

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

(f) An elected or appointed public official of the political subdivision may personally advocate for or against a position on the petition or remonstrance so long as it is not done by using public funds.

SECTION 127. IC 6-1.1-20-10.1, AS ADDED BY P.L.146-2008, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10.1. (a) This section applies only to a political subdivision that, after June 30, 2008, adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease subject to sections 3.5 and 3.6 of this chapter.

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

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

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

(3) Using an employee to promote a position on the local public question during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the local public question at any time.

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

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

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

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

(c) The staff and employees of a school corporation may not personally identify a student as the

child of a parent or guardian who supports or opposes a controlled project subject to a local public question held under section 3.6 of this chapter.

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

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

(1) commits a Class A infraction; and

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

(f) An elected or appointed public official of the political subdivision may personally advocate for or against a position on the local public question so long as it is not done by using public funds.

(g) A student may use school equipment or facilities to report or editorialize about a local public question as part of the news coverage of the referendum by student newspaper or broadcast.

SECTION 128. IC 6-1.1-20.6-2, AS AMENDED BY P.L.146-2008, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) As used in this chapter, "homestead" ~~has the meaning set forth in~~ **refers to a homestead that is eligible for a standard deduction under** IC 6-1.1-12-37.

(b) The term includes a house or apartment that is owned or leased by a cooperative housing corporation (as defined in 26 U.S.C. 216(b)).

SECTION 129. IC 6-1.1-20.6-8.5, AS ADDED BY P.L.146-2008, SECTION 225, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8.5. (a) ~~This section applies to property taxes first due and payable for a calendar year after December 31, 2008.~~ This section applies to an individual who:

(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year); ~~and~~

(2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;

(3) is or will be at least sixty-five (65) years of age on or before December 31 of the calendar year immediately preceding the current calendar year; and

(4) had:

(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars ($30,000); or

(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars ($40,000);

for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.

(b) This section does not apply if the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least one hundred sixty thousand dollars ($160,000).

~~(b)~~ **(c)** An individual is entitled to an additional credit under this section for property taxes first due

and payable for a calendar year on a homestead if:

(1) the **individual and the** homestead ~~qualifies as qualified homestead property~~ **qualify for the credit under subsection (a) for the calendar year;**

(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and

(3) the filing requirements under subsection (e) are met.

~~(c)~~ **(d)** The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the ~~qualified~~ homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year; multiplied by

(B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

~~(d) The following adjusted gross income limits apply to an individual who claims a credit under this section:~~

~~(1) In the case of an individual who files a single return, the adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the exemption may not exceed thirty thousand dollars ($30,000).~~

~~(2) In the case of an individual who files a joint income tax return with the individual's spouse, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse may not exceed forty thousand dollars ($40,000).~~

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility ~~before June 11 of the year in which~~ **not later than sixty (60) days after** the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

SECTION 130. IC 6-1.1-21.2-12, AS AMENDED BY P.L.146-2008, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) This section applies if the tax increment replacement amount for an allocation area in a district is greater than zero (0).

(b) A governing body may, after a public hearing, do the following:

(1) Impose a special assessment on the owners of property that is located in an allocation area to raise an amount not to exceed the tax increment replacement amount.

(2) Impose a tax on all taxable property in the district in which the governing body exercises jurisdiction to raise an amount not to exceed the tax increment replacement amount.

(3) Reduce the base assessed value of property in the allocation area to an amount that is sufficient to increase the tax increment revenues in the allocation area by an amount that does not exceed the tax increment replacement amount.

(c) The governing body shall submit a proposed special assessment or tax levy under this section

to the legislative body of the unit that established the district. The legislative body may:

(1) reduce the amount of the special assessment or tax to be levied under this section;

(2) determine that no special assessment or property tax should be levied under this section; or

(3) increase the special assessment or tax to the amount necessary to fully fund the tax increment replacement amount.

(d) Before a public hearing under subsection (b) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must also be sent to the fiscal officer of each political subdivision that is located in any part of the district. The notice must state that the governing body will meet to consider whether a special assessment or tax should be imposed under this chapter and whether the special assessment or tax will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also specify a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment or tax will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment or tax. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (e).

(e) A person who filed a written remonstrance with a governing body under subsection (d) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed special assessment or tax will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(f) This section applies to a governing body that:

(1) is the metropolitan development commission for a county having a consolidated city; and

(2) has established an allocation area and pledged tax increment revenues from the area to the payment of bonds, leases, or other obligations before May 8, 1989.

Notwithstanding subsections (a) through (e), the governing body may determine to fund that part of the tax increment replacement amount attributable to the repeal of IC 36-7-15.1-26.5, IC 36-7-15.1-26.7, and IC 36-7-15.1-26.9 from property taxes on personal property (as defined in IC 6-1.1-1-11). If the governing body makes such a determination, the property taxes on personal property in the amount determined under this subsection shall be allocated to the redevelopment district, paid into the special fund for the allocation area, and used for the purposes specified in IC 36-7-15.1-26.

SECTION 131. IC 6-1.1-21.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21.3. Rainy Day Fund Loans for Taxing Units Affected by Transmission Manufacturer Bankruptcy

Sec. 1. (a) As used in this chapter, "board" refers to the state board of finance.

(b) As used in this chapter, "qualified taxing unit" means a taxing unit:

(1) in which a qualifying taxpayer has tangible property subject to taxation; and

(2) that has experienced or is expected to experience a significant revenue shortfall as a result of a default or an expected default described in subsection (c)(3).

(c) As used in this chapter, "qualifying taxpayer" means a taxpayer that:

(1) casts and manufactures motor vehicle transmissions as part of its business;

(2) has filed a petition to reorganize under the federal bankruptcy code; and

(3) has defaulted, or has notified the county fiscal body of the county in which the taxpayer is subject to property taxes that the taxpayer will default, on all or part of one (1) or more of its property tax payments with respect to taxes first due and payable in 2009 or 2010, or both.

Sec. 2. A qualified taxing unit may apply to the board for one (1) or more loans from the counter-cyclical revenue and economic stabilization fund.

Sec. 3. (a) The board, after review by the budget committee, shall determine the terms of a loan made under this chapter, subject to the following:

(1) The loan must be repaid not later than ten (10) years after the date on which the loan is made.

(2) The terms of the loan must allow for prepayment of the loan without penalty.

(3) The maximum amount of the loan that a qualified taxing unit may receive with respect to a default described in section 1(c)(3) of this chapter on one (1) or more payments of property taxes first due and payable in a calendar year is the amount, as determined by the board, of revenue shortfall for the qualified taxing unit that results from the default for that calendar year.

(b) The board may disburse in installments the proceeds of a loan made under this chapter.

(c) A qualified taxing unit may repay a loan made under this chapter from any of the following:

(1) Property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5.

(2) Property tax revenues of the qualified taxing unit that are not subject to levy limitations as provided in IC 6-1.1-18.5-21.

(3) The qualified taxing unit's debt service fund.

(4) Any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment on a loan made under this chapter constitutes a first charge against the property tax revenues described in subdivision (1) or (2) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(d) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 20-44-3.

(e) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

Sec. 4. (a) As used in this section, "delinquent tax" means any tax not paid during the calendar year in which the tax was first due and payable.

(b) Except as provided in subsection (c), the following are not considered to be part of the ad

valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3:

(1) The proceeds of a loan received by the qualified taxing unit under this chapter.

(2) The receipt by a qualified taxing unit of any payment of delinquent tax owed by a qualifying taxpayer.

(c) Delinquent tax owed by a qualifying taxpayer received by a qualified taxing unit:

(1) must first be used toward the retirement of an outstanding loan made under this chapter; and

(2) is considered, only to the extent that the amount received exceeds the amount of the outstanding loan, to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

(d) If a qualifying taxpayer pays delinquent tax during the term of repayment of an outstanding loan made under this chapter, the remaining loan balance is repayable in equal installments over the remainder of the original term of repayment.

(e) Proceeds of a loan made under this chapter may be expended by a qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

Sec. 5. A loan under this chapter is not bonded indebtedness for purposes of IC 6-1.1-18.5.

SECTION 132. IC 6-1.1-22-5, AS AMENDED BY P.L.146-2008, SECTION 250, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Except as provided in subsections (b) and (c), on or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract as a public record.

(b) If the county auditor receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** before the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver the certified copy of the abstract when the appeal is resolved by the department of local government finance.

(c) If the county auditor receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** after the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver a certified copy of a revised abstract when the appeal is resolved by the department of local government finance that reflects the action of the department.

SECTION 133. IC 6-1.1-22.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. As used in this chapter, "provisional statement" refers to a provisional property tax statement required by section 6 **or 6.5** of this chapter **as the context indicates.**

SECTION 134. IC 6-1.1-22.5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.5. (a) As used in this section, "cross-county area" refers to a cross-county entity's territory that is located in one (1) county.**

(b) As used in this section, "cross-county entity" refers to a taxing unit that is located in more than one (1) county.

(c) As used in this section, "statement preparation date" refers to the date determined by the county treasurer before which the county treasurer must receive all necessary information in order to timely prepare and deliver property tax statements under IC 6-1.1-22.

(d) With respect to property taxes first due and payable under this article after 2009, the county treasurer may, except as provided in section 7 of this chapter, use a provisional statement under this section if:

(1) the county treasurer is not required to use provisional statements under section 6 of this chapter; and

(2) the county treasurer determines that:

(A) the property tax rate of a cross-county entity with cross-county area in the county has not been finally determined before the statement preparation date; and

(B) the rate referred to in clause (A) has not been finally determined because the assessed valuation:

(i) in the cross-county area of a neighboring county; and

(ii) on which the property taxes are based;

has not been finally determined.

(e) A provisional statement under this section applies only for the cross-county area in the county. If a provisional statement is used under this section, the county treasurer shall prepare and deliver property tax statements under IC 6-1.1-22 for the territory of the county that is not a cross-county area.

(f) The county treasurer shall give notice of the provisional statement in the manner required by section 6(b) of this chapter.

(g) Immediately upon determining to use provisional statements under this section, the county treasurer shall give notice of the determination to the county fiscal body (as defined in IC 36-1-2-6).

SECTION 135. IC 6-1.1-22.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) The county auditor of a county or fifty (50) property owners in the county may, not more than five (5) days after the publication of the notice required under section ~~6~~ **6(b) or 6.5(f)** of this chapter, request in writing that the department of local government finance waive the use of a provisional statement under this chapter as to that county for a particular ~~assessment date.~~ **year.**

(b) **With respect to the use of a provisional statement required under section 6 of this chapter,** upon receipt of a request under subsection (a), the department of local government finance shall give notice of a hearing concerning the request in the manner provided by IC 5-3-1. The notice must state:

(1) the date and time of the hearing;

(2) the location of the hearing, which must be in the county; and

(3) that the purpose of the hearing is to hear:

(A) the request of the county treasurer and county auditor to waive the requirements of **section 6 of** this chapter; and

(B) taxpayers' comments regarding that request.

(c) After the hearing **referred to in subsection (b),** the department of local government finance may waive the use of a provisional statement under **section 6 of** this chapter for a particular ~~assessment date~~ **year** as to the county making the request if the department finds that the petitioners have presented sufficient evidence to establish that although the abstract required by IC 6-1.1-22-5 was not delivered in a timely manner:

(1) the abstract;

(A) was delivered as of the date of the hearing; or

(B) will be delivered not later than a date specified by the county auditor and county treasurer; and

(2) sufficient time remains or will remain after the date or anticipated date of delivery of the abstract to:

(A) permit the timely preparation and delivery of property tax statements in the manner provided by IC 6-1.1-22; and

(B) render the use of a provisional statement under **section 6 of** this chapter unnecessary.

(d) With respect to a determination to use a provisional statement under section 6.5 of this chapter, upon receipt of a request under subsection (a), the department of local government finance shall give notice of a hearing concerning the request in the manner provided by IC 5-3-1. The notice must state:

(1) the date and time of the hearing;

(2) the location of the hearing, which must be in the county; and

(3) that the purpose of the hearing is to hear:

(A) the request of the county treasurer and county auditor to waive the requirements of section 6.5 of this chapter; and

(B) taxpayers' comments regarding that request.

(e) After the hearing referred to in subsection (d), the department of local government finance may waive the use of a provisional statement under section 6.5 of this chapter for a particular year as to the county making the request if the department finds that the petitioners have presented sufficient evidence to establish that although the property tax rate of one (1) or more cross-county entities with cross-county area in the county was not finally determined before the statement preparation date:

(1) that property tax rate:

(A) was determined as of the date of the hearing; or

(B) will be determined not later than a date specified by the county auditor and county treasurer; and

(2) sufficient time remains or will remain after the date or anticipated date of determination of the rate to:

(A) permit the timely preparation and delivery of property tax statements in the manner provided by IC 6-1.1-22; and

(B) render the use of a provisional statement under section 6.5 of this chapter unnecessary.

SECTION 136. IC 6-1.1-22.5-8, AS AMENDED BY P.L.87-2009, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) **Subject to subsection (c),** a provisional statement must:

(1) be on a form ~~approved~~ **prescribed** by the ~~state board of accounts;~~ **department of local government finance;**

(2) except as provided in emergency rules adopted under section 20 of this chapter and subsection (b):

(A) for property taxes billed using a provisional statement under section 6 of this chapter, indicate tax liability in the amount of ~~ninety~~ **not more than one hundred** percent ~~(90%)~~ **(100%)** of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued, **subject to any adjustments to the tax liability as prescribed by the department of local government finance; and**

(B) for property taxes billed using a provisional statement under section 6.5 of this chapter, except as provided in subsection (d), indicate tax liability in an amount determined by the department of local government finance based on:

(i) subject to subsection (c), for the cross-county entity, the property tax rate of the cross-county entity for taxes first due and payable in the immediately preceding calendar year; and

(ii) for all other taxing units that make up the taxing district or taxing districts that comprise the cross-county area, the property tax rates of the taxing units for taxes first due and payable in the current calendar year;

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under IC 6-1.1-22-8.1; and

(ii) will be credited against a reconciling statement;

(4) **for property taxes billed using a provisional statement under section 6 of this chapter,** include ~~the following~~ **a** statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, _____ County (insert county) has ~~elected to send~~ **sent** provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on _____ (insert date) and _____ (insert date). The statement is based on ~~ninety~~ _____ percent ~~(90%)~~ **(___%) (insert percentage)** of your tax liability for taxes payable in _____ (insert year), subject to adjustment **to the tax liability as prescribed by the department of local government finance and adjustment** for any new construction on your property or any damage to your property. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) for property taxes billed using a provisional statement under section 6.5 of this chapter, include a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, _____ County (insert county) has elected to send provisional statements for the territory of _____ (insert cross-county entity) located in _____ County (insert county) because the property tax rate for _____ (insert cross-county entity) was not available in time to prepare final tax statements. The statement is due to be paid in installments on _____ (insert date) and _____ (insert date). The statement is based on the property tax rate of _____ (insert cross-county entity) for taxes first due and payable in _____ (insert immediately preceding calendar year). After the property tax rate of _____ (insert cross-county entity) is determined, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in _____ (insert year), minus the amount you pay under this provisional statement.";

~~(5)~~ **(6)** indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under ~~IC 6-1.1-22-8~~ **IC 6-1.1-22-8.1** for the first

installment of property taxes in the year in which the provisional tax statement is issued;

~~(6)~~ **(7)** include:

(A) a checklist that shows:

(i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and

(ii) whether each homestead credit and property tax deduction was applied in the current provisional statement;

(B) an explanation of the procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction; and

(C) an explanation of the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(i) more than one (1) parcel of property; or

(ii) property that is not the taxpayer's principal place of residence or is otherwise not eligible for a standard deduction; and

~~(7)~~ **(8)** include any other information the county treasurer requires.

(b) This subsection applies to property taxes first due and payable for assessment dates after January 15, 2009. The county may apply a standard deduction, supplemental standard deduction, or homestead credit calculated by the county's property system on a provisional bill for a qualified property. If a provisional bill has been used for property tax billings for two (2) consecutive years and a property qualifies for a standard deduction, supplemental standard deduction, or homestead credit for the second year a provisional bill is used, the county shall apply the standard deduction, supplemental standard deduction, or homestead credit calculated by the county's property system on the provisional bill.

(c) For purposes of this section, property taxes that are:

(1) first due and payable in the current calendar year on a provisional statement under section 6 or 6.5 of this chapter; and

(2) based on property taxes first due and payable in the immediately preceding calendar year or on a percentage of those property taxes;

are determined after excluding from the property taxes first due and payable in the immediately preceding calendar year property taxes imposed by one (1) or more taxing units in which the tangible property is located that are attributable to a levy that no longer applies for property taxes first due and payable in the current calendar year.

(d) If there was no property tax rate of the cross-county entity for taxes first due and payable in the immediately preceding calendar year for use under subsection (a)(2)(B), the department of local government finance shall provide an estimated tax rate calculated to approximate the actual tax rate that will apply when the tax rate is finally determined.

SECTION 137. IC 6-1.1-22.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. **(a) With respect to provisional statements under section 6 of this chapter,** as soon as possible after the receipt of the abstract ~~referred to in section 6 of this chapter,~~ **required by IC 6-1.1-22-5,** the county treasurer shall:

(1) give the notice required by IC 6-1.1-22-4; and

(2) mail or transmit reconciling statements under section 12 of this chapter.

(b) With respect to provisional statements under section 6.5 of this chapter, as soon as possible after determination of the tax rate of the cross-county entity referred to in section 6.5 of this chapter, the county treasurer shall:

(1) give the notice required by IC 6-1.1-22-4; and

(2) mail or transmit reconciling statements under section 12 of this chapter.

SECTION 138. IC 6-1.1-22.5-12, AS AMENDED BY P.L.87-2009, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement **must be on a form prescribed by the department of local government finance and** must indicate:

(1) the actual property tax liability under this article ~~on the assessment determined for the assessment date~~ for the ~~property~~ **calendar year** for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement;

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; or

(iii) the date specified in an ordinance adopted under section 18.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract ~~referred to in section 6 of this chapter,~~ **required by IC 6-1.1-22-5 or upon determination of the tax rate of the cross-county entity referred to in section 6.5 of this chapter,** the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

(1) the actual property tax liability under this article ~~on the assessment determined for the assessment date~~ **for the calendar year** for the property for which the reconciling statement is issued;

(2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(d) At the election of a county auditor, a checklist required by IC 6-1.1-22-8.1(b)(8) and a notice required by IC 6-1.1-22-8.1(b)(9) may be sent to a taxpayer with a reconciling statement under this section. This subsection expires January 1, 2013.

(e) In a county in which an authorizing ordinance is adopted under IC 6-1.1-22-8.1(h), a person may direct the county treasurer to transmit a reconciling statement by electronic mail under IC 6-1.1-22-8.1(h).

SECTION 139. IC 6-1.1-22.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. For purposes of a provisional statement under **section 6 of** this chapter, the department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to provide a methodology for a county treasurer to issue provisional statements with respect to real property, taking into account new construction of improvements placed on the real property, damage, and other losses related to the real property:

(1) after March 1 of the year preceding the assessment date to which the provisional statement applies; and

(2) before the assessment date to which the provisional statement applies.

SECTION 140. IC 6-1.1-27-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This section applies if:**

(1) a school corporation did not receive a property tax distribution that was at least the amount of the school corporation's actual general fund property tax levy for a particular year because of property taxes not being paid when due, as determined by the department of local government finance; and

(2) delinquent property taxes are paid that are attributable to a year referred to in subdivision (1).

(b) The county auditor shall distribute to a school corporation the school corporation's proportionate share of any delinquent property taxes paid that are attributable to a year referred to in subsection (a) in the amount that would have been distributed to the school corporation with respect to the school corporation's general fund. The school corporation shall deposit the distribution in the school corporation's general fund.

(c) This section expires January 1, 2015.

SECTION 141. IC 6-1.1-28-1, AS AMENDED BY P.L.219-2007, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **At the election of the board of commissioners of the county, a county property tax assessment board of appeals may consist of three (3) or five (5) members appointed in accordance with this section.**

(b) This subsection applies to a county in which the board of commissioners elects to have a five (5) member county property tax assessment board of appeals. In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. Subject to subsections ~~(d)~~ **(g)** and ~~(e),~~ **(h),** the fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two or level three assessor-appraiser. Subject to subsections ~~(d)~~ **(g)** and ~~(e),~~ **(h),** the board of commissioners of the county shall appoint ~~two (2)~~ **three (3)** freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. ~~If the county assessor is a certified level two or level three assessor-appraiser,~~ The board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser.

(c) This subsection applies to a county in which the board of commissioners elects to have a three (3) member county property tax assessment board of appeals. In addition to the county

assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. Subject to subsections (g) and (h), the fiscal body of the county shall appoint one (1) individual to the board. The member appointed by the county fiscal body must be a certified level two or level three assessor-appraiser. Subject to subsections (d) and (e), the board of commissioners of the county shall appoint two (2) freehold members so that not more than two (2) of the three (3) members may be of the same political party and so that at least two (2) of the three (3) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. The board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser.

(d) A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a ~~voting~~ **nonvoting** member of the property tax assessment board of appeals. The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board that includes at least one (1) certified level two or level three assessor-appraiser constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

~~(b)~~ **(e)** The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection ~~(a)~~ **(c)** that not more than three (3) of the five (5) **or two (2) of the three (3)** members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level two or level three Indiana assessor-appraisers:

(1) who are willing to serve on the board; and

(2) whose political party membership status would satisfy the requirement in subsection ~~(c)(1).~~ **(b) or (c).**

~~(c)~~ **(f)** If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

(1) residents of the county;

(2) certified level two or level three Indiana assessor-appraisers; and

(3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) **or two (2) of the three (3)** members of the county property tax assessment board of appeals be residents of the county.

~~(d)~~ **(g)** Except as provided in subsection ~~(c),~~ **(f),** the term of a member of the county property tax assessment board of appeals appointed under ~~subsection (a).~~ **this section:**

(1) is one (1) year; and

(2) begins January 1.

~~(e)~~ **(h)** If:

(1) the term of a member of the county property tax assessment board of appeals appointed under ~~subsection (a)~~ **this section** expires;

(2) the member is not reappointed; and

(3) a successor is not appointed;

the term of the member continues until a successor is appointed.

SECTION 142. IC 6-1.1-29-1, AS AMENDED BY P.L.224-2007, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 30, 2008 (RETROACTIVE)]: Sec. 1. ~~(a)~~

Except as provided in section 9 of this chapter, each county shall have a county board of tax adjustment composed of seven (7) members. The members of the county board of tax adjustment shall be selected as follows:

(1) The county fiscal body shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(2) Either the executive of the largest city in the county or a public official of any city in the county appointed by that executive shall serve as a member of the board. However, if there is no incorporated city in the county, the fiscal body of the largest incorporated town of the county shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(3) The governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county shall appoint a member of the governing body to serve as a member of the county board of tax adjustment.

(4) The remaining four (4) members of the county board of tax adjustment must be residents of the county and freeholders and shall be appointed by the board of commissioners of the county.

~~(b) This section expires December 31, 2008.~~

SECTION 143. IC 6-1.1-31.5-2, AS AMENDED BY P.L.146-2008, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Subject to section 3.5 of this chapter, the department shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

(1) computer software;

(2) software providers;

(3) computer service providers; and

(4) computer equipment providers.

(b) The rules of the department shall provide for:

(1) the effective and efficient administration of assessment laws;

(2) the prompt updating of assessment data;

(3) the administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5; and

(4) other information necessary to carry out the administration of the property tax assessment laws.

(c) After June 30, 2008, subject to section 3.5 of this chapter, a county:

(1) may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a); and

(2) may enter into a contract referred to in subdivision (1) **and any addendum to the contract** only if the department is a party to the contract **and the addendum.**

SECTION 144. IC 6-1.1-33.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. The division of data analysis shall:

(1) conduct continuing studies in the areas in which the department of local government finance operates;

(2) make periodic field surveys and audits of:

(A) tax rolls;

(B) plat books;

(C) building permits;

(D) real estate transfers; and

(E) other data that may be useful in checking property valuations or taxpayer returns;

(3) make test checks of property valuations to serve as the bases for special reassessments under this article;

(4) conduct biennially a coefficient of dispersion study for each township and county in Indiana;
(5) conduct quadrennially a sales assessment ratio study for each township and county in Indiana;
~~(6) compute school assessment ratios under IC 6-1.1-34;~~ and
~~(7)~~ **(6)** report annually to the executive director of the legislative services agency, in an electronic format under IC 5-14-6, the information obtained or determined under this section for use by the executive director and the general assembly, including:
(A) all information obtained by the division of data analysis from units of local government; and
(B) all information included in:
(i) the local government data base; and
(ii) any other data compiled by the division of data analysis.

SECTION 145. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. ~~Each~~ **In the** year ~~in which~~ **after** a general assessment of real property becomes effective, the department of local government finance shall compute a new assessment ratio for each school corporation ~~and a new state average assessment ratio.~~ **located in a county in which a supplemental county levy is imposed under IC 20-45-7 or IC 20-45-8.** In all other years, the department shall compute a new assessment ratio for **such** a school corporation ~~and a new state average assessment ratio~~ if the department finds that there has been sufficient reassessment or adjustment of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 146. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year ~~in~~ **after** which a general reassessment takes effect. If the department of local government finance has not computed
~~(1)~~ a new assessment ratio for a school corporation, ~~or~~
~~(2) a new state average assessment ratio;~~
the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 147. IC 6-1.1-35-9, AS AMENDED BY P.L.146-2008, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) All information that is related to earnings, income, profits, losses, or expenditures and that is:
(1) given by a person to:
(A) an assessing official;
(B) an employee of an assessing official; or
(C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12; or
(2) acquired by:
(A) an assessing official;
(B) an employee of an assessing official; or

(C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12;

in the performance of the person's duties;

is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner that is authorized under subsection (b), (c), or (d).

(b) Confidential information may be disclosed to:

(1) an official or employee of:

(A) this state or another state;

(B) the United States; or

(C) an agency or subdivision of this state, another state, or the United States;

if the information is required in the performance of the official duties of the official or employee; ~~or~~

(2) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee; **or**

(3) a state educational institution in order to develop data required under IC 6-1.1-4-42.

(c) The following state agencies, or their authorized representatives, shall have access to the confidential farm property records and schedules that are on file in the office of a county assessor:

(1) The Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases.

(2) The department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics.

(3) Any other state agency that needs the information in order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information that is disclosed to a person under subsection (b) or (c) retains its confidential status. Thus, that person may disclose the information only in a manner that is authorized under subsection (b), (c), or (d).

(f) Notwithstanding any other provision of law:

(1) a person who:

(A) is an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12; and

(B) obtains confidential information under this section;

may not disclose that confidential information to any other person; and

(2) a person referred to in subdivision (1) must return all confidential information to the taxpayer not later than fourteen (14) days after the earlier of:

(A) the completion of the examination of the taxpayer's personal property return under IC 6-1.1-36-12; or

(B) the termination of the contract.

SECTION 148. IC 6-1.1-37-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. A person who **recklessly, knowingly, or intentionally:**

(1) disobeys a subpoena, or a subpoena duces tecum, issued under the general assessment provisions of this article;

(2) refuses to give evidence when directed to do so by an individual or board authorized under the general assessment provisions of this article to require the evidence;

(3) fails to file a personal property return required under IC 6-1.1-3;

(4) fails to subscribe to an oath or certificate required under the general assessment provisions

of this article; ~~or~~

(5) temporarily converts property which is taxable under this article into property not taxable to evade the payment of taxes on the converted property; **or**

(6) fails to file an information return required by the department of local government finance under IC 6-1.1-4-42;

commits a Class A misdemeanor.

SECTION 149. IC 6-2.5-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (b), "gross retail income" means the total ~~gross receipts, of any kind or character, received in a retail transaction,~~ **amount of consideration,** including cash, credit, property, and services, for which tangible personal property is sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for:

(1) the seller's cost of the property sold;

(2) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;

(3) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(4) delivery charges; or

~~(5) the value of exempt personal property given to the purchaser where taxable and exempt personal property have been bundled together and sold by the seller as a single product or piece of merchandise.~~

(5) consideration received by the seller from a third party if:

(A) the seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(B) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(C) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(D) the price reduction or discount is identified as a third party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate, or other documentation presented by the purchaser.

For purposes of subdivision (4), delivery charges are charges by the seller for preparation and delivery of the property to a location designated by the purchaser of property, including but not limited to transportation, shipping, postage, handling, crating, and packing.

(b) "Gross retail income" does not include that part of the gross receipts attributable to:

(1) the value of any tangible personal property received in a like kind exchange in the retail transaction, if the value of the property given in exchange is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(2) the receipts received in a retail transaction which constitute interest, finance charges, or insurance premiums on either a promissory note or an installment sales contract;

(3) discounts, including cash, terms, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale;

(4) interest, financing, and carrying charges from credit extended on the sale of personal property if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(5) any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; or

(6) installation charges that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(c) A public utility's or a power subsidiary's gross retail income includes all gross retail income received by the public utility or power subsidiary, including any minimum charge, flat charge, membership fee, or any other form of charge or billing.

SECTION 150. IC 6-2.5-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) For purposes of this section, "person" includes an individual who is personally liable for use tax under IC 6-2.5-9-3.

(b) The person who uses, stores, or consumes the tangible personal property acquired in a retail transaction is personally liable for the use tax.

(c) The person liable for the use tax shall pay the tax to the retail merchant from whom the person acquired the property, and the retail merchant shall collect the tax as an agent for the state, if the retail merchant is engaged in business in Indiana or if the retail merchant has departmental permission to collect the tax. In all other cases, the person shall pay the use tax to the department.

(d) Notwithstanding subsection (c), a person liable for the use tax imposed in respect to a vehicle, watercraft, or aircraft under section 2(b) of this chapter shall pay the tax:

(1) to the titling agency when the person applies for a title for the vehicle or the watercraft; ~~or~~

(2) to the registering agency when the person registers the aircraft; **or**

(3) to the registering agency when the person registers the watercraft because it is a United States Coast Guard documented vessel;

unless the person presents proof to the agency that the use tax or state gross retail tax has already been paid with respect to the purchase of the vehicle, watercraft, or aircraft or proof that the taxes are inapplicable because of an exemption under this article.

(e) At the time a person pays the use tax for the purchase of a vehicle to a titling agency pursuant to subsection (d), the titling agency shall compute the tax due based on the presumption that the sale price was the average selling price for that vehicle, as determined under a used vehicle buying guide to be chosen by the titling agency. However, the titling agency shall compute the tax due based on the actual sale price of the vehicle if the buyer, at the time the buyer pays the tax to the titling agency, presents documentation to the titling agency sufficient to rebut the presumption set forth in this subsection and to establish the actual selling price of the vehicle.

SECTION 151. IC 6-2.5-5-8, AS AMENDED BY P.L.224-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 8. (a) As used in this section, "new motor vehicle" has the meaning set forth in IC 9-13-2-111.

(b) Transactions involving tangible personal property other than a new motor vehicle are exempt from the state gross retail tax if the person acquiring the property acquires it for resale, rental, or leasing in the ordinary course of the person's business without changing the form of the property.

(c) The following transactions involving a new motor vehicle are exempt from the state gross retail tax:

(1) A transaction in which a person that has a franchise in effect at the time of the transaction for the vehicle trade name, trade or service mark, or related characteristics acquires a new motor vehicle for resale, rental, or leasing in the ordinary course of the person's business.

(2) A transaction in which a person that is a franchisee appointed by a manufacturer or converter manufacturer licensed under IC 9-23 acquires a new motor vehicle that has at least one (1) trade name, service mark, or related characteristic as a result of modification or further manufacture by the manufacturer or converter manufacturer for resale, rental, or leasing in the ordinary course of the person's business.

(3) A transaction in which a person acquires a new motor vehicle for rental or leasing in the ordinary course of the person's business.

(d) The rental or leasing of accommodations to a promoter by a political subdivision (including a capital improvement board) or the state fair commission is not exempt from the state gross retail tax,

if the rental or leasing of the property by the promoter is exempt under IC 6-2.5-4-4.

(e) This subsection applies only **to aircraft acquired** after June 30, 2008. **Except as provided in subsection (h),** a transaction in which a person acquires an aircraft for rental or leasing in the ordinary course of the person's business is not exempt from the state gross retail tax unless the person establishes, under guidelines adopted by the department in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules, that the annual amount of the **gross** lease revenue derived from leasing **or rental of** the aircraft, **which may include revenue from related party transactions,** is equal to or greater than

~~(1) ten percent (10%) of the greater of the original cost or the book value of the aircraft, if the original cost of the aircraft was less than one million dollars ($1,000,000); or~~

~~(2)~~ seven and five-tenths percent (7.5%) of the: ~~greater of the original cost or the~~

(1) book value of the aircraft, ~~if the original cost of the aircraft was at least one million dollars ($1,000,000).~~ **as published in the Vref Aircraft Value Reference guide for the aircraft; or**

(2) net acquisition price for the aircraft.

If a person acquires an aircraft below the Vref Aircraft Value Reference guide book value, the person may appeal to the department for a lower lease or rental threshold equal to the actual acquisition price paid if the person demonstrates that the transaction was completed in a commercially reasonable manner based on the aircraft's age, condition, and equipment. The department may request the person to submit to the department supporting documents showing the aircraft is available for general public lease or rental, copies of business and aircraft insurance policies, and other documents that assist the department in determining if an aircraft is exempt from the state gross retail tax.

(f) A person is required to meet the requirements of subsection (e) until the earlier of the date the aircraft has generated sales tax on leases or rental income that is equal to the amount of the original sales tax exemption or the elapse of thirteen (13) years. If the aircraft is sold by the person before meeting the requirements of this section and before the sale the aircraft was exempt from gross retail tax under subsection (e), the sale of the aircraft shall not result in the assessment or collection of gross retail tax for the period from the date of acquisition to the date of sale by the person.

(g) The person is required to remit the gross retail tax on taxable lease and rental transactions no matter how long the aircraft is used for lease and rental.

(h) This subsection applies only to aircraft acquired after December 31, 2007. A transaction in which a person acquires an aircraft to rent or lease the aircraft to another person for predominant use in public transportation by the other person or by an affiliate of the other person is exempt from the state gross retail tax. The department may not require a person to meet the revenue threshold in subsection (e) with respect to the person's leasing or rental of the aircraft to receive or maintain the exemption. To maintain the exemption provided under this subsection, the department may require the person to submit only annual reports showing that the aircraft is predominantly used to provide public transportation.

(i) The exemptions allowed under subsections (e) and (h) apply regardless of the relationship, if any, between the person or lessor and the lessee or renter of the aircraft.

SECTION 152. IC 6-2.5-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. Transactions involving tangible personal property are exempt from the state gross retail tax, if:

(1) the property is:

(A) classified as central office equipment, station equipment or apparatus, station connection, wiring, or large private branch exchanges according to the uniform system of accounts which was adopted and prescribed for the utility by the Indiana utility regulatory commission; ~~or~~

(B) mobile telecommunications switching office equipment, radio or microwave transmitting or receiving equipment, including, without limitation, towers, antennae, and property that perform a function similar to the function performed by any of the property described in clause (A); **or**

(C) a part of a national, regional, or local headend or similar facility operated by a person furnishing video services, cable radio services, satellite television or radio services, or Internet access services; and

(2) the person acquiring the property:

(A) furnishes or sells intrastate telecommunication service in a retail transaction described in IC 6-2.5-4-6; **or**

(B) uses the property to furnish:

(i) video services or Internet access services; or

(ii) VOIP services.

SECTION 153. IC 6-2.5-5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) Sales of durable medical equipment, prosthetic devices, artificial limbs, orthopedic devices, dental prosthetic devices, eyeglasses, contact lenses, and other medical supplies and devices are exempt from the state gross retail tax, if the sales are prescribed by a person licensed to issue the prescription.

(b) Rentals of durable medical equipment and other medical supplies and devices are exempt from the state gross retail tax, if the rentals are prescribed by a person licensed to issue the prescription.

(c) Sales of hearing aids are exempt from the state gross retail tax if the hearing aids are fitted or dispensed by a person licensed or registered for that purpose. In addition, sales of hearing aid parts, attachments, or accessories are exempt from the state gross retail tax. For purposes of this subsection, a hearing aid is a device which is worn on the body and which is designed to aid, improve, or correct defective human hearing.

(d) Sales of colostomy bags, ileostomy bags, and the medical equipment, supplies, and devices used in conjunction with those bags are exempt from the state gross retail tax.

(e) Sales of equipment and devices used to administer insulin are exempt from the state gross retail tax.

(f) Sales of equipment and devices used to monitor blood glucose level, including blood glucose meters and measuring strips, lancets, and other similar diabetic supplies, are exempt from the state gross retail tax, regardless of whether the equipment and devices are prescribed.

SECTION 154. IC 6-2.5-5-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) For purposes of this section, "drug sample" means a legend drug (as defined by IC 16-18-2-199) or a drug composed wholly or partly of insulin or an insulin analog that is furnished without charge. **For purposes of this section, "blood glucose monitoring device" means blood glucose meters and measuring strips, lancets, and other similar diabetic supplies furnished without charge.**

(b) Transactions involving the following are exempt from the state gross retail tax:

(1) A drug sample, ~~and~~ the packaging and literature for a drug sample, **a blood glucose monitoring device, and the packaging and literature for a blood glucose monitoring device.**

(2) Tangible personal property that will be used as a drug sample **or a blood glucose monitoring device** or **that** will be processed, manufactured, or incorporated into:

(A) a drug sample **or a blood glucose monitoring device;** or

(B) the packaging or literature for a drug sample **or a blood glucose monitoring device.**

SECTION 155. IC 6-2.5-6-1, AS AMENDED BY P.L.131-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) Except as otherwise provided in this section, each person liable for collecting the state gross retail or use tax shall file a return for

each calendar month and pay the state gross retail and use taxes that the person collects during that month. A person shall file the person's return for a particular month with the department and make the person's tax payment for that month to the department not more than thirty (30) days after the end of that month, if that person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year did not exceed one thousand dollars ($1,000). If a person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year exceeded one thousand dollars ($1,000), that person shall file the person's return for a particular month and make the person's tax payment for that month to the department not more than twenty (20) days after the end of that month.

(b) If a person files a combined sales and withholding tax report and either this section or IC 6-3-4-8.1 requires sales or withholding tax reports to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

(c) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department may permit a person to divide a year into a different number of reporting periods. The return and payment for each reporting period is due not more than twenty (20) days after the end of the period.

(d) Instead of the reporting periods required under subsection (a), the department may permit a retail merchant to report and pay the merchant's state gross retail and use taxes for a period covering a calendar year, if the retail merchant's state gross retail and use tax liability in the previous calendar year does not exceed one thousand dollars ($1,000). A retail merchant using a reporting period allowed under this subsection must file the merchant's return and pay the merchant's tax for a reporting period not later than the last day of the month immediately following the close of that reporting period.

(e) If a retail merchant reports the merchant's adjusted gross income tax, or the tax the merchant pays in place of the adjusted gross income tax, over a fiscal year not corresponding to the calendar year, the merchant may, without prior departmental approval, report and pay the merchant's state gross retail and use taxes over the merchant's fiscal year that corresponds to the calendar year the merchant is permitted to use under subsection (d). However, the department may, at any time, require the retail merchant to stop using the fiscal reporting period.

(f) If a retail merchant files a combined sales and withholding tax report, the reporting period for the combined report is the shortest period required under:

(1) this section;

(2) IC 6-3-4-8; or

(3) IC 6-3-4-8.1.

(g) If the department determines that a person's:

(1) estimated monthly gross retail and use tax liability for the current year; or

(2) average monthly gross retail and use tax liability for the preceding year;

exceeds five thousand dollars ($5,000), the person shall pay the monthly gross retail and use taxes due by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

(h) A person that registers as a retail merchant after December 31, 2009, shall report and remit state gross retail and use taxes through the department's online tax filing program. This subsection does not apply to a retail merchant that was a registered retail merchant before January 1, 2010, but adds an additional place of business in accordance with IC 6-2.5-8-1(e) after December 31, 2009.

~~(h)~~ **(i)** A person:

(1) who has voluntarily registered as a seller under the Streamlined Sales and Use Tax

Agreement;

(2) who is not a Model 1, Model 2, or Model 3 seller (as defined in the Streamlined Sales and Use Tax Agreement); and

(3) whose liability for collections of state gross retail and use taxes under this section for the preceding calendar year as determined by the department does not exceed one thousand dollars ($1,000);

is not required to file a monthly gross retail and use tax return.

SECTION 156. IC 6-2.5-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. (a) Each refiner or terminal operator and each qualified distributor that has received a prepayment of the state gross retail tax under this chapter shall remit the tax received to the department semimonthly, **through the department's online tax filing system,** according to the following schedule:

(1) On or before the tenth day of each month for prepayments received after the fifteenth day and before the end of the preceding month.

(2) On or before the twenty-fifth day of each month for prepayments received after the end of the preceding month and before the sixteenth day of the month in which the prepayments are made.

(b) Before the end of each month, each refiner or terminal operator and each qualified distributor shall file a report covering the prepaid taxes received and the gallons of gasoline sold or shipped during the preceding month. The report must include the following:

(1) The number of gallons of gasoline sold or shipped during the preceding month, identifying each purchaser or receiver as required by the department.

(2) The amount of tax prepaid by each purchaser or receiver.

(3) Any other information reasonably required by the department.

SECTION 157. IC 6-2.5-7-14, AS AMENDED BY P.L.176-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) Before **March 10,** June 10, **September 10,** and December 10 of each year, the department shall determine and provide to:

(1) each refiner and terminal operator and each qualified distributor known to the department to be required to collect prepayments of the state gross retail tax under this chapter; and

(2) any other person that makes a request;

a notice of the prepayment rate to be used during the following ~~six (6)~~ **three (3)** month period. ~~The department shall also have the prepayment rate published in the June and December issues of the Indiana Register.~~ **The department, after approval by the office of management and budget, may determine a new prepayment rate if the department finds that the statewide average retail price per gallon of gasoline, excluding the Indiana and federal gasoline taxes and the Indiana gross retail tax, has changed by at least twenty-five percent (25%) since the most recent determination.**

(b) In determining the prepayment rate under this section, the department shall use the most recent retail price of gasoline available to the department.

(c) The prepayment rate per gallon of gasoline determined by the department under this section is the amount per gallon of gasoline determined under STEP FOUR of the following formula:

STEP ONE: Determine the statewide average retail price per gallon of gasoline, excluding the Indiana and federal gasoline taxes and the Indiana gross retail tax.

STEP TWO: Determine the product of the following:

(A) The STEP ONE amount.

(B) The Indiana gross retail tax rate.

(C) ~~Ninety~~ **Eighty** percent ~~(90%).~~ **(80%).**

STEP THREE: Determine the lesser of:

(A) the STEP TWO result; or

(B) the product of:

(i) the prepayment rate in effect on the day immediately preceding the day on which the prepayment rate is redetermined under this section; multiplied by

(ii) one hundred twenty-five percent (125%).

STEP FOUR: Round the STEP THREE result to the nearest one-tenth of one cent ($0.001).

SECTION 158. IC 6-2.5-11-10, AS AMENDED BY P.L.145-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) A certified service provider is the agent of a seller, with whom the certified service provider has contracted, for the collection and remittance of sales and use taxes. As the seller's agent, the certified service provider is liable for sales and use tax due each member state on all sales transactions it processes for the seller except as set out in this section. A seller that contracts with a certified service provider is not liable to the state for sales or use tax due on transactions processed by the certified service provider unless the seller misrepresented the type of items it sells or committed fraud. In the absence of probable cause to believe that the seller has committed fraud or made a material misrepresentation, the seller is not subject to audit on the transactions processed by the certified service provider. A seller is subject to audit for transactions not processed by the certified service provider. The member states acting jointly may perform a system check of the seller and review the seller's procedures to determine if the certified service provider's system is functioning properly and the extent to which the seller's transactions are being processed by the certified service provider.

(b) A person that provides a certified automated system is responsible for the proper functioning of that system and is liable to the state for underpayments of tax attributable to errors in the functioning of the certified automated system. A seller that uses a certified automated system remains responsible and is liable to the state for reporting and remitting tax.

(c) A seller that has a proprietary system for determining the amount of tax due on transactions and has signed an agreement establishing a performance standard for that system is liable for the failure of the system to meet the performance standard.

(d) A certified service provider or a seller using a certified automated system that obtains a certification from the department is not liable for sales or use tax collection errors that result from reliance on the department's certification. If the department determines that an item or transaction is incorrectly classified as to the taxability of the item or transaction, the department shall notify the certified service provider or the seller using a certified automated system of the incorrect classification. The certified service provider or the seller using a certified automated system must revise the incorrect classification within ten (10) days after receiving notice of the determination from the department. If the classification error is not corrected within ten (10) days after receiving the department's notice, the certified service provider or the seller using a certified automated system is liable for failure to collect the correct amount of sales or use tax due and owing.

(e) If at least thirty (30) days are not provided between the enactment of a statute changing the rate set forth in IC 6-2.5-2-2 and the effective date of the rate change, the department shall relieve the seller of liability for failing to collect tax at the new rate if:

(1) the seller collected the tax at the immediately preceding effective rate; and

(2) the seller's failure to collect at the current rate does not extend beyond thirty (30) days after the effective date of the rate change.

A seller is not eligible for the relief provided for in this subsection if the seller fraudulently fails to collect at the current rate or solicits purchases based on the immediately preceding effective rate.

~~(e)~~ **(f)** The department shall allow any monetary allowances that are provided by the member states to sellers or certified service providers in exchange for collecting the sales and use taxes as provided in article VI of the agreement.

SECTION 159. IC 6-2.5-12-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. Except for the telecommunications services listed in section 16 of this chapter, a sale of:

(1) telecommunications services sold on a basis other than a call by call basis;

(2) Internet access service; or

(3) an ancillary service;

is sourced to the customer's place of primary use.

SECTION 160. IC 6-2.5-13-1, AS AMENDED BY P.L.19-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) As used in this section, the terms "receive" and "receipt" mean:

(1) taking possession of tangible personal property;

(2) making first use of services; or

(3) taking possession or making first use of digital goods;

whichever comes first. The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.

(b) This section:

(1) applies regardless of the characterization of a product as tangible personal property, a digital good, or a service;

(2) applies only to the determination of a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's retail sale of a product; and

(3) does not affect the obligation of a purchaser or lessee to remit tax on the use of the product to the taxing jurisdictions of that use.

(c) This section does not apply to sales or use taxes levied on the following:

(1) The retail sale or transfer of watercraft, modular homes, manufactured homes, or mobile homes. These items must be sourced according to the requirements of this article.

(2) The retail sale, excluding lease or rental, of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in subsection (g). The retail sale of these items shall be sourced according to the requirements of this article, and the lease or rental of these items must be sourced according to subsection (f).

(3) Telecommunications services, ancillary services, and Internet access service shall be sourced in accordance with IC 6-2.5-12.

(d) The retail sale, excluding lease or rental, of a product shall be sourced as follows:

(1) When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location.

(2) When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser (or the purchaser's donee, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery to the purchaser (or donee), known to the seller.

(3) When subdivisions (1) and (2) do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith.

(4) When subdivisions (1), (2), and (3) do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith.

(5) When none of the previous rules of subdivision (1), (2), (3), or (4) apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then

the location will be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided (disregarding for these purposes any location that merely provided the digital transfer of the product sold).

(e) The lease or rental of tangible personal property, other than property identified in subsection (f) or (g), shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with the provisions of subsection (d). Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection (d).

This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or an accelerated basis, or on the acquisition of property for lease.

(f) The lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment, as defined in subsection (g), shall be sourced as follows:

(1) For a lease or rental that requires recurring periodic payments, each periodic payment is sourced to the primary property location. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. This location shall not be altered by intermittent use at different locations.

(2) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with the provisions of subsection (d).

This subsection does not affect the imposition or computation of sales or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease.

(g) The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with the provisions of subsection (d), notwithstanding the exclusion of lease or rental in subsection (d). As used in this subsection, "transportation equipment" means any of the following:

(1) Locomotives and railcars that are used for the carriage of persons or property in interstate commerce.

(2) Trucks and truck-tractors with a gross vehicle weight rating (GVWR) of ten thousand one (10,001) pounds or greater, trailers, semitrailers, or passenger buses that are:

(A) registered through the International Registration Plan; and

(B) operated under authority of a carrier authorized and certificated by the U.S. Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce.

(3) Aircraft that are operated by air carriers authorized and certificated by the U.S. Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce.

(4) Containers designed for use on and component parts attached or secured on the items set forth in subdivisions (1) through (3).

(h) ~~This subsection applies to retail sales of floral products that occur before January 1, 2010.~~ Notwithstanding subsection (d), a retail sale of floral products in which a florist or floral business:

(1) takes a floral order from a purchaser; and

(2) transmits the floral order by telegraph, telephone, or other means of communication to another florist or floral business for delivery;

is sourced to the location of the florist or floral business that originally takes the floral order from the purchaser.

SECTION 161. IC 6-3-1-3.5, AS AMENDED BY P.L.1-2009, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars ($2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.

(24) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(26) Add any amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code.

(27) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(28) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract the amount necessary from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(29) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(30) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(31) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(32) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(33) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(34) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

(11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(12) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the

reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(13) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(14) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(17) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(18) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal

Revenue Code.
(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).
(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
(9) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the insurance company's taxable income under the Internal Revenue Code.
(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.
(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income

that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been

made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(10) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(11) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(12) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(15) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(16) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home

Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);
as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.
(17) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code that is active financing income under Subpart F of Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(8) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.
(9) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code

equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(10) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(11) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(12) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(13) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(14) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(A) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(B) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(15) Add the amount excluded from gross income under Section 108(a)(1)(e) of the Internal Revenue Code for the discharge of debt on a qualified principal residence.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars ($2,500).

SECTION 162. IC 6-3-1-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.7. (a) This section applies only to an individual who in 2009 paid property taxes that:**

(1) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(2) are due after December 31, 2008; and

(3) are paid on or before the due date for the property taxes.

(b) An individual described in subsection (a) is entitled to a deduction from adjusted gross income for a taxable year beginning after December 31, 2008, and before January 1, 2010, in an amount equal to the amount determined in the following STEPS:

STEP ONE: Determine the lesser of:

(A) two thousand five hundred dollars ($2,500); or

(B) the total amount of property taxes imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date and paid in 2008 or 2009.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE result; minus

(B) the total amount of property taxes that:

(i) were imposed on the individual's principal place of residence for the March 1, 2007, assessment date or the January 15, 2008, assessment date;

(ii) were paid in 2008; and

(iii) were deducted from adjusted gross income under section 3.5(a)(17) of this chapter by the individual on the individual's state income tax return for a taxable year beginning before January 1, 2009.

(c) The deduction under this section is in addition to any deduction that an individual is otherwise entitled to claim under section 3.5(a)(17) of this chapter. However, an individual may not deduct under section 3.5(a)(17) of this chapter any property taxes deducted under this section.

(d) This section expires January 1, 2014.

SECTION 163. IC 6-3-1-11, AS AMENDED BY P.L.131-2008, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on ~~January 1, 2008.~~ **February 17, 2009.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on ~~January 1, 2008,~~ **February 17, 2009,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on ~~January 1, 2008,~~ **February 17, 2009,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before ~~January 1, 2008,~~ **February 17, 2009,** that is effective for any taxable year that began before January 1, ~~2008,~~ **2009,** and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue

Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 164. IC 6-3-1-34.5, AS ADDED BY P.L.211-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 34.5. (a) Except as provided in subsection (b), "captive real estate investment trust" means a corporation, a trust, or an association:

(1) that is considered a real estate investment trust for the taxable year under Section 856 of the Internal Revenue Code;

(2) that is not regularly traded on an established securities market; and

(3) in which more than fifty percent (50%) of the:

(A) voting power;

(B) beneficial interests; or

(C) shares;

are owned or controlled, directly or constructively, by a single entity that is subject to Subchapter C of Chapter 1 of the Internal Revenue Code.

(b) The term does not include a corporation, a trust, or an association in which more than fifty percent (50%) of the entity's voting power, beneficial interests, or shares are owned by a single entity described in subsection (a)(3) that is owned or controlled, directly or constructively, by:

(1) a corporation, a trust, or an association that is considered a real estate investment trust under Section 856 of the Internal Revenue Code;

(2) a person exempt from taxation under Section 501 of the Internal Revenue Code;

(3) a listed property trust or other foreign real estate investment trust that is organized in a country that has a tax treaty with the United States Treasury Department governing the tax treatment of these trusts; or

~~(3)~~ **(4)** a real estate investment trust that:

(A) is intended to become regularly traded on an established securities market; and

(B) satisfies the requirements of Section 856(a)(5) and Section 856(a)(6) of the Internal Revenue Code under Section 856(h) of the Internal Revenue Code.

(c) For purposes of this section, the constructive ownership rules of Section 318 of the Internal Revenue Code, as modified by Section 856(d)(5) of the Internal Revenue Code, apply to the determination of the ownership of stock, assets, or net profits of any person.

SECTION 165. IC 6-3-1-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 35. As used in this article, "pass through entity" means:**

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a trust;

(4) a limited liability company; or

(5) a limited liability partnership.

SECTION 166. IC 6-3-2-2, AS AMENDED BY P.L.162-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) With regard to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana", for the purposes of this article, shall mean and include:

(1) income from real or tangible personal property located in this state;

(2) income from doing business in this state;
(3) income from a trade or profession conducted in this state;
(4) compensation for labor or services rendered within this state; and
(5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property if the receipt from the intangible is attributable to Indiana under section 2.2 of this chapter.

Income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and shall be considered Indiana source income as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity. Income that is derived from one (1) pass through entity and is considered to pass through to another pass through entity does not change these characteristics or attribution provisions. In the case of nonbusiness income described in subsection (g), only so much of such income as is allocated to this state under the provisions of subsections (h) through (k) shall be deemed to be derived from sources within Indiana. In the case of business income, only so much of such income as is apportioned to this state under the provision of subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of compensation of a team member (as defined in section 2.7 of this chapter), only the portion of income determined to be Indiana income under section 2.7 of this chapter is considered derived from sources within Indiana. In the case of a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under subsection (r) is considered derived from sources within Indiana.

(b) Except as provided in subsection (l), if business income of a corporation or a nonresident person is derived from sources within the state of Indiana and from sources without the state of Indiana, the business income derived from sources within this state shall be determined by multiplying the business income derived from sources both within and without the state of Indiana by the following:

(1) For all taxable years that begin after December 31, 2006, and before January 1, 2008, a fraction. The:
(A) numerator of the fraction is the sum of the property factor plus the payroll factor plus the product of the sales factor multiplied by three (3); and
(B) denominator of the fraction is five (5).

(2) For all taxable years that begin after December 31, 2007, and before January 1, 2009, a fraction. The:
(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by four and sixty-seven hundredths (4.67); and
(B) denominator of the fraction is six and sixty-seven hundredths (6.67).

(3) For all taxable years beginning after December 31, 2008, and before January 1, 2010, a fraction. The:
(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by eight (8); and
(B) denominator of the fraction is ten (10).

(4) For all taxable years beginning after December 31, 2009, and before January 1, 2011, a fraction. The:
(A) numerator of the fraction is the property factor plus the payroll factor plus the product of the sales factor multiplied by eighteen (18); and
(B) denominator of the fraction is twenty (20).

(5) For all taxable years beginning after December 31, 2010, the sales factor.

(c) The property factor is a fraction, the numerator of which is the average value of the taxpayer's

real and tangible personal property owned or rented and used in this state during the taxable year and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. However, with respect to a foreign corporation, the denominator does not include the average value of real or tangible personal property owned or rented and used in a place that is outside the United States. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and ending of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(d) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year. However, with respect to a foreign corporation, the denominator does not include compensation paid in a place that is outside the United States. Compensation is paid in this state if:

(1) the individual's service is performed entirely within the state;

(2) the individual's service is performed both within and without this state, but the service performed without this state is incidental to the individual's service within this state; or

(3) some of the service is performed in this state and:

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in this state; or

(B) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual is a resident of this state.

(e) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year, and the denominator of which is the total sales of the taxpayer everywhere during the taxable year. Sales include receipts from intangible property and receipts from the sale or exchange of intangible property. However, with respect to a foreign corporation, the denominator does not include sales made in a place that is outside the United States. Receipts from intangible personal property are derived from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point or other conditions of the sale, sales of tangible personal property are in this state if:

(1) the property is delivered or shipped to a purchaser that is within Indiana, other than the United States government; or

(2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in this state and:

(A) the purchaser is the United States government; or

(B) the taxpayer is not taxable in the state of the purchaser.

Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales of tangible personal property for purposes of this chapter.

(f) Sales, other than receipts from intangible property covered by subsection (e) and sales of tangible personal property, are in this state if:

(1) the income-producing activity is performed in this state; or

(2) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

(g) Rents and royalties from real or tangible personal property, capital gains, interest, dividends,

or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections (h) through (k).

(h)(1) Net rents and royalties from real property located in this state are allocable to this state.

(2) Net rents and royalties from tangible personal property are allocated to this state:

(i) if and to the extent that the property is utilized in this state; or

(ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.

(3) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(i)(1) Capital gains and losses from sales of real property located in this state are allocable to this state.

(2) Capital gains and losses from sales of tangible personal property are allocable to this state if:

(i) the property had a situs in this state at the time of the sale; or

(ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(3) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

(j) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

(k)(1) Patent and copyright royalties are allocable to this state:

(i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or

(ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.

(2) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.

(3) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.

(l) If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's income derived from sources within the state of Indiana, the taxpayer may petition for or the department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(1) separate accounting;

(2) for a taxable year beginning before January 1, 2011, the exclusion of any one (1) or more of the factors, except the sales factor;

(3) the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's income derived from sources within the state of Indiana; or

(4) the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

(m) In the case of two (2) or more organizations, trades, or businesses owned or controlled directly

or indirectly by the same interests, the department shall distribute, apportion, or allocate the income derived from sources within the state of Indiana between and among those organizations, trades, or businesses in order to fairly reflect and report the income derived from sources within the state of Indiana by various taxpayers.

(n) For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if:

(1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(o) Notwithstanding subsections (l) and (m), the department may not, under any circumstances, require that income, deductions, and credits attributable to a taxpayer and another entity be reported in a combined income tax return for any taxable year, if the other entity is:

(1) a foreign corporation; or

(2) a corporation that is classified as a foreign operating corporation for the taxable year by section 2.4 of this chapter.

(p) Notwithstanding subsections (l) and (m), the department may not require that income, deductions, and credits attributable to a taxpayer and another entity not described in subsection (o)(1) or (o)(2) be reported in a combined income tax return for any taxable year, unless the department is unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other powers granted to the department by subsections (l) and (m).

(q) Notwithstanding subsections (o) and (p), one (1) or more taxpayers may petition the department under subsection (l) for permission to file a combined income tax return for a taxable year. The petition to file a combined income tax return must be completed and filed with the department not more than thirty (30) days after the end of the taxpayer's taxable year. A taxpayer filing a combined income tax return must petition the department within thirty (30) days after the end of the taxpayer's taxable year to discontinue filing a combined income tax return.

(r) This subsection applies to a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

(1) the numerator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks in the state; and

(2) the denominator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks everywhere.

The term "direct premiums and annuity considerations" means the gross premiums received from direct business as reported in the corporation's annual statement filed with the department of insurance.

(s) If the amendments to this section enacted in 2009 to provide that:

(1) income from a pass through entity shall be characterized in a manner consistent with the income's characterization for federal income tax purposes and shall be considered Indiana source income as if the person, corporation, or pass through entity that received the income had directly engaged in the income producing activity; and

(2) income that is derived from one (1) pass through entity and is considered to pass through to another pass through entity does not change these characteristics or attribution provisions;

result in additional income of a taxpayer being subject to taxation in Indiana for taxable years beginning after December 31, 2004, and before January 1, 2009, the taxpayer is entitled to a credit against Indiana adjusted gross income taxes. The amount of the credit is equal to the tax

previously paid to any other state for taxable years beginning after December 31, 2004, and before January 1, 2009, on that amount of additional income that is subject to taxation in Indiana for taxable years beginning after December 31, 2004, and before January 1, 2009, on account of the amendment described in subdivisions (1) through (2).

SECTION 167. IC 6-3-2-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2.5. (a) This section applies to a resident person.

(b) Resident persons are entitled to a net operating loss deduction. The amount of the deduction taken in a taxable year may not exceed the taxpayer's unused Indiana net operating losses carried back or carried over to that year.

(c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, adjusted for the modifications required by IC 6-3-1-3.5.

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred.

(2) An Indiana net operating loss includes a net operating loss that arises when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for the taxable year in which the Indiana net operating loss is determined.

(e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback or carryover shall be available as a deduction from the taxpayer's adjusted gross income (as defined in IC 6-3-1-3.5) in the carryback or carryover year provided in subsection (f).

(f) Carrybacks and carryovers shall be determined under this subsection as follows:

(1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the carryback years preceding the taxable year of the loss.

(2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the carryover years following the taxable year of the loss.

(3) Carryback years shall be determined by reference to the number of years allowed for carrying back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with respect to the carryback period for a net operating loss:**

(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the Internal Revenue Code, made an election to use five (5) years instead of two (2) years under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used instead of five (5) years; or

(B) that is a qualified disaster loss for which the taxpayer elected to have the net operating loss carryback period with respect to the loss year determined without regard to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.

(4) Carryover years shall be determined by reference to the number of years allowed for carrying over net operating losses under Section 172(b) of the Internal Revenue Code.

(5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to relinquish the carryback period with respect to a net operating loss for any taxable year shall be considered to have also relinquished the carryback of the Indiana net operating loss for purposes of this section.

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried back or carried over as provided in subsection (f). The amount of the Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent

that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

SECTION 168. IC 6-3-2-2.6, AS AMENDED BY P.L.2-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2.6. (a) This section applies to a corporation or a nonresident person.

(b) Corporations and nonresident persons are entitled to a net operating loss deduction. The amount of the deduction taken in a taxable year may not exceed the taxpayer's unused Indiana net operating losses carried back or carried over to that year.

(c) An Indiana net operating loss equals the taxpayer's federal net operating loss for a taxable year as calculated under Section 172 of the Internal Revenue Code, derived from sources within Indiana and adjusted for the modifications required by IC 6-3-1-3.5.

(d) The following provisions apply for purposes of subsection (c):

(1) The modifications that are to be applied are those modifications required under IC 6-3-1-3.5 for the same taxable year in which each net operating loss was incurred.

(2) The amount of the taxpayer's net operating loss that is derived from sources within Indiana shall be determined in the same manner that the amount of the taxpayer's adjusted income derived from sources within Indiana is determined under section 2 of this chapter for the same taxable year during which each loss was incurred.

(3) An Indiana net operating loss includes a net operating loss that arises when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal taxable income (as defined in Section 63 of the Internal Revenue Code), if the taxpayer is a corporation, or when the modifications required by IC 6-3-1-3.5 exceed the taxpayer's federal adjusted gross income (as defined by Section 62 of the Internal Revenue Code), if the taxpayer is a nonresident person, for the taxable year in which the Indiana net operating loss is determined.

(e) Subject to the limitations contained in subsection (g), an Indiana net operating loss carryback or carryover shall be available as a deduction from the taxpayer's adjusted gross income derived from sources within Indiana (as defined in section 2 of this chapter) in the carryback or carryover year provided in subsection (f).

(f) Carrybacks and carryovers shall be determined under this subsection as follows:

(1) An Indiana net operating loss shall be an Indiana net operating loss carryback to each of the carryback years preceding the taxable year of the loss.

(2) An Indiana net operating loss shall be an Indiana net operating loss carryover to each of the carryover years following the taxable year of the loss.

(3) Carryback years shall be determined by reference to the number of years allowed for carrying back a net operating loss under Section 172(b) of the Internal Revenue Code. **However, with respect to the carryback period for a net operating loss:**

(A) for which an eligible small business, as defined in Section 172(b)(1)(H)(iv) of the Internal Revenue Code, made an election to use five (5) years instead of two (2) years under Section 172(b)(1)(H) of the Internal Revenue Code, two (2) years shall be used instead of five (5) years; or

(B) that is a qualified disaster loss for which the taxpayer elected to have the net operating loss carryback period with respect to the loss year determined without regard to Section 172(b)(1)(J) of the Internal Revenue Code, five (5) years shall be used.

(4) Carryover years shall be determined by reference to the number of years allowed for carrying over net operating losses under Section 172(b) of the Internal Revenue Code.

(5) A taxpayer who makes an election under Section 172(b)(3) of the Internal Revenue Code to relinquish the carryback period with respect to a net operating loss for any taxable year shall be considered to have also relinquished the carryback of the Indiana net operating loss for purposes of this section.

(g) The entire amount of the Indiana net operating loss for any taxable year shall be carried to the earliest of the taxable years to which (as determined under subsection (f)) the loss may be carried. The amount of the Indiana net operating loss remaining after the deduction is taken under this section in a taxable year may be carried back or carried over as provided in subsection (f). The amount of the Indiana net operating loss carried back or carried over from year to year shall be reduced to the extent that the Indiana net operating loss carryback or carryover is used by the taxpayer to obtain a deduction in a taxable year until the occurrence of the earlier of the following:

(1) The entire amount of the Indiana net operating loss has been used as a deduction.

(2) The Indiana net operating loss has been carried over to each of the carryover years provided by subsection (f).

(h) An Indiana net operating loss deduction determined under this section shall be allowed notwithstanding the fact that in the year the taxpayer incurred the net operating loss the taxpayer was not subject to the tax imposed under section 1 of this chapter because the taxpayer was:

(1) a life insurance company (as defined in Section 816(a) of the Internal Revenue Code); or

(2) an insurance company subject to tax under Section 831 of the Internal Revenue Code.

(i) In the case of a life insurance company that claims an operations loss deduction under Section 810 of the Internal Revenue Code, this section shall be applied by:

(1) substituting the corresponding provisions of Section 810 of the Internal Revenue Code in place of references to Section 172 of the Internal Revenue Code; and

(2) substituting life insurance company taxable income (as defined in Section 801 the Internal Revenue Code) in place of references to taxable income (as defined in Section 63 of the Internal Revenue Code).

(j) For purposes of an amended return filed to carry back an Indiana net operating loss:

(1) the term "due date of the return", as used in IC 6-8.1-9-1(a)(1), means the due date of the return for the taxable year in which the net operating loss was incurred; and

(2) the term "date the payment was due", as used in IC 6-8.1-9-2(c), means the due date of the return for the taxable year in which the net operating loss was incurred.

SECTION 169. IC 6-3-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. (a) For purposes of this section, "qualified employee" means an individual who is employed by a taxpayer, a pass through entity, an employer exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(3), IC 6-3-2-2.8(4), or IC 6-3-2-2.8(5), a nonprofit entity, the state, a political subdivision of the state, or the United States government and who:

(1) has the employee's principal place of residence in the enterprise zone in which the employee is employed;

(2) performs services for the taxpayer, the employer, the nonprofit entity, the state, the political subdivision, or the United States government, ninety percent (90%) of which are directly related to:

(A) the conduct of the taxpayer's or employer's trade or business; or

(B) the activities of the nonprofit entity, the state, the political subdivision, or the United States government;

that is located in an enterprise zone; and

(3) performs at least fifty percent (50%) of the employee's service for the taxpayer or employer during the taxable year in the enterprise zone.

~~(b) For purposes of this section, "pass through entity" means a:~~

~~(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);~~

~~(2) partnership;~~

~~(3) trust;~~

~~(4) limited liability company; or~~

~~(5) limited liability partnership.~~

~~(c)~~ **(b)** Except as provided in subsection ~~(d),~~ **(c),** a qualified employee is entitled to a deduction from ~~his~~ **the employee's** adjusted gross income in each taxable year in the amount of the lesser of:

(1) one-half (1/2) of ~~his~~ **the employee's** adjusted gross income for the taxable year that ~~he~~ **the employee** earns as a qualified employee; or

(2) seven thousand five hundred dollars ($7,500).

~~(d)~~ **(c)** No qualified employee is entitled to a deduction under this section for a taxable year that begins after the termination of the enterprise zone in which ~~he~~ **the employee** resides.

SECTION 170. IC 6-3-2-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 5.3. (a) This section applies to taxable years beginning after December 31, 2008.**

(b) As used in this section, "solar powered roof vent or fan" means a roof vent or fan that is powered by solar energy and used to release heat from a building.

(c) A resident individual taxpayer is entitled to a deduction from the taxpayer's adjusted gross income for a particular taxable year if, during that taxable year, the taxpayer installs a solar powered roof vent or fan on a building owned or leased by the taxpayer.

(d) The amount of the deduction to which a taxpayer is entitled in a particular taxable year is the lesser of:

(1) one-half (1/2) of the amount the taxpayer pays for labor and materials for the installation of a solar powered roof vent or fan that is installed during the taxable year; or

(2) one thousand dollars ($1,000).

(e) To obtain the deduction provided by this section, a taxpayer must file with the department proof of the taxpayer's costs for the installation of a solar powered roof vent or fan and a list of the persons or corporation that supplied labor or materials for the installation of the solar powered roof vent or fan.

SECTION 171. IC 6-3-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) An individual who received unemployment compensation, as defined in subsection (c), during the taxable year is entitled to a deduction from the individual's adjusted gross income for that taxable year in the amount determined using the following formula:

STEP ONE: Determine the **greater of zero (0) or the** difference between:

(A) the **sum of:**

(i) the federal adjusted gross income of the individual (or the individual and the individual's spouse, in the case of a joint return), as defined in Section 62 of the Internal Revenue Code; **plus**

(ii) the amount of unemployment compensation excluded from federal gross income, as defined in Section 61 of the Internal Revenue Code, under Section 85(c) of the Internal Revenue Code; minus

(B) the base amount as defined in subsection (b).

STEP TWO: Determine the greater of zero (0) or the difference between:

(A) the individual's unemployment compensation for the taxable year; minus

(B) one-half (1/2) of the amount determined under STEP ONE.

(b) As used in this section, "base amount" means:

(1) twelve thousand dollars ($12,000) in all cases not covered by subdivision (2) or (3);

(2) eighteen thousand dollars ($18,000) in the case of an individual who files a joint return for the taxable year; or

(3) zero (0), in the case of an individual who:

(A) is married at the close of the taxable year, as determined under Section 143 of the Internal Revenue Code;

(B) does not file a joint return for the taxable year; and

(C) does not live apart from the individual's spouse at all times during the taxable year.

(c) As used in this section, "unemployment compensation" means the amount of unemployment compensation that is included in the individual's federal gross income under Section 85 of the Internal Revenue Code.

SECTION 172. IC 6-3-3-10, AS AMENDED BY P.L.4-2005, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) As used in this section:

"Base period wages" means the following:

(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

~~"Pass through entity" means a:~~

~~(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);~~

~~(2) partnership;~~

~~(3) trust;~~

~~(4) limited liability company; or~~

~~(5) limited liability partnership.~~

"Qualified employee" means an individual who is employed by a taxpayer and who:

(1) has the individual's principal place of residence in the enterprise zone in which the individual is employed;

(2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;

(3) performs at least fifty percent (50%) of the individual's services for the taxpayer during the taxable year in the enterprise zone; and

(4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was first employed by the taxpayer after December 31, 1998.

"Qualified increased employment expenditures" means the following:

(1) For a taxpayer's taxable year other than the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during the taxable year to qualified employees exceeds the taxpayer's base period wages.

(2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during all of the full calendar months in the taxpayer's taxable year that succeed the date on which the enterprise zone was established exceed the taxpayer's monthly base period wages multiplied by that same number of full calendar months.

"Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

(1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted gross income;

(2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and

(3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this section.

"Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

"Taxpayer" includes a pass through entity.

(b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of:

(1) the product of ten percent (10%) multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or

(2) one thousand five hundred dollars ($1,500) multiplied by the number of qualified employees employed by the taxpayer during the taxable year.

(c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit provided by this section exceeds the amount of that tax liability for the taxable year it is first claimed, then the excess may be carried back to preceding taxable years or carried over to succeeding taxable years and used as a credit against the taxpayer's qualified state tax liability for those taxable years. Each time that the credit is carried back to a preceding taxable year or carried over to a succeeding taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable year. Except as provided in subsection (e), the credit provided by this section may be carried forward and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The credit provided by this section may be carried back and applied in the three (3) taxable years that precede the taxable year in which the credit accrues.

(d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's qualified state tax liability for that taxable year before any credit carryover or carryback is applied against that liability under subsection (c).

(e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the enterprise zone terminates.

(f) A taxpayer is not entitled to a refund of any unused credit.

(g) A taxpayer that:

(1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and

(2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

(h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

SECTION 173. IC 6-3-3-12, AS AMENDED BY P.L.131-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 12. (a) As used in this section, "account" has the meaning set forth in IC 21-9-2-2.

(b) As used in this section, "account beneficiary" has the meaning set forth in IC 21-9-2-3.

(c) As used in this section, "account owner" has the meaning set forth in IC 21-9-2-4.

(d) As used in this section, "college choice 529 education savings plan" refers to a college choice 529 investment plan established under IC 21-9.

(e) As used in this section, "contribution" means the amount of money directly provided to a college choice 529 education savings plan account by a taxpayer. A contribution does not include any of the following:

(1) Money credited to an account as a result of bonus points or other forms of consideration earned by the taxpayer that result in a transfer of money to the account.

(2) Money transferred from any other qualified tuition program under Section 529 of the Internal Revenue Code or from any other similar plan.

~~(e)~~ **(f)** As used in this section, "nonqualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is not a qualified withdrawal.

~~(f)~~ **(g)** As used in this section, "qualified higher education expenses" has the meaning set forth in IC 21-9-2-19.5.

~~(g)~~ **(h)** As used in this section, "qualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is made:

(1) to pay for qualified higher education expenses, excluding any withdrawals or distributions used to pay for qualified higher education expenses if the withdrawals or distributions are made from an account of a college choice 529 education savings plan that is terminated within twelve (12) months after the account is opened;

(2) as a result of the death or disability of an account beneficiary;

(3) because an account beneficiary received a scholarship that paid for all or part of the qualified higher education expenses of the account beneficiary, to the extent that the withdrawal or distribution does not exceed the amount of the scholarship; or

(4) by a college choice 529 education savings plan as the result of a transfer of funds by a college choice 529 education savings plan from one (1) third party custodian to another.

A qualified withdrawal does not include a rollover distribution or transfer of assets from a college choice 529 education savings plan to any other qualified tuition program under Section 529 of the Internal Revenue Code or to any other similar plan.

~~(h)~~ **(i)** As used in this section, "taxpayer" means:

(1) an individual filing a single return; or

(2) a married couple filing a joint return.

~~(i)~~ **(j)** A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable year equal to the least of the following:

(1) Twenty percent (20%) of the amount of the total contributions made by the taxpayer to an account or accounts of a college choice 529 education savings plan during the taxable year.

(2) One thousand dollars ($1,000).

(3) The amount of the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

~~(j)~~ **(k)** A taxpayer is not entitled to a carryback, carryover, or refund of an unused credit.

~~(k)~~ **(l)** A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this section.

~~(l)~~ **(m)** To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

~~(m)~~ **(n)** An account owner of an account of a college choice 529 education savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made from the account. The amount the taxpayer must repay is equal to the lesser of:

(1) twenty percent (20%) of the total amount of nonqualified withdrawals made during the taxable year from the account; or

(2) the excess of:

(A) the cumulative amount of all credits provided by this section that are claimed by any taxpayer with respect to the taxpayer's contributions to the account for all prior taxable years beginning on or after January 1, 2007; over

(B) the cumulative amount of repayments paid by the account owner under this subsection for all prior taxable years beginning on or after January 1, 2008.

~~(n)~~ **(o)** Any required repayment under subsection ~~(m)~~ **(o)** shall be reported by the account owner on the account owner's annual state income tax return for any taxable year in which a nonqualified withdrawal is made.

~~(o)~~ **(p)** A nonresident account owner who is not required to file an annual income tax return for a taxable year in which a nonqualified withdrawal is made shall make any required repayment on the form required under IC 6-3-4-1(2). If the nonresident account owner does not make the required repayment, the department shall issue a demand notice in accordance with IC 6-8.1-5-1.

~~(p)~~ **(q)** The executive director of the Indiana education savings authority shall submit or cause to be submitted to the department a copy of all information returns or statements issued to account owners, account beneficiaries, and other taxpayers for each taxable year with respect to:

(1) nonqualified withdrawals made from accounts of a college choice 529 education savings plan for the taxable year; or

(2) account closings for the taxable year.

SECTION 174. IC 6-3-4-8.1, AS AMENDED BY P.L.211-2007, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8.1. (a) Any entity that is required to file a monthly return and make a monthly remittance of taxes under sections 8, 12, 13, and 15 of this chapter shall file those returns and make those remittances twenty (20) days (rather than thirty (30) days) after the end of each month for which those returns and remittances are filed, if that entity's average monthly remittance for the immediately preceding calendar year exceeds one thousand dollars ($1,000).

(b) The department may require any entity to make the entity's monthly remittance and file the

entity's monthly return twenty (20) days (rather than thirty (30) days) after the end of each month for which a return and payment are made if the department estimates that the entity's average monthly payment for the current calendar year will exceed one thousand dollars ($1,000).

(c) If the department determines that a withholding agent is not withholding, reporting, or remitting an amount of tax in accordance with this chapter, the department may require the withholding agent:

(1) to make periodic deposits during the reporting period; and

(2) to file an informational return with each periodic deposit.

(d) If a person files a combined sales and withholding tax report and either this section or IC 6-2.5-6-1 requires the sales or withholding tax report to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

(e) If the department determines that an entity's:

(1) estimated monthly withholding tax remittance for the current year; or

(2) average monthly withholding tax remittance for the preceding year;

exceeds five thousand dollars ($5,000), the entity shall remit the monthly withholding taxes due by electronic fund transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the remittance is due.

~~(f) If an entity's withholding tax remittance is made by electronic fund transfer, the entity is not required to file a monthly withholding tax return.~~

(f) An entity that registers to withhold taxes after December 31, 2009, shall file the withholding tax report and remit withholding taxes electronically through the department's online tax filing program.

SECTION 175. IC 6-3-4-8.2, AS AMENDED BY P.L.91-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.2. (a) Each person in Indiana who is required under the Internal Revenue Code to withhold federal tax from winnings shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department.

(b) In addition to amounts withheld under subsection (a), every person engaged in a gambling operation (as defined in IC 4-33-2-10) **or a gambling game (as defined in IC 4-35-2-5)** and making a payment in the course of the gambling operation (as defined in IC 4-33-2-10) **or a gambling game (as defined in IC 4-35-2-5)** of:

(1) winnings (not reduced by the wager) valued at one thousand two hundred dollars ($1,200) or more from slot machine play; or

(2) winnings (reduced by the wager) valued at one thousand five hundred dollars ($1,500) or more from a keno game;

shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Slot machine and keno winnings from a gambling operation (as defined in IC 4-33-2-10) **or a gambling game (as defined in IC 4-35-2-5)** that are reportable for federal income tax purposes shall be treated as subject to withholding under this section, even if federal tax withholding is not required.

(c) The adjusted gross income tax due on prize money or prizes:

(1) received from a winning lottery ticket purchased under IC 4-30; and

(2) exceeding one thousand two hundred dollars ($1,200) in value;

shall be deducted and retained at the time and in the amount described in withholding instructions issued by the department, even if federal withholding is not required.

(d) In addition to the amounts withheld under subsection (a), a qualified organization (as defined in IC 4-32.2-2-24(a)) that awards a prize under IC 4-32.2 exceeding one thousand two hundred dollars ($1,200) in value shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively.

SECTION 176. IC 6-3.1-4-2, AS AMENDED BY P.L.193-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) A taxpayer who incurs Indiana qualified research expense in a particular taxable year is entitled to a research expense tax credit for the taxable year.

(b) For Indiana qualified research expense incurred before January 1, 2008, the amount of the research expense tax credit is equal to the product of ten percent (10%) multiplied by the remainder of:

(1) the taxpayer's Indiana qualified research expenses for the taxable year; minus

(2) the taxpayer's base amount.

(c) **Except as provided in subsection (d),** for Indiana qualified research expense incurred after December 31, 2007, the amount of the research expense tax credit is determined under STEP FOUR of the following formula:

STEP ONE: Subtract the taxpayer's base amount from the taxpayer's Indiana qualified research expense for the taxable year.

STEP TWO: Multiply the lesser of:

(A) one million dollars ($1,000,000); or

(B) the STEP ONE remainder;

by fifteen percent (15%).

STEP THREE: If the STEP ONE remainder exceeds one million dollars ($1,000,000), multiply the amount of that excess by ten percent (10%).

STEP FOUR: Add the STEP TWO and STEP THREE products.

(d) For Indiana qualified research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under this subsection rather than under subsection (c). At the election of the taxpayer, the amount of the taxpayer's research expense tax credit is equal to ten percent (10%) of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds fifty percent (50%) of the taxpayer's average Indiana qualified research expense for the three (3) taxable years preceding the taxable year for which the credit is being determined. However, if the taxpayer did not have Indiana qualified research expense in any one (1) of the three (3) taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to five percent (5%) of the taxpayer's Indiana qualified research expense for the taxable year.

SECTION 177. IC 6-3.1-26-26, AS AMENDED BY P.L.137-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 26. (a) This chapter applies to taxable years beginning after December 31, 2003.

(b) Notwithstanding the other provisions of this chapter, the corporation may not approve a credit for a qualified investment made after December 31, ~~2011.~~ **2013.** However, this section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a qualified investment made before January 1, ~~2012,~~ **2014,** forward to a taxable year beginning after December 31, ~~2011,~~ **2013,** in the manner provided by section 15 of this chapter.

SECTION 178. IC 6-3.1-29-19, AS AMENDED BY P.L.52-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) The corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include

all the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The maximum tax credit amount that will be allowed for each taxable year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

(5) If the facility is an integrated coal gasification powerplant, a requirement that the taxpayer shall pay an average wage to its employees at the integrated coal gasification powerplant, other than highly compensated employees, in each taxable year that a tax credit is available, that equals at least one hundred twenty-five percent (125%) of the average county wage in the county in which the integrated coal gasification powerplant is located.

(6) For a project involving a qualified investment in an integrated coal gasification powerplant, a requirement that the taxpayer will maintain at the location where the qualified investment is made, during the term of the tax credit, a total payroll that is at least equal to the payroll that existed on the date that the taxpayer placed the integrated coal gasification powerplant into service.

(7) A requirement that:

(A) one hundred percent (100%) of the coal used:

(i) at the integrated coal gasification powerplant, for a project involving a qualified investment in an integrated coal gasification powerplant; or

(ii) as fuel in a fluidized bed combustion unit, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is dedicated primarily to serving Indiana retail electric utility consumers;

must be Indiana coal, unless the applicant wishes to assign the tax credit as allowed under section 20.5(c) of this chapter **or elects to receive a refundable tax credit under section 20.7 of this chapter** and the applicant certifies to the corporation that partial use of other coal is necessary to result in lower rates for Indiana retail utility customers; or

(B) seventy-five percent (75%) of the coal used as fuel in a fluidized bed combustion unit must be Indiana coal, in a project involving a qualified investment in a fluidized bed combustion technology, if the unit is not dedicated primarily to serving Indiana retail electric utility consumers.

(8) A requirement that the taxpayer obtain from the commission a determination under IC 8-1-8.5-2 that public convenience and necessity require, or will require:

(A) the construction of the taxpayer's integrated coal gasification powerplant, in the case of a project involving a qualified investment in an integrated coal gasification powerplant; or

(B) the installation of the taxpayer's fluidized bed combustion unit, in the case of a project involving a qualified investment in a fluidized bed combustion technology.

(b) A taxpayer must comply with the terms of the agreement described in subsection (a) to receive an annual installment of the tax credit awarded under this chapter. The corporation shall annually determine whether the taxpayer is in compliance with the agreement. If the corporation determines that the taxpayer is in compliance, the corporation shall issue a certificate of compliance to the taxpayer.

SECTION 179. IC 6-3.1-29-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20.7. (a) The findings in IC 4-4-11.6-12 are incorporated by reference into this section. The general assembly further finds that the refundable credit provided by this section is also necessary to achieve the purposes set forth in IC 4-4-11.6-12.**

(b) This section applies to a taxpayer that:

(1) makes a qualified investment in an integrated coal gasification powerplant; and

(2) enters into a contract to sell substitute natural gas (as defined in IC 4-4-11.6-11) to the Indiana finance authority under IC 4-4-11.6.

(c) Notwithstanding anything in this chapter to the contrary, a taxpayer may elect in the manner prescribed by the department to take and receive all credits to which the taxpayer is entitled under section 15 of this chapter (without regard to section 16 of this chapter) as a refundable credit against the taxpayer's state tax liability, if any, over a period of twenty (20) taxable years, beginning not later than the taxable year in which the taxpayer places into service its integrated coal gasification powerplant. If, in a taxable year, a taxpayer that makes an election under this subsection has no state tax liability, the department shall pay to the taxpayer the full amount of the refundable credit for that taxable year.

(d) The amount of a credit to which a taxpayer that makes an election under subsection (c) is entitled for a particular taxable year equals the result determined under STEP FOUR:

STEP ONE: Determine the total credit amount to which the taxpayer is entitled under section 15 of this chapter (without regard to section 16 of this chapter).

STEP TWO: Divide the STEP ONE amount by twenty (20).

STEP THREE: Determine the ratio of Indiana coal to total coal used in the taxpayer's integrated coal gasification powerplant in the taxable year.

STEP FOUR: Multiply the STEP TWO and STEP THREE amounts.

(e) A taxpayer shall claim a refund under this section in the manner provided by the department. The department shall pay the refunded amount to the taxpayer not more than ninety (90) days after the date on which the refund is claimed.

(f) The shareholders, members, or partners of a pass through entity that makes an election under subsection (c) are not entitled to a credit allowed under section 20(b) of this chapter.

(g) A credit allowed under this section is not assignable under section 20.5 of this chapter.

SECTION 180. IC 6-3.1-30.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 30.5. School Scholarship Tax Credit

Sec. 1. As used in this chapter, "credit" refers to a credit granted under this chapter.

Sec. 2. As used in this chapter, "pass through entity" has the meaning set forth in IC 6-3-1-35.

Sec. 3. As used in this chapter, "scholarship granting organization" refers to an organization that:

(1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(2) conducts a school scholarship program.

Sec. 4. As used in this chapter, "school scholarship program" refers to a scholarship program certified by the department of education under IC 20-51.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(2) IC 6-5.5 (the financial institutions tax); and

(3) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 6. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 7. A taxpayer that makes a contribution to a scholarship granting organization for use by the scholarship granting organization in a school scholarship program is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer makes the

contribution.

Sec. 8. The amount of a taxpayer's credit is equal to fifty percent (50%) of the amount of the contribution made to the scholarship granting organization for a school scholarship program.

Sec. 9. A taxpayer is not entitled to a carryover, carryback, or refund of an unused credit.

Sec. 10. If a pass through entity is entitled to a credit under section 7 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 11. To apply a credit against the taxpayer's state tax liability, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department the information that the department determines is necessary for the department to determine whether the taxpayer is eligible for the credit.

Sec. 12. A contribution shall be treated as having been made for use in a school scholarship program if:

(1) the contribution is made directly to a scholarship granting organization; and

(2) either:

(A) not later than the date of the contribution, the taxpayer designates in writing to the scholarship granting organization that the contribution is to be used only for a school scholarship program; or

(B) the scholarship granting organization provides the taxpayer with written confirmation that the contribution will be dedicated solely for use in a school scholarship program.

Sec. 13. The total amount of tax credits awarded under this chapter may not exceed five million dollars ($5,000,000) in any state fiscal year.

Sec. 14. The department, on an Internet web site used by the department to provide information to the public, shall provide the following information:

(1) The application for the credit provided in this chapter.

(2) A timeline for receiving the credit provided in this chapter.

(3) The total amount of credits awarded under this chapter during the current state fiscal year.

Sec. 15. The department shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 181. IC 6-3.1-31.9-1, AS ADDED BY P.L.223-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "alternative fuel" means:

(1) methanol, denatured ethanol, and other alcohols;

(2) mixtures containing eighty-five percent (85%) or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuel;

(3) natural gas;

(4) liquefied petroleum gas;

(5) hydrogen;

(6) coal-derived liquid fuels;

(7) non-alcohol fuels derived from biological material;

(8) P-Series fuels; ~~or~~

(9) electricity; **or**

(10) biodiesel or ultra low sulfur diesel fuel.

SECTION 182. IC 6-3.1-31.9-2, AS ADDED BY P.L.223-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "alternative fuel vehicle" means any ~~vehicle~~ **passenger car or light truck with a gross weight of eight thousand five hundred (8,500) pounds or less that is** designed to operate on at least one (1) alternative fuel.

SECTION 183. IC 6-3.1-32-17, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. A qualified applicant is not entitled to a tax credit under this chapter for tangible personal property:

(1) that is a qualified production expenditure; and

(2) for which the qualified applicant claims an exemption under IC 6-2.5-5-41 **(before its repeal).**

SECTION 184. IC 6-3.1-32-20, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. (a) A tax credit may not be awarded under this chapter for a ~~taxable year ending after December 31, 2011.~~ **qualified production expenditure made after June 30, 2009.**

(b) This chapter expires January 1, ~~2012.~~ **2010.**

SECTION 185. IC 6-3.5-1.1-1.1, AS ADDED BY P.L.207-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units and school corporations in the county, the allocation amount for a civil taxing unit or school corporation is the amount determined using the following formula:

STEP ONE: Determine the sum of the total property taxes being collected by the civil taxing unit or school corporation during the calendar year of the distribution.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

The allocation amount is subject to adjustment as provided in IC 36-8-19-7.5.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be

paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 186. IC 6-3.5-1.1-9, AS AMENDED BY P.L.146-2008, SECTION 327, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the ~~department, after reviewing the recommendation of the~~ budget agency determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted ~~(as determined after review of the recommendation of the budget agency)~~ for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the ~~department, after reviewing the recommendation of the~~ budget agency shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.

The ~~department~~ **budget agency** shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor, **the department,** and ~~to~~ the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.

(c) The ~~department~~ **budget agency** shall certify an amount less than the amount determined under subsection (b) if the ~~department, after reviewing the recommendation of the~~ budget agency determines

that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The ~~department after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the ~~department~~ **budget agency** makes a certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(g) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(h) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the ~~department~~ **budget agency** shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2).

SECTION 187. IC 6-3.5-1.1-14, AS AMENDED BY P.L.146-2008, SECTION 328, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use

the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its debt service fund, capital projects fund, transportation fund, **and** school bus replacement fund ~~and special education preschool fund~~ in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget. A school corporation shall allocate the property tax replacement credits described in this subsection to all ~~five (5)~~ **four (4)** funds in proportion to the levy for each fund.

SECTION 188. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The ~~local government tax control board established by IC 6-1.1-18.5-11~~ **department of local government finance** shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The ~~local government tax control board~~ **department of local government finance** shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 189. IC 6-3.5-1.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21. Before October 2 of each year, the ~~department~~ **budget agency** shall

submit a report to each county auditor indicating the balance in the county's adjusted gross income tax account as of the cutoff date specified by the budget agency.

SECTION 190. IC 6-3.5-1.1-21.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21.1. (a) If ~~after receiving a recommendation from~~ the budget agency ~~the department~~ determines that a sufficient balance exists in a county account in excess of the amount necessary, when added to other money that will be deposited in the account after the date of the ~~recommendation,~~ **determination,** to make certified distributions to the county in the ensuing year, the ~~department~~ **budget agency** shall make a supplemental distribution to a county from the county's adjusted gross income tax account.

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated and, subject to subsection (d), used in the same manner as certified distributions.

(c) A determination under this section must be made before October 2.

(d) This subsection applies to that part of a distribution made under this section that is allocated and available for use in the same manner as certified shares. The civil taxing unit receiving the money shall deposit the money in the civil taxing unit's rainy day fund established under IC 36-1-8-5.1.

SECTION 191. IC 6-3.5-1.5-1, AS AMENDED BY P.L.146-2008, SECTION 334, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a) The department of local government finance and the department of state revenue **(before January 1, 2010) or the budget agency (after December 31, 2009)** shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 for the ensuing calendar year (before any adjustment under IC 12-19-7.5-6(b) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services property tax imposed by the county

under IC 12-19-7.5-6 for the current calendar year.

STEP FOUR: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(b) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the department of state revenue **(before January 1, 2010) or the budget agency (after December 31, 2009)** shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the department of state revenue **(before January 1, 2010) or the budget agency (after December 31, 2009)** shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

(c) The department **(before January 1, 2010) or the budget agency (after December 31, 2009)** and the department of local government finance shall make the calculations under subsections (a) and (b) based on the best information available at the time the calculation is made.

(d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a county has adopted an income tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before January 1, 2009, to reduce levy growth in the county family and children's fund property tax levy and the children's psychiatric residential treatment services property tax levy shall instead be used for property tax relief in the same manner that a tax rate under IC 6-3.5-1.1-26 or ~~IC 6-3.5-6-30~~ **IC 6-3.5-6-32** is used for property tax relief.

SECTION 192. IC 6-3.5-1.5-3, AS ADDED BY P.L.224-2007, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. The department of local government finance and the ~~department of state revenue~~ **budget agency** may take any actions necessary to carry out the purposes of this chapter.

SECTION 193. IC 6-3.5-6-1.1, AS AMENDED BY P.L.146-2008, SECTION 336, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units in the county, the allocation amount for a civil taxing unit is the amount determined using the following formula:

STEP ONE: Determine the total property taxes that are first due and payable to the civil taxing unit during the calendar year of the distribution plus, for a county, an amount equal to the welfare allocation amount.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise

refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit or school corporation's certified distribution for the previous calendar year.

The allocation amount is subject to adjustment as provided in IC 36-8-19-7.5. The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under IC 6-3.5-1.1 or this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 194. IC 6-3.5-6-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. A county income tax council must before August 1 of each odd-numbered year hold at least one (1) public meeting at which the county income tax council discusses whether the county option income tax rate under this chapter should be adjusted.**

SECTION 195. IC 6-3.5-6-17, AS AMENDED BY P.L.146-2008, SECTION 338, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the ~~department, after reviewing the recommendation of the~~ budget agency determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the ~~department, after reviewing the recommendation of the~~ budget agency shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.

The ~~department~~ **budget agency** shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The ~~department~~ **budget agency** shall certify an amount less than the amount determined under subsection (b) if the ~~department, after reviewing the recommendation of the~~ budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The ~~department, after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the ~~department~~ **budget agency** makes a certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the ~~department~~ **budget agency** shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of

IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 196. IC 6-3.5-6-17.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17.2. Before October 2 of each year, the ~~department~~ **budget agency** shall submit a report to each county auditor indicating the balance in the county's special account as of the cutoff date set by the budget agency.

SECTION 197. IC 6-3.5-6-17.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17.3. (a) If ~~after receiving a recommendation from~~ the budget agency ~~the department~~ determines that a sufficient balance exists in a county account in excess of the amount necessary, when added to other money that will be deposited in the account after the date of the ~~recommendation,~~ **determination,** to make certified distributions to the county in the ensuing year, the ~~department~~ **budget agency** shall make a supplemental distribution to a county from the county's special account.

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund established under IC 36-1-8-5.1.

(c) A determination under this section must be made before October 2.

SECTION 198. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under **IC 36-7-14-25.5 or** IC 36-7-15.1-17.5;

(5) make payments permitted under subsection (i);

(6) make distributions of distributive shares to the civil taxing units of a county; and

(7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), **IC 36-7-14-25.5,** IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 199. IC 6-3.5-6-27, AS ADDED BY P.L.214-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 27. (a) This section applies only to Miami County. Miami County possesses unique economic development challenges due to:

(1) underemployment in relation to similarly situated counties; and

(2) the presence of a United States government military base or other military installation that is completely or partially inactive or closed.

Maintaining low property tax rates is essential to economic development, and the use of county option

income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described under subsection (c), rather than use of property taxes, promotes that purpose.

(b) In addition to the rates permitted by sections 8 and 9 of this chapter, the county council may impose the county option income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county council makes the finding and determination set forth in subsection (c). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) In order to impose the county option income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail, including the repayment of bonds issued, or leases entered into, for financing, constructing, acquiring, renovating, and equipping a county jail.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

(g) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 200. IC 6-3.5-6-28, AS AMENDED BY P.L.224-2007, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28. (a) This section applies only to Howard County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this section and as needed in the county to fund the operation and maintenance of a jail and juvenile detention center, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose a county option income tax at a rate that does not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers. The tax rate may be adopted in any increment of one hundredth percent (0.01%). Before the county fiscal body may adopt a tax rate under this section, the county fiscal body must make the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional tax rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal

body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a jail, a juvenile detention center, or both; and

(2) agreeing to freeze the part of any property tax levy imposed in the county for the operation of the jail or juvenile detention center, or both, covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section for the term in which an ordinance is in effect under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(f) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement under subsection (d)(2).

(i) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

(j) The department shall separately designate a tax rate imposed under this section in any tax form as the Howard County jail operating and maintenance income tax.

SECTION 201. IC 6-3.5-6-29, AS AMENDED BY P.L.224-2007, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to

the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or maintenance.

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before June 1, 2006, or August 1 in a subsequent year applies to the imposition of county income taxes after June 30 (in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter) in that year. An ordinance adopted under this section after May 31, 2006, or July 31 of a subsequent year initially applies to the imposition of county option income taxes after June 30 (in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter) of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 202. IC 6-3.5-6-33, AS ADDED BY P.L.224-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 33. (a) This section applies only to Monroe County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose an additional county option income tax at a rate of not more than twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county fiscal body

makes the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities necessary to provide juvenile services; and

(2) agreeing to freeze for the term in which an ordinance is in effect under this section the part of any property tax levy imposed in the county for the operation of the juvenile detention center and other facilities covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before August 1 in a year applies to the imposition of county income taxes after September 30 in that year. An ordinance adopted under this section after July 31 of a year initially applies to the imposition of county option income taxes after September 30 of the immediately following year.

(f) The county treasurer shall establish a county juvenile detention center revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county juvenile detention center revenue fund before a certified distribution is made under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement made under subsection (d)(2).

(i) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 203. IC 6-3.5-7-11, AS AMENDED BY P.L.1-2009, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the ~~department, after reviewing the recommendation of the~~ budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the ~~department~~ **budget agency** determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted ~~(as determined after review of the recommendation of the budget agency)~~ for refunds of county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year.

(c) The amount certified under subsection (b) shall be adjusted under subsections (d), (e), (f), (g), and (h). The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.

(d) The ~~department~~ **budget agency** shall certify an amount less than the amount determined under subsection (b) if the ~~department, after reviewing the recommendation of the~~ budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The ~~department, after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(e) ~~After reviewing the recommendation of~~ The budget agency ~~the department~~ shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(f) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(g) The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 25 or 26 of this chapter to provide additional homestead credits as provided in those provisions.

(h) This subsection applies to a county that:

(1) initially imposed the county economic development income tax; or

(2) increases the county economic development income rate;

under this chapter in the same calendar year in which the ~~department~~ **budget agency** makes a certification under this section. The ~~department, after reviewing the recommendation of the~~ budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The ~~department~~ **budget agency** shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (d).

SECTION 204. IC 6-3.5-7-12, AS AMENDED BY P.L.146-2008, SECTION 346, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided in sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, **and**

subject to adjustment as provided in IC 36-8-19-7.5, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of:

(A) total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) for a county, the welfare allocation amount.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus the welfare allocation amount. The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed

on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 205. IC 6-3.5-7-17.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17.3. (a) If ~~after receiving a recommendation from~~ the budget agency ~~the department~~ determines that a sufficient balance exists in a county account in excess of the amount necessary, when added to other money that will be deposited in the account after the date of the ~~recommendation,~~ **determination,** to make certified distributions to the county in the ensuing year, the ~~department~~ **budget agency** shall make a supplemental distribution to a county from the county's special account.

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund established under IC 36-1-8-5.1.

(c) A determination under this section must be made before October 2.

SECTION 206. IC 6-4.1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. The inheritance tax imposed as a result of a decedent's death is a lien on the property transferred by the decedent. Except as otherwise provided in IC 6-4.1-6-6(b), the inheritance tax accrues and the lien attaches at the time of the decedent's death. The lien terminates when the inheritance tax is paid, when IC 6-4.1-4-0.5 provides for the termination of the lien, or ~~five (5)~~ **ten (10)** years after the date of the decedent's death, whichever occurs first. In addition to the lien, the transferee of the property and any personal representative or trustee who has possession of or control over the property are personally liable for the inheritance tax.

SECTION 207. IC 6-4.1-10-1, AS AMENDED BY P.L.211-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A person may file with the department of state revenue a claim for the refund of inheritance or Indiana estate tax which has been erroneously or illegally collected. Except as provided in section 2 of this chapter, the person must file the claim within three (3) years after the tax is paid or within one (1) year after the tax is finally determined, whichever is later.

(b) The amount of the refund that a person is entitled to receive under this chapter equals the amount of the erroneously or illegally collected tax, plus interest calculated as specified in subsection (c).

(c) If a tax payment that has been erroneously or illegally collected is not refunded within ninety (90) days after **the later of** the date on which:

(1) the refund claim is filed with the department of state revenue; **or**

(2) the inheritance tax return is received by the department of state revenue;

interest accrues at the rate of six percent (6%) per annum computed from the date ~~the refund claim is filed~~ **under subdivision (1) or (2), whichever applies,** until the tax payment is refunded.

SECTION 208. IC 6-5.5-1-2, AS AMENDED BY P.L.223-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of

the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(J) Add an amount equal to any income not included in gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code. Subtract from the adjusted gross income of any taxpayer that added an amount to adjusted gross income in a previous year the amount necessary to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of an applicable debt instrument, as provided in Section 108(i) of the Internal Revenue Code.

(K) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified restaurant property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(v) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(L) Add the amount necessary to make the adjusted gross income of any taxpayer that placed qualified retail improvement property in service during the taxable year and that was classified as 15-year property under Section 168(e)(3)(E)(ix) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the classification not applied to the property in the year that it was placed in service.

(M) Add or subtract the amount necessary to make the adjusted gross income of any

taxpayer that claimed the special allowance for qualified disaster assistance property under Section 168(n) of the Internal Revenue Code equal to the amount of adjusted gross income that would have been computed had the special allowance not been claimed for the property.

(N) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 179C of the Internal Revenue Code to expense costs for qualified refinery property equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(O) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that made an election under Section 181 of the Internal Revenue Code to expense costs for a qualified film or television production equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year.

(P) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that treated a loss from the sale or exchange of preferred stock in:

(i) the Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or

(ii) the Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss.

(Q) Add an amount equal to any exempt insurance income under Section 953(e) of the Internal Revenue Code for active financing income under Subpart F, Subtitle A, Chapter 1, Subchapter N of the Internal Revenue Code.

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand

dollars ($25,000).
(G) Income that is:
(i) exempt from taxation under IC 6-3-2-21.7; and
(ii) included in the taxpayer's taxable income under the Internal Revenue Code.

(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income multiplied by the quotient of:

(1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within Indiana and elsewhere.

(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or corporation, whether domestic or foreign, that:

(1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

(2) solicits or receives a payment to be made to itself and issues in exchange for the payment:
(A) a so-called bond;
(B) a share;
(C) a coupon;
(D) a certificate of membership;
(E) an agreement;
(F) a pretended agreement; or
(G) other evidences of obligation;

entitling the holder to anything of value at some future date, if the gross payments received by the company during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

SECTION 209. IC 6-6-1.1-606.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 606.5. (a) Every person included within the terms of section 606(a) and 606(c) of this chapter shall register with the administrator before engaging in those activities. The administrator shall issue a transportation license to a person who registers with the administrator under this section.

(b) Every person included within the terms of section 606(a) of this chapter who transports gasoline in a vehicle on the highways in Indiana for purposes other than use and consumption by that person may not make a delivery of that gasoline to any person in Indiana other than a licensed distributor except:

(1) when the tax imposed by this chapter on the receipt of the transported gasoline was charged and collected by the parties; and

(2) under the circumstances described in section 205 of this chapter.

(c) Every person included within the terms of section 606(c) of this chapter who transports gasoline in a vehicle upon the highways of Indiana for purposes other than use and consumption by that person may not, on the journey carrying that gasoline to points outside Indiana, make delivery of that fuel to

any person in Indiana.

(d) Every transporter of gasoline included within the terms of section 606(a) and ~~section~~ 606(c) of this chapter who transports gasoline upon the highways of Indiana for purposes other than use and consumption by that person shall at the time of registration and on an annual basis list with the administrator a description of all vehicles, including the vehicles' license numbers, to be used on the highways of Indiana in transporting gasoline from:

(1) points outside Indiana to points inside Indiana; and

(2) points inside Indiana to points outside Indiana.

(e) The description that subsection (d) requires shall contain the information that is reasonably required by the administrator including the carrying capacity of the vehicle. When the vehicle is a tractor-trailer type, the trailer is the vehicle to be described. When additional vehicles are placed in service or when a vehicle previously listed is retired from service during the year, the administrator shall be notified within ten (10) days of the change so that the listing of the vehicles may be kept accurate.

(f) A distributor's or an Indiana transportation license is required for a person or the person's agent acting in the person's behalf to operate a vehicle for the purpose of delivering gasoline within the boundaries of Indiana when the vehicle has a total tank capacity of at least eight hundred fifty (850) gallons.

(g) The operator of a vehicle to which this section applies shall at all times when engaged in the transporting of gasoline on the highways have with the vehicle an invoice or manifest showing the origin, quantity, nature, and destination of the gasoline that is being transported.

(h) The department shall provide for relief if a shipment of gasoline is legitimately diverted from the represented destination state after the shipping paper has been issued by a terminal operator or if a terminal operator failed to cause proper information to be printed on the shipping paper. Provisions for relief under this subsection:

(1) must require that the shipper or its agent provide notification to the department before a diversion or correction if an intended diversion or correction is to occur; and

(2) must be consistent with the refund provisions of this chapter.

SECTION 210. IC 6-6-4.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as authorized under section 13 of this chapter, a carrier may operate a commercial motor vehicle upon the highways in Indiana only if the carrier has been issued an annual permit, cab card, and emblem under this section.

(b) The department shall issue:

(1) an annual permit; and

(2) a cab card and an emblem for each commercial motor vehicle that will be operated by the carrier upon the highways in Indiana;

to a carrier who applies for an annual permit and pays to the department an annual permit fee of twenty-five dollars ($25) **not later than September 1 of the year before the annual permit is effective under subsection (c).**

(c) The annual permit, cab card, and emblem are effective from January 1 of each year through December 31 of the same year. The department may extend the expiration date of the annual permit, cab card, and emblem for no more than sixty (60) days. The annual permit, each cab card, and each emblem issued to a carrier remain the property of this state and may be suspended or revoked by the department for any violation of this chapter or of the rules concerning this chapter adopted by the department under IC 4-22-2.

(d) As evidence of compliance with this section, and for the purpose of enforcement, a carrier shall display on each commercial motor vehicle an emblem when the vehicle is being operated by the carrier in Indiana. The carrier shall affix the emblem to the vehicle in the location designated by the

department. The carrier shall display in each vehicle the cab card issued by the department. The carrier shall retain the original annual permit at the address shown on the annual permit. During the month of December, the carrier shall display the cab card and emblem that are valid through December 31 or a full year cab card and emblem issued to the carrier for the ensuing twelve (12) months. If the department grants an extension of the expiration date, the carrier shall continue to display the cab card and emblem upon which the extension was granted.

(e) If a commercial motor vehicle is operated by more than one (1) carrier, as evidence of compliance with this section and for purposes of enforcement each carrier shall display in the commercial motor vehicle a reproduced copy of the carrier's annual permit when the vehicle is being operated by the carrier in Indiana.

(f) A person who fails to display an emblem required by this section on a commercial motor vehicle, does not have proof in the vehicle that the annual permit has been obtained, and operates that vehicle on an Indiana highway commits a Class C infraction. Each day of operation without an emblem constitutes a separate infraction. Notwithstanding IC 34-28-5-4, a judgment of not less than one hundred dollars ($100) shall be entered for each Class C infraction under this subsection.

(g) A person who displays an altered, false, or fictitious cab card required by this section in a commercial motor vehicle, does not have proof in the vehicle that the annual permit has been obtained, and operates that vehicle on an Indiana highway commits a Class C infraction. Each day of operation with an altered, false, or fictitious cab card constitutes a separate infraction.

SECTION 211. IC 6-6-4.1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) A carrier may, in lieu of paying the tax imposed under this chapter that would otherwise result from the operation of a particular commercial motor vehicle, obtain from the department a trip permit authorizing the carrier to operate the commercial motor vehicle for a period of five (5) consecutive days. The department shall specify the beginning and ending days on the face of the permit. The fee for a trip permit for each commercial motor vehicle is fifty dollars ($50). The report otherwise required under section 10 of this chapter is not required with respect to a vehicle for which a trip permit has been issued under this subsection.

(b) The department may issue a temporary written authorization if unforeseen or uncertain circumstances require operations by a carrier of a commercial motor vehicle for which neither a trip permit described in subsection (a) nor an annual permit described in section 12 of this chapter has been obtained. A temporary authorization may be issued only if the department finds that undue hardship would result if operation under a temporary authorization were prohibited. A carrier who receives a temporary authorization shall:

(1) pay the trip permit fee at the time the temporary authorization is issued; or

(2) subsequently apply for and obtain an annual permit.

(c) A carrier may obtain an International Fuel Tax Agreement (IFTA) repair and maintenance permit to:

(1) travel from another state into Indiana to repair or maintain any of the carrier's motor vehicles, semitrailers (as defined in IC 9-13-2-164), or trailers (as defined in IC 9-13-2-184); and

(2) return to the same state after the repair or maintenance is completed.

The permit allows the travel described in this section. In addition to any other fee established in this chapter, and instead of paying the quarterly motor fuel tax imposed under this chapter, a carrier may pay an annual IFTA repair and maintenance fee of forty dollars ($40) and receive an IFTA annual repair and maintenance permit. The IFTA annual repair and maintenance permit and fee applies to all of the motor vehicles operated by a carrier. The IFTA annual repair and maintenance permit is not transferable to another carrier. A carrier may not carry cargo or passengers under the IFTA annual repair and maintenance permit. All fees collected under this subsection shall be deposited in the motor carrier regulation fund (IC 8-2.1-23). The report otherwise required under section 10 of this chapter

is not required with respect to a motor vehicle that is operated under an IFTA annual repair and maintenance permit.

(d) A carrier may obtain an International Registration Plan (IRP) repair and maintenance permit to:

(1) travel from another state into Indiana to repair or maintain any of the carrier's motor vehicles, semitrailers (as defined in IC 9-13-2-164), or trailers (as defined in IC 9-13-2-184); and

(2) return to the same state after the repair or maintenance is completed.

The permit allows the travel described in this section. In addition to any other fee established in this chapter, and instead of paying apportioned or temporary IRP fees under IC 9-18-2 or IC 9-18-7, a carrier may pay an annual IRP repair and maintenance fee of forty dollars ($40) and receive an IRP annual repair and maintenance permit. The IRP annual repair and maintenance permit and fee applies to all of the motor vehicles operated by a carrier. The IRP annual repair and maintenance permit is not transferable to another carrier. A carrier may not carry cargo or passengers under the IRP annual repair and maintenance permit. All fees collected under this subsection shall be deposited in the motor carrier regulation fund (IC 8-2.1-23).

(e) A person may obtain a repair and maintenance permit to:

(1) move an unregistered off-road vehicle from a quarry or mine to a maintenance or repair facility; and

(2) return the unregistered off-road vehicle to its place of origin.

The fee for the permit is forty dollars ($40). The permit is an annual permit and applies to all unregistered off-road vehicles from the same quarry or mine.

~~(e)~~ **(f)** A carrier may obtain a repair, maintenance, and relocation permit to:

(1) move a yard tractor from a terminal or loading or spotting facility to:

(A) a maintenance or repair facility; or

(B) another terminal or loading or spotting facility; and

(2) return the yard tractor to its place of origin.

The fee for the permit is forty dollars ($40). The permit is an annual permit and applies to all yard tractors operated by the carrier. The permit is not transferable to another carrier. A carrier may not carry cargo or transport or draw a semitrailer or other vehicle under the permit. A carrier may operate a yard tractor under the permit instead of paying the tax imposed under this chapter. A yard tractor that is being operated on a public highway under this subsection must display a license plate issued under IC 9-18-32. As used in this section, "yard tractor" has the meaning set forth under IC 9-13-2-201.

~~(f)~~ **(g)** The department shall establish procedures, by rules adopted under IC 4-22-2, for:

(1) the issuance and use of trip permits, temporary authorizations, and repair and maintenance permits; and

(2) the display in commercial motor vehicles of evidence of compliance with this chapter.

SECTION 212. IC 6-6-5-10, AS AMENDED BY P.L.146-2008, SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school

corporation's general fund. The county auditor shall determine the total amount of excise taxes collected for each taxing district in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of the taxing units in the same manner and at the same time as property taxes are apportioned and distributed **(subject to adjustment as provided in IC 36-8-19-7.5).** However, for purposes of determining distributions under this section for 2009 and each year thereafter, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit, as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 1997, 1998, and 1999 for each taxing district in the county, determine the result of:

(i) the amount appropriated in the year by the county from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all taxing units in the county for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D) amount for the same taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D) amount for the same taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP FOUR: Determine the sum of the STEP ONE, STEP TWO, and STEP THREE amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE, STEP TWO, or STEP THREE, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 213. IC 6-6-5.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) Unless defined in this section, terms used in this chapter have the meaning set forth in the International Registration Plan or in IC 6-6-5 (motor vehicle excise tax). Definitions set forth in the International Registration Plan, as applicable, prevail unless given a different meaning in this section or in rules adopted under authority of this chapter. The definitions in this section apply throughout this chapter.

(b) As used in this chapter, "base revenue" means the minimum amount of commercial vehicle excise tax revenue that a taxing unit will receive in a year.

(c) As used in this chapter, "commercial vehicle" means any of the following:

(1) An Indiana-based vehicle subject to apportioned registration under the International Registration Plan.

(2) A vehicle subject to apportioned registration under the International Registration Plan and based and titled in a state other than Indiana subject to the conditions of the International Registration Plan.

(3) A truck, **road tractor,** tractor, trailer, semitrailer, or truck-tractor subject to registration under IC 9-18.

(d) As used in this chapter, "declared gross weight" means the weight at which a vehicle is registered with:

(1) the bureau; or

(2) the International Registration Plan.

(e) As used in this chapter, "department" means the department of state revenue.

(f) As used in this chapter, "fleet" means one (1) or more apportionable vehicles.

(g) As used in this chapter, "gross weight" means the total weight of a vehicle or combination of vehicles without load, plus the weight of any load on the vehicle or combination of vehicles.

(h) As used in this chapter, "Indiana-based" means a vehicle or fleet of vehicles that is

base-registered in Indiana under the terms of the International Registration Plan.

(i) As used in this chapter, "in-state miles" means the total number of miles operated by a commercial vehicle or fleet of commercial vehicles in Indiana during the preceding year.

(j) As used in this chapter, "motor vehicle" has the meaning set forth in IC 9-13-2-105(a).

(k) As used in this chapter, "owner" means the person in whose name the commercial vehicle is registered under IC 9-18 or the International Registration Plan.

(l) As used in this chapter, "preceding year" means a period of twelve (12) consecutive months fixed by the department which shall be within the eighteen (18) months immediately preceding the commencement of the registration year for which proportional registration is sought.

(m) As used in this chapter, "road tractor" has the meaning set forth in IC 9-13-2-156.

~~(m)~~ **(n)** As used in this chapter, "semitrailer" has the meaning set forth in IC 9-13-2-164(a).

~~(n)~~ **(o)** As used in this chapter, "tractor" has the meaning set forth in IC 9-13-2-180.

~~(o)~~ **(p)** As used in this chapter, "trailer" has the meaning set forth in IC 9-13-2-184(a).

~~(p)~~ **(q)** As used in this chapter, "truck" has the meaning set forth in IC 9-13-2-188(a).

~~(q)~~ **(r)** As used in this chapter, "truck-tractor" has the meaning set forth in IC 9-13-2-189(a).

~~(r)~~ **(s)** As used in this chapter, "vehicle" means a motor vehicle, trailer, or semitrailer subject to registration under IC 9-18 as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state.

SECTION 214. IC 6-6-5.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 7. (a) For calendar years that begin after December 31, 2000, the annual excise tax for a commercial vehicle will be determined by the motor carrier services division on or before October 1 of each year in accordance with the following formula:

STEP ONE: Determine the total amount of base revenue to be distributed from the commercial vehicle excise tax fund to all taxing units in Indiana during the calendar year for which the tax is first due and payable. For calendar year 2001, the total amount of base revenue for all taxing units shall be determined as provided in section 19 of this chapter. For calendar years that begin after December 31, 2001, **and before January 1, 2009,** the total amount of base revenue for all taxing units shall be determined by multiplying the previous year's base revenue for all taxing units by one hundred five percent (105%). **For calendar years that begin after December 31, 2008, the total amount of base revenue for all taxing units shall be determined as provided in section 19 of this chapter.**

STEP TWO: Determine the sum of fees paid to register the following commercial vehicles in Indiana under the following statutes during the fiscal year that ends June 30 immediately preceding the calendar year for which the tax is first due and payable:

(A) Total registration fees collected under IC 9-29-5-3 for commercial vehicles with a declared gross weight in excess of eleven thousand (11,000) pounds, including trucks, tractors not used with semitrailers, traction engines, and other similar vehicles used for hauling purposes;

(B) Total registration fees collected under IC 9-29-5-5 for tractors used with semitrailers;

(C) Total registration fees collected under IC 9-29-5-6 for semitrailers used with tractors;

(D) Total registration fees collected under IC 9-29-5-4 for trailers having a declared gross weight in excess of three thousand (3,000) pounds; and

(E) Total registration fees collected under IC 9-29-5-13 for trucks, tractors and semitrailers used in connection with agricultural pursuits usual and normal to the user's farming operation, multiplied by two hundred percent (200%);

STEP THREE: Determine the tax factor by dividing the STEP ONE result by the STEP TWO result.

(b) Except as otherwise provided in this chapter, the annual excise tax for commercial vehicles with

a declared gross weight in excess of eleven thousand (11,000) pounds, including trucks, tractors not used with semitrailers, traction engines, and other similar vehicles used for hauling purposes, shall be determined by multiplying the registration fee under IC 9-29-5-3 by the tax factor determined in subsection (a).

(c) Except as otherwise provided in this chapter, the annual excise tax for tractors used with semitrailers shall be determined by multiplying the registration fee under IC 9-29-5-5 by the tax factor determined in subsection (a).

(d) Except as otherwise provided in this chapter, the annual excise tax for trailers having a declared gross weight in excess of three thousand (3,000) pounds shall be determined by multiplying the registration fee under IC 9-29-5-4 by the tax factor determined in subsection (a).

(e) The annual excise tax for a semitrailer shall be determined by multiplying the average annual registration fee under IC 9-29-5-6 by the tax factor determined in subsection (a). The average annual registration fee for a semitrailer under IC 9-29-5-6 is sixteen dollars and seventy-five cents ($16.75).

(f) The annual excise tax determined under this section shall be rounded upward to the next full dollar amount.

SECTION 215. IC 6-6-5.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 19. (a) As used in this section, "assessed value" means an amount equal to the true tax value of commercial vehicles that:

(1) are subject to the commercial vehicle excise tax under this chapter; and

(2) would have been subject to assessment as personal property on March 1, 2000, under the law in effect before January 1, 2000.

(b) For calendar year 2001, a taxing unit's base revenue shall be determined as provided in subsection (f). For calendar years that begin after December 31, 2001, **and before January 1, 2009,** a taxing unit's base revenue shall be determined by multiplying the previous year's base revenue by one hundred five percent (105%). **For calendar years that begin after December 31, 2008, a taxing unit's base revenue is equal to:**

(1) the amount of commercial vehicle excise tax collected during the previous state fiscal year; multiplied by

(2) the taxing unit's percentage as determined in subsection (f) for calendar year 2001.

(c) The amount of commercial vehicle excise tax distributed to the taxing units of Indiana from the commercial vehicle excise tax fund shall be determined in the manner provided in this section. ~~On or before June 1, 2000, each township assessor of a county shall deliver to the county assessor a list that states by taxing district the total assessed value as shown on the information returns filed with the assessor on or before May 15, 2000.~~

(d) On or before July 1, 2000, each county assessor shall certify to the county auditor the assessed value of commercial vehicles in every taxing district.

(e) On or before August 1, 2000, the county auditor shall certify the following to the department of local government finance:

(1) The total assessed value of commercial vehicles in the county.

(2) The total assessed value of commercial vehicles in each taxing district of the county.

(f) The department of local government finance shall determine each taxing unit's base revenue by applying the current tax rate for each taxing district to the certified assessed value from each taxing district. The department of local government finance shall also determine the following:

(1) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in Indiana.

(2) The total amount of base revenue to be distributed from the commercial vehicle excise tax fund in 2001 to all taxing units in each county.

(3) Each county's total distribution percentage. A county's total distribution percentage shall be

determined by dividing the total amount of base revenue to be distributed in 2001 to all taxing units in the county by the total base revenue to be distributed statewide.

(4) Each taxing unit's distribution percentage. A taxing unit's distribution percentage shall be determined by dividing each taxing unit's base revenue by the total amount of base revenue to be distributed in 2001 to all taxing units in the county.

(g) The department of local government finance shall certify each taxing unit's base revenue and distribution percentage for calendar year 2001 to the auditor of state on or before September 1, 2000.

(h) The auditor of state shall keep permanent records of each taxing unit's base revenue and distribution percentage for calendar year 2001 for purposes of determining the amount of money each taxing unit in Indiana is entitled to receive in calendar years that begin after December 31, 2001.

SECTION 216. IC 6-6-5.5-20, AS AMENDED BY P.L.146-2008, SECTION 354, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20. (a) On or before May 1, subject to subsections (c) and (d), the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the ~~total base revenue to be distributed to all taxing units in the county for that year.~~ **product of:**

(1) the county's distribution percentage; multiplied by

(2) the total commercial vehicle excise tax deposited in the commercial vehicle excise tax fund in the preceding calendar year.

(b) On or before December 1, subject to subsections (c) and (d), the auditor of state shall distribute to each county auditor an amount equal to ~~the greater of the following:~~

~~(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.~~

~~(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.~~ **fifty percent (50%) of the product of:**

(1) the county's distribution percentage; multiplied by

(2) the total commercial vehicle excise tax deposited in the commercial vehicle excise tax fund in the preceding calendar year.

(c) Before distributing the amounts under subsections (a) and (b), the auditor of state shall deduct for a county unit an amount for deposit in a state fund, as directed by the budget agency, equal to the result determined under STEP FIVE of the following formula:

STEP ONE: Separately for 2006, 2007, and 2008, determine the result of:

(A) the tax rate imposed by the county in the year for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(B) the aggregate tax rate imposed by the county unit and, in the case of Marion County, the health and hospital corporation in the year.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to the county under subsection (a) or (b), as appropriate, without regard to this subsection.

STEP FIVE: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the STEP FOUR result.

(d) Before distributing the amounts under subsections (a) and (b), the auditor of state shall deduct

for a school corporation an amount for deposit in a state fund, as directed by the budget agency, equal to the result determined under STEP FIVE of the following formula:

STEP ONE: Separately for 2006, 2007, and 2008, determine the result of:

(A) the tax rate imposed by the school corporation in the year for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund; divided by

(B) the aggregate tax rate imposed by the school corporation in the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of commercial vehicle excise tax that would otherwise be distributed to the school corporation under subsection (a) or (b), as appropriate, without regard to this subsection.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(e) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed **(subject to adjustment as provided in IC 36-8-19-7.5 after December 31, 2009).**

(f) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(g) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

SECTION 217. IC 6-6-6.5-21, AS AMENDED BY P.L.146-2008, SECTION 355, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. The department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by ~~him~~ **the treasurer** under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the

county in the manner prescribed in subsection (d).

(d) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. Subject to this subsection, the money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed **(subject to adjustment as provided in IC 36-8-19-7.5).** For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county. If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by ~~him.~~ **the treasurer.**

SECTION 218. IC 6-6-6.5-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 23. **(a)** The department ~~may~~ **shall** require the owner of an airport or any person or persons leasing or subleasing space from an airport owner for the purpose of storing, renting, or selling aircraft to submit reports to the department listing the aircraft based at that airport. The reports shall identify the aircraft by Federal Aviation Administration number.

(b) An airport owner or any other person required to submit a report under subsection (a) is subject to a civil penalty of one hundred dollars ($100) for each aircraft that should have been and was not properly included on the report.

SECTION 219. IC 6-6-9.7-7, AS AMENDED BY P.L.214-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) The city-county council of a county that contains a consolidated city may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles and trucks in the county for periods of less than thirty (30) days. The ordinance must specify that the tax expires December 31, 2027.

(b) Except as provided in subsection (c), the county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle or truck equals two percent (2%) of the gross retail income received by the retail merchant for the rental.

(c) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax imposed under subsection (a) from two percent (2%) to four percent (4%). The ordinance must specify that:

(1) if on December 31, 2027, there are obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the original two percent (2%) rate imposed under subsection (a) continues to be levied after its original expiration date set forth in subsection (a) and through December 31, 2040; and

(2) the additional rate authorized under this subsection expires on:

(A) January 1, 2041;

(B) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26; or

(C) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

(d) The amount collected from that portion of county supplemental auto rental excise tax imposed under:

(1) subsection (b) and collected after December 31, 2027; and

(2) under subsection (c);

shall, in the manner provided by section 11 of this chapter, be distributed to the capital improvement board of managers operating in a consolidated city or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) Before September 1, 2009, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the tax rate imposed under subsection (a) by two percent (2%). The amount collected from an increase adopted under this subsection shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16.

~~(e)~~ **(f)** If a city-county council adopts an ordinance under subsection (a), ~~or~~ (c), **or (e),** the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

~~(f)~~ **(g)** If a city-county council adopts an ordinance under subsection (a), ~~or~~ (c), ~~prior to June 1,~~ **or (e) on or before the fifteenth day of a month,** the county supplemental auto rental excise tax applies to auto rentals after ~~June 30 of the year~~ **the last day of the month** in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a), ~~or~~ (c), ~~on~~ or **(e)** after ~~June 1,~~ **the fifteenth day of a month,** the county supplemental auto rental excise tax applies to auto rentals after the last day of the month **following the month** in which the ordinance is adopted.

SECTION 220. IC 6-6-11-31, AS AMENDED BY P.L.146-2008, SECTION 357, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. The excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing districts of the county based on the tax situs of each boat. Subject to this subsection, the money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed **(subject to adjustment as provided in IC 36-8-19-7.5).** For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services

fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county. If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

SECTION 221. IC 6-7-1-28.1, AS AMENDED BY P.L.3-2008, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) Four and twenty-two hundredths percent (4.22%) of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) Six-tenths percent (0.6%) of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) Fifty-three and sixty-eight hundredths percent (53.68%) of the money shall be deposited in the state general fund.

(4) Five and forty-three hundredths percent (5.43%) of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) Twenty-seven and five hundredths percent (27.05%) of the money shall be deposited in the Indiana check-up plan trust fund established by IC 12-15-44.2-17.

(6) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) ~~Four and one-tenth~~ **Six and fifty-six hundredths** percent ~~(4.1%)~~ **(6.56%)** of the money shall be deposited in the ~~state general fund for the purpose of paying any appropriation for a health~~

~~initiative.~~ **state retiree health benefit trust fund established by IC 5-10-8-8.5.**

~~(8) Two and forty-six hundredths percent (2.46%) of the money shall be deposited in the state general fund for the purpose of reimbursing the state general fund for a tax credit provided under IC 6-3.1-31.~~

The money in the cigarette tax fund, the mental health centers fund, the Indiana check-up plan trust fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that difference. Money deposited under subdivisions (6) through ~~(8)~~ **(7)** may not be used for any purpose other than the purpose stated in the subdivision.

SECTION 222. IC 6-8.1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. The department has the sole authority to furnish forms used in the administration and collection of the listed taxes, **including reporting of information in an electronic format.**

SECTION 223. IC 6-8.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) The department may audit any returns filed in respect to the listed taxes, may appraise property if the property's value relates to the administration or enforcement of the listed taxes, may audit gasoline distributors for financial responsibility, and may investigate any matters relating to the listed taxes.

(b) The department may audit any returns with respect to the listed taxes using statistical sampling. If the taxpayer and the department agree to a sampling method to be used, the sampling method is binding on the taxpayer and the department in determining the total amount of additional tax due or amounts to be refunded.

~~(b)~~ **(c)** For purposes of conducting its audit or investigative functions, the department may:

(1) subpoena the production of evidence;

(2) subpoena witnesses; and

(3) question witnesses under oath.

The department may serve its subpoenas, or it may order the sheriff of the county in which the witness or evidence is located to serve the subpoenas.

~~(c)~~ **(d)** The department may enforce its audit and investigatory powers by petitioning for a court order in any court of competent jurisdiction located in the county where the tax is due or in the county in which the evidence or witness is located. If the evidence or witness is not located in Indiana or if the department does not know the location of the evidence or witness, the department may file the petition in a court of competent jurisdiction in Marion County. The petition to the court must state the evidence or testimony subpoenaed and must allege that the subpoena was served but that the person did not comply with the terms of that subpoena.

~~(d)~~ **(e)** Upon receiving a proper petition under subsection ~~(c),~~ **(d),** the court shall promptly issue an order which:

(1) sets a hearing on the petition on a date not more than ten (10) days after the date of the order; and

(2) orders the person to appear at the hearing prepared to produce the subpoenaed evidence and give the subpoenaed testimony.

If the defendant is unable to show good cause for not producing the evidence or giving the testimony, the court shall order the defendant to comply with the subpoena.

~~(e)~~ **(f)** If the defendant fails to obey the court order, the court may punish the defendant for contempt.

~~(f)~~ **(g)** Officers serving subpoenas or court orders and witnesses appearing in court are entitled to

the normal compensation provided by law in civil cases. The department shall pay the compensation costs from the money appropriated for the administration of the listed taxes.

~~(g)~~ **(h)** County treasurers investigating tax matters under IC 6-9 have:

(1) concurrent jurisdiction with the department;

(2) the audit, investigatory, appraisal, and enforcement powers described in this section; and

(3) authority to recover court costs, fees, and other expenses related to an audit, investigatory, appraisal, or enforcement action under this section.

SECTION 224. IC 6-8.1-3-16, AS AMENDED BY P.L.177-2005, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 16. (a) The department shall prepare a list of all outstanding tax warrants for listed taxes each month. The list shall identify each taxpayer liable for a warrant by name, address, amount of tax, and either Social Security number or employer identification number. Unless the department renews the warrant, the department shall exclude from the list a warrant issued more than ten (10) years before the date of the list. The department shall certify a copy of the list to the bureau of motor vehicles.

(b) The department shall prescribe and furnish tax release forms for use by tax collecting officials. A tax collecting official who collects taxes in satisfaction of an outstanding warrant shall issue to the taxpayers named on the warrant a tax release stating that the tax has been paid. The department may also issue a tax release:

(1) to a taxpayer who has made arrangements satisfactory to the department for the payment of the tax; or

(2) by action of the commissioner under IC 6-8.1-8-2(k).

(c) The department may not issue or renew:

(1) a certificate under IC 6-2.5-8;

(2) a license under IC 6-6-1.1 or IC 6-6-2.5; or

(3) a permit under IC 6-6-4.1;

to a taxpayer whose name appears on the most recent monthly warrant list, unless that taxpayer pays the tax, makes arrangements satisfactory to the department for the payment of the tax, or a release is issued under IC 6-8.1-8-2(k).

(d) The bureau of motor vehicles shall, before issuing the title to a motor vehicle under IC 9-17, determine whether the purchaser's or assignee's name is on the most recent monthly warrant list. If the purchaser's or assignee's name is on the list, the bureau shall enter as a lien on the title the name of the state as the lienholder unless the bureau has received notice from the commissioner under IC 6-8.1-8-2(k). The tax lien on the title:

(1) is subordinate to a perfected security interest (as defined and perfected in accordance with IC 26-1-9.1); and

(2) shall otherwise be treated in the same manner as other title liens.

(e) The commissioner is the custodian of all titles for which the state is the sole lienholder under this section. Upon receipt of the title by the department, the commissioner shall notify the owner of the department's receipt of the title.

(f) The department shall reimburse the bureau of motor vehicles for all costs incurred in carrying out this section.

(g) Notwithstanding IC 6-8.1-8, a person who is authorized to collect taxes, interest, or penalties on behalf of the department under IC 6-3 or IC 6-3.5 may not, except as provided in subsection (h) or (i), receive a fee for collecting the taxes, interest, or penalties if:

(1) the taxpayer pays the taxes, interest, or penalties as consideration for the release of a lien placed under subsection (d) on a motor vehicle title; or

(2) the taxpayer has been denied a certificate or license under subsection (c) within sixty (60) days before the date the taxes, interest, or penalties are collected.

(h) In the case of a sheriff, subsection (g) does not apply if:

(1) the sheriff collects the taxes, interest, or penalties within sixty (60) days after the date the sheriff receives the tax warrant; or

(2) the sheriff collects the taxes, interest, or penalties through the sale or redemption, in a court proceeding, of a motor vehicle that has a lien placed on its title under subsection (d).

(i) In the case of a person other than a sheriff:

(1) subsection (g)(2) does not apply if the person collects the taxes, interests, or penalties within sixty (60) days after the date the commissioner employs the person to make the collection; and

(2) subsection (g)(1) does not apply if the person collects the taxes, interest, or penalties through the sale or redemption, in a court proceeding, of a motor vehicle that has a lien placed on its title under subsection (d).

(j) IC 5-14-3-4, IC 6-8.1-7-1, and any other law exempting information from disclosure by the department ~~does~~ **do** not apply to this subsection. ~~From the list prepared under subsection (a),~~ The department shall ~~compile each month~~ **prepare** a list of ~~the taxpayers subject to tax warrants that:~~

~~(1) were issued at least twenty-four (24) months before the date of the list; and~~

~~(2) are for amounts that exceed one thousand dollars ($1,000).~~

retail merchants whose registered retail merchant certificate has not been renewed under IC 6-2.5-8-1(g) or whose registered retail merchant certificate has been revoked under IC 6-2.5-8-7. The list compiled under this subsection must identify each ~~taxpayer liable for a warrant~~ **retail merchant** by name **(including any name under which the retail merchant is doing business),** address, and ~~amount of tax.~~ **county.** The department shall publish the list compiled under this subsection on ~~accessIndiana~~ **the department's Internet web site** (as operated under IC 4-13.1-2) and make the list available for public inspection and copying under IC 5-14-3. The department or an agent, employee, or officer of the department is immune from liability for the publication of information under this subsection.

~~(k) The department may not publish a list under subsection (j) that identifies a particular taxpayer unless at least two (2) weeks before the publication of the list the department sends notice to the taxpayer stating that the taxpayer:~~

~~(1) is subject to a tax warrant that:~~

~~(A) was issued at least twenty-four (24) months before the date of the notice; and~~

~~(B) is for an amount that exceeds one thousand dollars ($1,000); and~~

~~(2) will be identified on a list to be published on accessIndiana unless a tax release is issued to the taxpayer under subsection (b).~~

~~(l) The department may not publish a list under subsection (j) after June 30, 2006.~~

SECTION 225. IC 6-8.1-5-2, AS AMENDED BY P.L.131-2008, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or ~~any~~ **either** of the following:

(1) The due date of the return. ~~or~~

(2) In the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the return is filed.

(b) If a person files **a utility receipts tax return (IC 6-2.3),** an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8) (repealed), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6), or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

(e) In the case of the excise tax imposed on recreational vehicles and truck campers under IC 6-6-5.1, the tax shall be assessed as provided in IC 6-6-5.1 and must include the penalties and interest due on all listed taxes not paid by the due date. A person who fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.1 is considered to have failed to file a return for purposes of this article. A person who fails to pay the tax due under IC 6-6-5.1 on a truck camper is considered to have failed to file a return for purposes of this article.

(f) If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

(g) If any part of a listed tax has been erroneously refunded by the department, the erroneous refund may be recovered through the assessment procedures established in this chapter. An assessment issued for an erroneous refund must be issued:

(1) within two (2) years after making the refund; or

(2) within five (5) years after making the refund if the refund was induced by fraud or misrepresentation.

~~(g)~~ **(h)** If, before the end of the time within which the department may make an assessment, the department and the person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

(1) the date to which the extension is made; and

(2) a statement that the person agrees to preserve the person's records until the extension terminates.

The department and a person may agree to more than one (1) extension under this subsection.

~~(h)~~ **(i)** If a taxpayer's federal income tax liability for a taxable year is modified due to the assessment of a federal deficiency or the filing of an amended federal income tax return, then the date by which the department must issue a proposed assessment under section 1 of this chapter for tax imposed under IC 6-3 is extended to six (6) months after the date on which the notice of modification is filed with the department by the taxpayer.

SECTION 226. IC 6-8.1-6-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4.5. A taxpayer that is required under IC 6-3-4-1 to file a return ~~may~~ **shall** round to the nearest whole dollar an amount or item reported on the return. The following apply if an amount or item is rounded:

(1) An amount or item of at least fifty cents ($0.50) must be rounded up to the nearest whole dollar.

(2) An amount or item of less than fifty cents ($0.50) must be rounded down to the nearest whole dollar.

SECTION 227. IC 6-8.1-6-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8. (a) Beginning after December 31, 2010, the department in cooperation with the department of local government finance and the budget agency shall provide information annually that:**

(1) identifies the total number of individual taxpayers that live within a particular incorporated city or town;
(2) identifies the total individual adjusted gross income of those taxpayers; and
(3) includes any other information that:
(A) can be abstracted from the taxpayers' individual income tax returns; and
(B) is necessary to obtain information concerning individual income taxation under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7;
as agreed to by the department and the legislative services agency.
(b) As used in this subsection, "authorized agency" refers to the legislative services agency or the budget agency. As used in this subsection, "director" refers to the executive director of the legislative services agency or the director of the budget agency. The department shall provide access to the information described in subsection (a) in electronic format to an authorized agency:
(1) upon receipt of a written request from the director of the authorized agency; and
(2) upon the director's agreement that any information accessed will be kept confidential and used solely for official purposes.

SECTION 228. IC 6-8.1-7-1, AS AMENDED BY P.L.44-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:
(1) members and employees of the department;
(2) the governor;
(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or
(4) any authorized officers of the United States;
when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:
(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and
(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of the division of family resources located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may

be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The information described in subsection (a) may be revealed upon the receipt of a written request from the chief law enforcement officer of a state or local law enforcement agency in Indiana when it is agreed that the information is to be confidential and to be used solely for official purposes.

(h) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(i) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(j) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(l) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(m) All information relating to the delinquency or evasion of the excise taxes imposed on recreational vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.1.

(n) This section does not apply to:

(1) the beer excise tax, **including brand and packaged type** (IC 7.1-4-2);

(2) the liquor excise tax (IC 7.1-4-3);

(3) the wine excise tax (IC 7.1-4-4);

(4) the hard cider excise tax (IC 7.1-4-4.5);

(5) the malt excise tax (IC 7.1-4-5);

(6) the motor vehicle excise tax (IC 6-6-5);

(7) the commercial vehicle excise tax (IC 6-6-5.5); and

(8) the fees under IC 13-23.

(o) The name and business address of retail merchants within each county that sell tobacco products

may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

SECTION 229. IC 6-8.1-8-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 1.7. The department may require a person who is paying the person's outstanding gross retail tax or withholding tax liability using periodic payments to make the periodic payment by electronic funds transfer through an automatic withdrawal from the person's account at a financial institution.**

SECTION 230. IC 6-8.1-9-1, AS AMENDED BY P.L.131-2008, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (f) and (g), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

(1) The due date of the return.

(2) The date of payment.

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

(1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;

(2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or

(3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

(1) the date determined under subsection (a); or

(2) the date that is six (6) months after the date on which the taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(g),~~ **IC 6-8.1-5-2(h),** the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 231. IC 6-8.1-10-2.1, AS AMENDED BY P.L.211-2007, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2.1. (a) If a person:

(1) fails to file a return for any of the listed taxes;

(2) fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment;

(3) incurs, upon examination by the department, a deficiency that is due to negligence;

(4) fails to timely remit any tax held in trust for the state; or

(5) is required to make a payment by electronic funds transfer (as defined in IC 4-8.1-2-7), overnight courier, or personal delivery and the payment is not received by the department by the due date in funds acceptable to the department;

the person is subject to a penalty.

(b) Except as provided in subsection (g), the penalty described in subsection (a) is ten percent (10%) of:

(1) the full amount of the tax due if the person failed to file the return;

(2) the amount of the tax not paid, if the person filed the return but failed to pay the full amount of the tax shown on the return;

(3) the amount of the tax held in trust that is not timely remitted;

(4) the amount of deficiency as finally determined by the department; or

(5) the amount of tax due if a person failed to make payment by electronic funds transfer, overnight courier, or personal delivery by the due date.

(c) For purposes of this section, the filing of a substantially blank or unsigned return does not constitute a return.

(d) If a person subject to the penalty imposed under this section can show that the failure to file a return, pay the full amount of tax shown on the person's return, timely remit tax held in trust, or pay the deficiency determined by the department was due to reasonable cause and not due to willful neglect, the department shall waive the penalty.

(e) A person who wishes to avoid the penalty imposed under this section must make an affirmative showing of all facts alleged as a reasonable cause for the person's failure to file the return, pay the amount of tax shown on the person's return, pay the deficiency, or timely remit tax held in trust, in a written statement containing a declaration that the statement is made under penalty of perjury. The statement must be filed with the return or payment within the time prescribed for protesting departmental assessments. A taxpayer may also avoid the penalty imposed under this section by obtaining a ruling from the department before the end of a particular tax period on the amount of tax due for that tax period.

(f) The department shall adopt rules under IC 4-22-2 to prescribe the circumstances that constitute reasonable cause and negligence for purposes of this section.

(g) A person who fails to file a return for a listed tax that shows no tax liability for a taxable year, other than an information return (as defined in section 6 of this chapter), on or before the due date of the return shall pay a penalty of ten dollars ($10) for each day that the return is past due, up to a maximum of two hundred fifty dollars ($250).

(h) A:

(1) corporation which otherwise qualifies under IC 6-3-2-2.8(2); ~~but;~~

(2) partnership; or

(3) trust;

that fails to withhold and pay any amount of tax required to be withheld under **IC 6-3-4-12,** IC 6-3-4-13, **or IC 6-3-4-15** shall pay a penalty equal to twenty percent (20%) of the amount of tax required to be withheld under **IC 6-3-4-12,** IC 6-3-4-13, **or IC 6-3-4-15.** This penalty shall be in addition to any penalty imposed by section 6 of this chapter.

(i) Subsections (a) through (c) do not apply to a motor carrier fuel tax return.

(j) If a partnership or an S corporation fails to include all nonresidential individual partners or nonresidential individual shareholders in a composite return as required by IC 6-3-4-12(h) or IC 6-3-4-13(j), a penalty of five hundred dollars ($500) per partnership or S corporation is imposed on the partnership or S corporation.

SECTION 232. IC 6-8.1-10-5, AS AMENDED BY P.L.131-2008, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) If a person makes a tax payment with a check, credit card, debit card, or electronic funds transfer, and the department is unable to obtain payment on the check, credit card, debit card, or electronic funds transfer for its full face amount when the check, credit card, debit card, or electronic funds transfer is presented for payment through normal banking channels, a penalty of ten percent (10%) of the unpaid tax or the value of the check, credit card, debit card, or electronic funds transfer, whichever is smaller, is imposed.

(b) When a penalty is imposed under subsection (a), the department shall notify the person by mail that the check, credit card, debit card, or electronic funds transfer was not honored and that the person has ten (10) days after the date the notice is mailed to pay the tax and the penalty either in cash, by certified check, or other guaranteed payment. If the person fails to make the payment within the ten (10) day period, the penalty is increased to one hundred percent (100%) multiplied by the value of the check, credit card, debit card, or electronic funds transfer, or the unpaid tax, whichever is smaller.

(c) If a person has been assessed a penalty under subsection (a) more than one (1) time, the department may require all future payments for all listed taxes to be remitted with guaranteed funds.

~~(c)~~ **(d)** If the person subject to the penalty under this section can show that there is reasonable cause for the check, credit card, debit card, or electronic funds transfer not being honored, the department may waive the penalty imposed under this section.

SECTION 233. IC 6-9-8-3, AS AMENDED BY P.L.214-2005, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The tax imposed by section 2 of this chapter shall be at the rate of:

(1) before January 1, 2028, five percent (5%) on the gross income derived from lodging income only, plus an additional one percent (1%) if the fiscal body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d);

(2) after December 31, 2027, and before January 1, 2041, five percent (5%), plus an additional one percent (1%) if the fiscal body adopts an ordinance under subsection (b), plus an additional three percent (3%) if the fiscal body adopts an ordinance under subsection (d); and

(3) after December 31, 2040, five percent (5%).

(b) In any year subsequent to the initial year in which a tax is imposed under section 2 of this chapter, the fiscal body may, by ordinance adopted by at least two-thirds (2/3) of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter from five percent (5%) to six percent (6%). The ordinance must specify that the increase in the tax authorized under this subsection expires January 1, 2028.

(c) The amount collected from an increase adopted under subsection (b) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3. The board shall deposit the

revenues received under this subsection in a special fund. Money in the special fund may be used only for the payment of obligations incurred to expand a convention center, including:

(1) principal and interest on bonds issued to finance or refinance the expansion of a convention center; and

(2) lease agreements entered into to expand a convention center.

(d) On or before June 30, 2005, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter by an additional three percent (3%) to a total rate of eight percent (8%) (or nine percent (9%) if the fiscal body has adopted an ordinance under subsection (b) and that rate remains in effect). The ordinance must specify that the increase in the tax authorized under this subsection expires on:

(1) January 1, 2041;

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the authority created by IC 5-1-17 or to any state agency under IC 5-1-17-26; or

(3) October 1, 2005, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under a lease or a sublease of an existing capital improvement entered into under IC 5-1-17, unless waived by the budget director.

If the fiscal body adopts an ordinance under this subsection, it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue, and the increase in the tax imposed under this chapter applies to transactions that occur after June 30, 2005.

(e) Before September 1, 2009, the fiscal body may, by ordinance adopted by a majority of the members elected to the fiscal body, increase the tax rate under this chapter by one percent (1%). If the fiscal body adopts an ordinance under this subsection:

(1) it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue; and

(2) the tax applies to transactions after the last day of the month in which the ordinance is adopted, if the city-county council adopts the ordinance on or before the fifteenth day of a month. If the city-county council adopts the ordinance after the fifteenth day of a month, the tax applies to transactions after the last day of the month following the month in which the ordinance is adopted.

The increase in the tax imposed under this subsection continues in effect unless the increase is rescinded.

~~(e)~~ **(f)** The amount collected from an increase adopted under:

(1) subsection (b) and collected after December 31, 2027; and

(2) subsection (d);

shall be transferred to the capital improvement board of managers established by IC 36-10-9-3 or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency pursuant to IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(g) The amount collected from an increase adopted under subsection (e) shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16.

SECTION 234. IC 6-9-13-2, AS AMENDED BY P.L.214-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Except as provided in subsection (b),

the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from five percent (5%) to six percent (6%) of the price for admission to any event described in section 1 of this chapter.

(c) Before September 1, 2009, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax rate by four percent (4%) of the price for admission to any event described in section 1 of this chapter. If the city-county council adopts an ordinance under this subsection:

(1) the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue; and

(2) the tax applies to transactions after the last day of the month in which the ordinance is adopted, if the city-county council adopts the ordinance on or before the fifteenth day of a month. If the city-county council adopts the ordinance after the fifteenth day of a month, the tax applies to transactions after the last day of the month following the month in which the ordinance is adopted.

The increase in the tax imposed under this subsection continues in effect unless the increase is rescinded.

~~(c)~~ **(d)** The amount collected from that portion of the county admissions tax imposed under:

(1) subsection (a) and collected after December 31, 2027; and

(2) subsection (b);

shall be distributed to the capital improvement board of managers or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county admissions tax imposed under subsection (b) in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) The amount collected from an increase adopted under subsection (c) shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16.

SECTION 235. IC 6-9-42 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 42. Youth Sports Complex Admissions Tax

Sec. 1. As used in this chapter, "complex" refers to a youth sports complex that:

(1) has:

(A) a multipurpose outdoor stadium with at least four thousand (4,000) seats;

(B) indoor sports facilities; and

(C) fields for baseball, soccer, softball, and lacrosse; and

(2) is located in a geographic area that has been annexed by the city before the adoption of an ordinance under section 2 of this chapter.

Sec. 2. (a) Except as provided in subsection (b), after June 30 of a year but before January 1 of the following year, a city fiscal body may adopt an ordinance to impose an excise tax, known as the youth sports complex admissions tax, for the privilege of attending an event at a complex.

(b) The admissions tax does not apply to the following:

(1) An event sponsored by an educational institution or an association representing an educational institution.

(2) An event sponsored by a religious organization.

(3) An event sponsored by a political organization.
(4) An event for which tickets are sold on a per vehicle or similar basis and not on a per person basis.
(c) If the fiscal body adopts an ordinance under subsection (a), the admissions tax applies to an event ticket purchased after:
(1) December 31 of the calendar year in which the ordinance is adopted; or
(2) a later date that is set forth in the ordinance.
(d) The tax terminates and may not be collected for events that occur after the city has satisfied any outstanding obligations described in section 7(d)(3) of this chapter.
Sec. 3. (a) As used in this section, "paid admission" refers to the price paid by each person who pays a price for admission to any event described in section 2(a) of this chapter. The term does not refer to persons who are entitled to be at an event without having paid a price for admission.
(b) The admission tax equals five percent (5%) of each paid admission to an event at the complex.
Sec. 4. If the city fiscal body adopts an ordinance under section 2 of this chapter, it shall immediately send a certified copy of the ordinance to the city fiscal officer.
Sec. 5. (a) Each person who pays a price for admission to an event described in section 2(a) of this chapter is liable for the tax imposed under this chapter.
(b) The person who collects the price for admission to the complex shall also collect the admissions tax at the same time the price for admission is paid. In addition, the person shall collect the tax as an agent of the city in which the complex is located.
Sec. 6. A person who collects the admissions tax under section 5 of this chapter shall remit the tax collections to the city fiscal officer. The person shall remit the revenues collected during a particular month before the twentieth day of the following month. At the time the tax revenues are remitted, the person shall file an admissions tax return on the form prescribed by the city fiscal body.
Sec. 7. (a) If a tax is imposed under this chapter, the city fiscal body shall establish a city admissions tax fund.
(b) The city fiscal officer shall deposit money received under section 6 of this chapter in the city admissions tax fund.
(c) Money earned from the investment of money in the city admissions tax fund becomes a part of the fund.
(d) Money in the city admissions tax fund may be used by the city only for the following:
(1) Costs to finance, construct, reconstruct, or improve:
(A) public thoroughfares or highways to improve ingress or egress to and from the complex;
(B) infrastructure, including water and wastewater improvements, serving the complex;
(C) the total cost of all land, rights-of-way, and other property to be acquired by the city for the complex; and
(D) site preparation, drainage, landscaping, and lighting.
(2) All reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and development of the property or the issuance of bonds.
(3) Payment of principal and interest on bonds issued, or lease rentals on leases entered into, by the city to finance the construction, reconstruction, or improvement identified under this subsection. Costs payable under this section include costs of capitalized interest and legal, accounting, and other costs incurred in the issuance of any bonds or the entering

into of any leases.

(4) Payment of any access or connection fee imposed on the complex for access to the city's public sewer system, as long as the fee applies to all property owners served and is uniformly assessed within the city's corporate boundaries.

Sec. 8. (a) The city may:

(1) use revenues from the tax collected under this chapter to pay all or part of the costs associated with the improvements described in section 7(d) of this chapter;

(2) issue bonds, enter into leases, or incur other obligations to pay any costs associated with the improvements described in section 7(d) of this chapter;

(3) reimburse itself or any nonprofit corporation for any money advanced to pay those costs; or

(4) refund bonds issued or other obligations incurred under this chapter.

(b) Bonds or other obligations issued under this section:

(1) are payable from revenues under this chapter, any other revenues available to the city, or any combination of these sources, in accordance with a pledge made under IC 5-1-14-4;

(2) must be issued in the manner prescribed by IC 36-4-6-19 through IC 36-4-6-20;

(3) may, in the discretion of the city, be sold at a negotiated sale at a price to be determined by the city or in accordance with IC 5-1-11 and IC 5-3-1; and

(4) may be issued for a term not to exceed twenty-five (25) years, the term to apply to any refunding bonds issued to refund bonds originally issued under this section.

(c) Leases entered into under this section:

(1) may be for a term not to exceed twenty-five (25) years;

(2) may provide for payments from revenues under this chapter, any other revenues available to the city, or any combination of these sources;

(3) may provide that payments by the city to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(4) must be based upon the value of the facilities leased; and

(5) may not create a debt of the city for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the city only after a public hearing with notice given in accordance with IC 5-3-1 at which all interested parties are provided the opportunity to be heard. After the public hearing, the executive may approve the execution of the lease on behalf of the city only if the executive finds that the service to be provided throughout the life of the lease will serve the public purpose of the city and is in the best interests of its residents. A lease approved by the executive must also be approved by an ordinance of the city fiscal body.

(e) Upon execution of a lease under this section, and after approval of the lease by the city fiscal body, the executive shall publish notice of the execution of the lease and the approval of the lease in accordance with IC 5-3-1.

(f) An action to contest the validity of bonds issued or leases entered into under this section must be brought within thirty (30) days after the adoption of a bond ordinance or notice of the execution and approval of the lease, as applicable.

Sec. 9. The accounts, books, and records of the complex are subject to an annual financial and compliance audit by the state board of accounts.

Sec. 10. With respect to:

(1) bonds, leases, or other obligations to which the city has pledged revenues under this chapter; and

(2) bonds issued by a lessor that are payable from lease rentals;

the general assembly covenants with the city and the purchasers or owners of the bonds or other

obligations described in this section that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter or the money deposited in the city admissions tax fund, as long as the principal of or interest on any bonds, or the lease rentals due under any lease, are unpaid.

SECTION 236. IC 8-16-3.1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 0.5. The definitions set forth in IC 8-16-3-1.5 apply throughout this chapter.**

SECTION 237. IC 8-16-3.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The executive of any eligible county may provide a major bridge fund in compliance with IC 6-1.1-41 to make available funding for **the following purposes:**

(1) The construction of major bridges.

(2) In Allen County, the construction, maintenance, and repair of bridges, approaches, and grade separations with respect to structures other than major bridges.

(b) The executive of any eligible county may levy a tax in compliance with IC 6-1.1-41 not to exceed three and thirty-three hundredths cents ($0.0333) on each one hundred dollars ($100) assessed valuation of all taxable personal and real property within the county to provide for the major bridge fund.

(c) The general assembly finds the following:

(1) Allen County eliminated its levy for a cumulative bridge fund to use its levy authority to fund a juvenile center.

(2) Allen County has more bridges than any other county in Indiana, outside of Marion County: Marion County has five hundred twenty-two (522), Allen County has three hundred fifty-one (351), and Hamilton County has two hundred seventy-seven (277).

(3) Allen County has the largest land area of any county in Indiana.

(4) Allen County is the third largest populated county in Indiana.

(5) Allen County has a heavy manufacturing and industrial base, increasing traffic and wear and tear on streets, roads, and bridges.

(6) Allen County has large temperature fluctuations, leading to increased maintenance costs.

(7) Allen County has three (3) major rivers that come together in the heart of Fort Wayne, which means more bridges are needed in the area due to the infrastructure that accommodates Fort Wayne, the second largest city in Indiana.

(8) Allen County dissolved its cumulative bridge fund in 2002 to provide room in the levy for judicial mandates to build two (2) detention facilities, as the former jail was overcrowded due to the large population.

(9) Allen County has a major bridge fund that is provided to maintain major bridges, but can be used to fund smaller bridges and will not harm the ability of Allen County to pay for obligations caused by judicial mandates.

(10) Expansion of the purposes for Allen County's major bridge fund may be used in Allen County to meet the critical needs in Allen County for the maintenance of bridges other than major bridges in the unincorporated areas of the county.

(d) Because of the findings set forth in subsection (c), beginning after June 30, 2009, in Allen County, the county executive is responsible for providing funds for all bridges within the county, including those in municipalities, except bridges on the state highway system.

SECTION 238. IC 8-16-3.1-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 5. An appropriation from the major bridge fund in Allen County may be made without the approval of the department of local government finance if:**

(1) the county executive adopts a resolution finding that the county does not need to continue accumulating money in the fund for the construction of a major bridge;

(2) the county executive requests the appropriation; and

(3) the appropriation is for the purpose of constructing, maintaining, or repairing bridges, approaches, or grade separations with respect to structures other than major bridges.

SECTION 239. IC 8-16-17 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 17. Ohio River Bridges Project Commission

Sec. 1. As used in this chapter, "commission" refers to the Ohio River bridges project commission established by section 3 of this chapter.

Sec. 2. As used in this chapter, "project" refers to an Ohio River bridges project.

Sec. 3. The Ohio River bridges project commission is established.

Sec. 4. (a) The commission shall work with lawfully authorized representatives of the Commonwealth of Kentucky to prepare a proposed agreement between Indiana and Kentucky to govern the financing, construction, and maintenance of Ohio River bridges projects.

(b) The commission shall submit any proposed agreement prepared under this section to the governor for the governor's approval. If a proposed agreement is approved by the governor, the commission shall submit the proposed agreement to the general assembly for introduction in the first session of the general assembly beginning after the date of the governor's approval.

Sec. 5. The commission consists of five (5) voting members appointed as follows:

(1) The chairperson of the house standing committee having primary responsibility for transportation matters, as determined by the speaker of the house, serving ex officio.

(2) The chairperson of the senate standing committee having primary responsibility for transportation matters, as determined by the president pro tempore of the senate, serving ex officio.

(3) The commissioner of the Indiana department of transportation serving ex officio or the commissioner's designee. A designee of the commissioner serves at the pleasure of the commissioner.

(4) The chairman of the Indiana finance authority serving ex officio or the chairperson's designee. A designee of the chairperson serves at the pleasure of the chairperson.

(5) An Indiana resident jointly appointed by the governor, the speaker of the house of representatives, and the president pro tempore of the senate.

Sec. 6. The members of the commission shall elect one (1) member of the commission to be the commission's chairperson and other officers as the members may determine.

Sec. 7. (a) The commission may meet at any time during the calendar year.

(b) The commission shall meet at the call of the chairperson.

Sec. 8. Except as provided in section 7(a) of this chapter, the commission shall operate under the policies governing study committees that are adopted by the legislative council. The commission shall file an annual report with the legislative council in an electronic format under IC 5-14-6 by November 1 of each year.

Sec. 9. (a) Three (3) members of the commission constitute a quorum.

(b) The affirmative votes of a majority of the voting members appointed to the commission are required for the commission to take action on any measure, including final reports.

Sec. 10. The legislative services agency shall provide staff support for the commission.

Sec. 11. (a) Subject to subsection (b), each member of the commission appointed under this chapter is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on legislative study committees established by the legislative council.

(b) This subsection applies to a member of the commission who is not a member of the general assembly. A member of the commission may not receive a per diem, mileage, or travel allowance under subsection (a) if the member also receives a per diem, mileage, or travel allowance from the authority or governmental entity that employs the member.

Sec. 12. This chapter expires December 31, 2019.

SECTION 240. IC 9-13-2-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 201. "Yard tractor" refers to a tractor that is used to move semitrailers around a terminal or a loading or spotting facility. The term also refers to a tractor that is operated on a highway with a permit issued under ~~IC 6-6-4.1-13(c)~~ **IC 6-6-4.1-13(f)** if the tractor is ordinarily used to move semitrailers around a terminal or spotting facility.

SECTION 241. IC 9-18-32-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The bureau shall design and manufacture yard tractor repair, maintenance, and relocation permit license plates as needed to administer this chapter.

(b) The license plate designed and manufactured under this section must:

(1) be designed for display on a yard tractor;

(2) be designed to be transferable between yard tractors operated by the carrier; and

(3) designate the yard tractor as a yard tractor permitted to operate on a public highway under ~~IC 6-6-4.1-13(c).~~ **IC 6-6-4.1-13(f).**

SECTION 242. IC 9-20-6-2, AS AMENDED BY P.L.3-2008, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The Indiana department of transportation or local authority that:

(1) has jurisdiction over a highway or street; and

(2) is responsible for the repair and maintenance of the highway or street;

may, upon proper application in writing and upon good cause shown, grant a permit for transporting heavy vehicles and loads or other objects not conforming to this article, including a vehicle transporting an ocean going container, if the department or authority finds that other traffic will not be seriously affected and the highway or bridge will not be seriously damaged.

(b) The permit granted under subsection (a) must authorize the operation of a tractor-semitrailer and load that:

(1) exceeds the maximum length limitation under this chapter; and

(2) is subject to regulation under this chapter;

from one-half (1/2) hour before sunrise to one-half (1/2) hour after sunset.

(c) A permit may be issued under this section for the following:

(1) A single trip.

(2) A definite time not exceeding thirty (30) days.

(3) A ninety (90) day period.

(4) A one (1) year period.

(d) This subsection applies to the transportation of ocean going containers that:

(1) have been sealed at the place of origin and have not been opened except by an agent of the federal government that may inspect the contents; **and**

~~(2) originated outside the United States; and~~

~~(3)~~ **(2)** are being transported to or from a distribution facility.

The total gross weight, with load of a vehicle or combination of vehicles transporting an ocean going container may not exceed ~~ninety~~ **ninety-five** thousand ~~(90,000)~~ **(95,000)** pounds. A permit issued under this section must be issued on an annual basis. A permit issued under this subsection may not impose a limit on the number of movements generated by the applicant or operator of a vehicle granted a permit under this subsection.

SECTION 243. IC 12-8-1-10, AS AMENDED BY P.L.113-2008, SECTION 2, IS AMENDED TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 244. IC 12-8-2-12, AS AMENDED BY P.L.113-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 245. IC 12-8-6-10, AS AMENDED BY P.L.113-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 246. IC 12-8-8-8, AS AMENDED BY P.L.113-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. This chapter expires ~~January 1, 2010.~~ **June 30, 2011.**

SECTION 247. IC 12-12-8-6, AS AMENDED BY P.L.141-2006, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) There is established a statewide independent living council. The council is not a part of a state agency.

(b) The council consists of at least twenty (20) members appointed by the governor, including the following:

(1) ~~Each~~ **At least one (1)** director of a center for independent living located in Indiana **chosen by the directors of the centers for independent living located in Indiana.**

(2) Nonvoting members from state agencies that provide services for individuals with disabilities.

(3) Other members, who may include the following:

(A) Representatives of centers for independent living.

(B) Parents and guardians of individuals with disabilities.

(C) Advocates for individuals with disabilities.

(D) Representatives from private business.

(E) Representatives of organizations that provide services for individuals with disabilities.

(F) Other appropriate individuals.

(c) The members appointed under subsection (b) must:

(1) provide statewide representation;

(2) represent a broad range of individuals with disabilities from diverse backgrounds;

(3) be knowledgeable about centers for independent living and independent living services; and

(4) include a majority of members who:

(A) are individuals with disabilities; and

(B) are not employed by a state agency or a center for independent living.

SECTION 248. IC 13-21-3-16, AS AMENDED BY P.L.189-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) The requirements of this section:

(1) are in addition to the requirements set forth in IC 6-1.1-18.5-7(b); and

(2) do not apply to a district that:

(A) owns a landfill;

(B) will use property tax revenue to:

(i) construct a new landfill cell; or

(ii) close a landfill cell;

at the landfill; and

(C) has received approval from the county fiscal body of the county in which the landfill is located to construct or close the landfill cell.

(b) ~~To be eligible to include within the district's budget for the following year tax revenue derived from the imposition of a property tax,~~ **For** the first year that a property tax will be imposed ~~and any subsequent year in which the proposed tax levy will increase by five percent (5%) or more, a~~ **by a**

district, the district's board must **in the previous year** present identical resolutions to each of the county fiscal bodies within the district seeking approval for the use of property tax revenue within the district. The resolution must state the proposed property tax levy and the proposed use of the revenue. The resolution:

(1) may not be presented under this subsection before the board complies with subsection (h);

(2) must **be approved by a majority vote of all members of the board; and**

(3) must be stated so that:

~~(1)~~ **(A)** a "yes" vote indicates approval of the levy and the proposed use of property tax revenue within the district; and

~~(2)~~ **(B)** a "no" vote indicates disapproval of the levy and the proposed use of property tax revenue within the district.

(c) The following apply for the second and subsequent years in which a district will impose a property tax levy:

(1) The district's proposed property tax levy and proposed budget must be approved by a majority vote of all members of the board.

(2) The district's proposed property tax levy and proposed budget are subject to review and approval under IC 6-1.1-17-20 or IC 36-3-6-9 (as applicable) if required by those statutes.

~~(c)~~ **(d)** For a resolution described in subsection (b) to be approved by the county fiscal body:

(1) the county fiscal body must record the vote taken on the resolution under subsection (b) before ~~May~~ **August** 1 of the year in which the vote was taken; and

(2) the recorded vote must indicate approval of the use of property tax revenue within the district.

~~(d)~~ **(e)** If all of the county fiscal bodies within a district do not record the approval described in subsection ~~(c)~~ **(d)** before ~~May~~ **August** 1 of the year in which the vote under subsection (b) was taken, the board may not:

(1) impose; or

(2) include within the budget of the board;

a property tax for the year following the year in which the vote was taken.

~~(e) Notwithstanding subsection (d), after the first year a tax is imposed under this section, the resolution required by subsection (b) for a district that is located in more than two (2) counties need only be approved by a majority of the county fiscal bodies for the counties in which the district is located.~~

(f) A district may not issue bonds to be repaid, directly or indirectly, with money or property tax revenue of the district until a majority of the members of each of the county fiscal bodies within a district passes a resolution approving the bond issue.

(g) Subsection (c) applies regardless of whether property taxes are imposed in the district under this chapter in the immediately preceding calendar year.

(h) Subject to subsection (i), a board may present a resolution under subsection (b) or approve the district's proposed property tax levy and proposed budget under subsection (c) only after public notice and a public hearing before the board at which:

(1) all persons using facilities, owning property, or generating solid waste within the district who are benefited by solid waste management; and

(2) other interested persons;

have an opportunity to be heard concerning the proposed property taxes.

(i) A board that proposes to impose:

(1) property taxes under this section; and

(2) solid waste management fees under IC 13-21-14-1;

for a calendar year shall consolidate the public hearing required by subsection (h) with the

public hearing required by IC 13-21-14-5.

(j) If a district will impose property taxes in the following year but:

(1) the district is not required to adopt a resolution under subsection (b) and present the resolution to the county fiscal body for approval; and

(2) the district is not required by IC 6-1.1-17-20 or IC 36-3-6-9 (as applicable) to have the district's proposed budget and proposed property levy reviewed and approved by the county fiscal body;

the district's proposed budget and property tax levy for the following year are subject to review and a nonbinding recommendation by the county fiscal body under IC 6-1.1-17-3.5.

SECTION 249. IC 13-21-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. **(a)** Before the board of a district may adopt an annual budget, the budget must be:

(1) approved by the department of local government finance; and

(2) sent to:

(A) the executive; and

(B) the fiscal body;

of each county and municipality located within the district as a matter of record.

(b) The district's annual budget must be approved by a majority vote of all members of the board.

SECTION 250. IC 13-21-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) If a county withdraws from or the county executives of a joint district remove a county from a joint district, the county must:

(1) designate itself as a new county district;

(2) join one (1) or more other counties to form a new joint district; or

(3) join an existing joint district;

under the procedures set forth in IC 13-21-3.

(b) If a county:

(1) designates itself as a new county district; or

(2) joins one (1) or more other counties to form a new joint district;

the county district or new joint district shall, **after a public hearing,** submit a district plan to the commissioner as provided under IC 13-21-5. **If the new county district or new joint district will impose property taxes in the year after designating itself as a new county district or forming the new joint district, each of the county fiscal bodies within the new county district or new joint district must approve the use of property taxes by the district under the procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

(c) If a county joins an existing joint district, the joint district shall, **after a public hearing,** amend the joint district's district plan as provided under IC 13-21-5. **If the joint district will impose property taxes in the year after a county joins the joint district, each of the county fiscal bodies within the joint district must approve the use of property taxes under the procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

(d) If a county withdraws or is removed from a joint district that consists of more than two (2) counties, the joint district shall, **after a public hearing,** amend the joint district's district plan as provided under IC 13-21-5. **If the joint district will impose property taxes in the year after a county withdraws or is removed from the joint district, each of the county fiscal bodies within the joint district must approve the use of property taxes under the procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

(e) The following apply if a joint district is dissolved or if all but one (1) of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district:

(1) The county executive of each county that was participating in the joint district must:
(A) designate itself as a new county district;
(B) join one (1) or more other counties to form a new joint district; or
(C) join an existing joint district;
as provided in this section.
(2) In the case where all but one (1) of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district, the county that did not withdraw or was not removed from the joint district must still comply with the requirements of subdivision (1).
(3) The following apply if the county that did not withdraw or was not removed from the joint district does not join one (1) or more other counties to form a new joint district or does not join an existing joint district:
(A) The county must designate itself as a new county district and shall be treated for purposes of this article as a new county district.
(B) The district must, after a public hearing, adopt and submit to the commissioner for approval a new district solid waste management plan that meets the requirements of IC 13-21-5 and the criteria and other elements set forth in the state plan. The district must follow the procedures of IC 13-21-5 in creating and submitting the district's new solid waste management plan.
(C) The district must, after a public hearing, adopt a new budget for the district.
(D) If the district will impose property taxes in the following year, the county fiscal body must approve the use of property taxes under the procedures specified in IC 13-21-3-16.
(E) The board of the district shall appoint and convene a new solid waste management advisory committee of citizens under IC 13-21-3-11.
(f) This subsection applies to a joint district if all but one (1) of the counties participating in the joint district withdrew from the joint district and the last county to withdraw did so effective after December 1, 2006, and before January 1, 2009. If the county that did not withdraw from the district did not designate itself as a new county district, join one (1) or more other counties to form a new joint district, or join an existing joint district, the county shall take one (1) of these actions before January 1, 2010. If the county that did not withdraw from the district designates itself as a new county district, the following apply:
(1) The county shall be treated for purposes of this article as a new county district.
(2) The district shall after a public hearing adopt and submit to the commissioner for approval a new district solid waste management plan that meets the requirements of IC 13-21-5 and the criteria and other elements set forth in the state plan. The district shall comply with IC 13-21-5 in creating and submitting the district's new solid waste management plan.
(3) The district must, after a public hearing, adopt a new budget for the district.
(4) If the district will impose property taxes in the following year, the county fiscal body shall approve the use of property taxes under IC 13-21-3-16.
(5) The board of the district shall appoint and convene a new solid waste management advisory committee of citizens under IC 13-21-3-11.
SECTION 251. IC 13-21-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A board:
(1) may; and
(2) if necessary to pay principal or interest on any bonds issued under this article or IC 13-9.5-9 (repealed), shall;
establish solid waste management fees in addition to fees imposed under IC 13-21-13 or IC 13-9.5-7

(before its repeal) that apply to all persons owning real property or generating solid waste within the district who are benefited by solid waste management, solid waste collection, a facility for solid waste disposal, or a facility for solid waste processing.

(b) ~~The~~ **Subject to subsections (c) and (d), a** board ~~may change and readjust~~ **that proposes to impose** fees ~~as necessary.~~ **in the district under this section in a calendar year after 2009 must in the immediately preceding calendar year approve the imposition of the fees by adoption of a resolution by a majority vote of all members of the board.**

(c) Subsection (b) applies regardless of whether fees are imposed in the district under this chapter in the immediately preceding calendar year referred to in subsection (b).

(d) A board may not adopt a resolution under subsection (b) before a public hearing is held under section 5 of this chapter.

SECTION 252. IC 13-21-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) **Subject to subsection (g),** fees shall be established only after public notice and a public hearing before the board at which:

(1) all persons using facilities, owning property, or generating solid waste within the district who are benefited by solid waste management; and

(2) other interested persons;

have an opportunity to be heard concerning the proposed fees.

(b) After introduction of a resolution fixing fees and before the resolution is adopted, public notice of the hearing, setting forth the schedule of fees, shall be given. The hearing may be adjourned as necessary.

(c) After the hearing the resolution establishing fees, either as originally introduced or as amended, shall be passed and put into effect.

(d) A copy of the schedule of fees established shall be kept:

(1) on file in the office of the board or the controller, secretary, or other record keeping officer of the district; and

(2) open to inspection by all interested persons.

(e) The fees established extend to cover any additional territory later served that falls within the same class without the necessity of a hearing or notice.

(f) **During a calendar year,** a **board may** change or ~~readjustment of~~ **readjust** fees ~~may be made~~ **first due and payable in that calendar year** in the same manner as the fees were originally established.

(g) A board that proposes to impose:

(1) fees under this section; and

(2) property taxes under IC 13-21-3-16;

for a calendar year shall consolidate the public hearing required by subsection (a) with the public hearing required by IC 13-21-3-16(h).

SECTION 253. IC 14-33-9-1, AS AMENDED BY P.L.146-2008, SECTION 428, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a) **Except as provided in IC 6-1.1-17-20,** the budget of a district:

(1) must be prepared and submitted:

(A) at the same time;

(B) in the same manner; and

(C) with notice;

as is required by statute for the preparation of budgets by municipalities; and

(2) is subject to the same review by:

(A) the county board of tax adjustment; and

(B) the department of local government finance;

as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:

(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the district; and

(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment and, after December 31, 2008, the fiscal body of each county having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:

(1) shall be certified to the auditor of that county; and

(2) is subject to review at the county level only by the county board of tax adjustment and, after December 31, 2008, the fiscal body of that county.

SECTION 254. IC 14-33-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The board shall budget annually the necessary money to meet the probable expenses of operation and maintenance of the district, including the following:

(1) Repairs.

(2) Fees.

(3) Salaries.

(4) Depreciation on all depreciable assets.

(5) Rents.

(6) Supplies.

(b) **Subject to any budget review and approval required under this chapter,** the board ~~shall~~ **may** add **not more than** ten percent (10%) of the total for contingencies.

SECTION 255. IC 14-33-10-3, AS AMENDED BY P.L.67-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) An assessment not paid in full shall be paid in annual installments over the time commensurate with the term of the bond issue or other financing determined by resolution adopted by the board. Interest shall be charged on the unpaid balance **as follows:**

(1) If the resolution determining financing was adopted before July 1, 2009, at the same rate per year as the penalty charged on delinquent property tax payments under IC 6-1.1-37-10(a).

(2) If the resolution determining financing is adopted after June 30, 2009, at a rate equal to the United States Prime Rate published in the Wall Street Journal or its successor on the date on which the resolution was adopted plus two percent (2%).

All payments of installments, interest, and penalties shall be entered on the assessment roll in the office of the district.

(b) Upon payment in full of the assessment, including interest and penalties, the board shall have the lien released and satisfied on the records in the office of the recorder of the county in which the real property assessed is located.

(c) The procedure for collecting assessments for maintenance and operation is the same as for the original assessment, except that the assessments may not be paid in installments.

SECTION 256. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to a community mental retardation and other developmental disabilities center that is located or will be located in the county.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a center.

(2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents ($0.0333) on each one hundred dollars ($100) of taxable property within the county.

(d) For purposes of this subsection, "first calendar year" refers to the first calendar year after 2008 in which the county imposes an ad valorem property tax levy for the county general fund to provide financial assistance under this chapter. If a county did not provide financial assistance under this chapter in 2008, the county for a following calendar year:

(1) may propose a financial assistance budget; and

(2) shall refer its proposed financial assistance budget for the first calendar year to the department of local government finance before the tax levy is advertised.

The ad valorem property tax levy to fund the budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.

SECTION 257. IC 12-29-2-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a community mental health center.

(2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed ~~the following:~~

~~(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by one and five hundred four thousandths (1.504).~~

~~(2) for 2005 and each year thereafter,~~ the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).

(d) For purposes of this subsection, "first calendar year" refers to the first calendar year after 2008 in which the county imposes an ad valorem property tax levy for the county general fund to provide financial assistance under this chapter. If a county did not provide financial assistance under this chapter in 2008, the county, for a following calendar year:

(1) may propose a financial assistance budget; and

(2) shall refer its proposed financial assistance budget for the first calendar year to the department of local government finance before the tax levy is advertised.

The ad valorem property tax levy to fund the budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.

SECTION 258. IC 20-20-13-3, AS ADDED BY P.L.218-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. As used in sections 13 through 24 of this chapter, "school corporation" includes, except as otherwise provided in this chapter, the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1, ~~and~~ the Indiana School for the Deaf established by IC 20-22-2-1, **and a charter school established under IC 20-24.**

SECTION 259. IC 20-20-13-6, AS AMENDED BY P.L.31-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) The Senator David C. Ford educational technology fund is established to extend educational technologies to elementary and secondary schools. The fund may be used for:

(1) the 4R's technology grant program to assist school corporations (on behalf of public schools) in purchasing technology equipment:

(A) for kindergarten and grade 1 students, to learn reading, writing, and arithmetic using technology;

(B) for students in all grades, to understand that technology is a tool for learning; and

(C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;

(2) a school technology program developed by the department. The program may include grants to school corporations for the purchase of:

(A) equipment, hardware, and software;

(B) learning and teaching systems; and

(C) other materials;

that promote student learning, as determined by the department.

~~(2)~~ **(3)** providing educational technologies, including computers in the homes of students;

~~(3)~~ **(4)** conducting educational technology training for teachers; and

~~(4)~~ **(5)** other innovative educational technology programs.

(b) The department may also use money in the fund under contracts entered into with the office of technology established by IC 4-13.1-2-1 to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:

(1) Elementary and secondary schools.

(2) Postsecondary educational institutions.

(3) Career and technical educational centers and institutions that are not postsecondary educational institutions.

(4) Libraries.

(5) Any other agencies offering education and training programs.

(c) The fund consists of:

(1) state appropriations;

(2) private donations to the fund;

(3) money directed to the fund from the corporation for educational technology under IC 20-20-15; or

(4) any combination of the amounts described in subdivisions (1) through (3).

(d) The fund shall be administered by the department.

(e) Unexpended money appropriated to or otherwise available in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.

(f) Subject to section 7 of this chapter, a school corporation may use money from the school corporation's capital projects fund as permitted under IC 20-40-8 for educational technology equipment.

SECTION 260. IC 20-20-36.2-5, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) An eligible school corporation's circuit breaker replacement amount for 2009 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the eligible school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide ~~fifty million dollars ($50,000,000)~~ **the lesser of the STEP TWO amount or forty million dollars ($40,000,000)** by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar ($1).

(b) **An eligible school corporation is entitled to a grant under this chapter in a calendar year. The grant is equal to the eligible school corporation's circuit breaker replacement amount, as determined for calendar year 2010.** An eligible school corporation's circuit breaker replacement amount for 2010 is equal to the result determined under STEP ~~FOUR~~ **SIX** of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: **Determine an amount equal to two percent (2%) of the school corporation's total combined property tax levy for 2010, rounded to the nearest one dollar ($1).**

STEP THREE: Determine the greater of zero (0) or the result of the STEP ONE amount minus the STEP TWO amount.

STEP FOUR: Determine the sum of the STEP ~~ONE~~ **THREE** amounts for all eligible school corporations in Indiana.

STEP ~~THREE: Divide seventy~~ **FIVE: Determine the result of the lesser of:**

(A) one (1); or

(B) the result of sixty million dollars ~~($70,000,000)~~ **($60,000,000) divided** by the STEP ~~TWO~~ **FOUR** amount, rounding to the nearest ten thousandth (0.0001).

STEP ~~FOUR:~~ **SIX:** Multiply the STEP ~~THREE~~ **FIVE** result by the STEP ~~ONE~~ **THREE** amount, rounding to the nearest dollar ($1).

SECTION 261. IC 20-20-36.2-7, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 7. (a) Not later than ~~May 1~~ **July 30** of a calendar year, the budget agency shall certify to the department an initial estimate of the circuit breaker replacement amount attributable to each school corporation for the calendar year.

(b) Not later than November 1 of a calendar year, the budget agency shall certify to the department a final estimate of the circuit breaker replacement amount attributable to each eligible school corporation for the calendar year.

(c) The budget agency shall compute an amount certified under this section using the best information available to the budget agency at the time the certification is made.

SECTION 262. IC 20-20-36.2-8, AS ADDED BY P.L.1-2009, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. Subject to section 9 of this chapter, the department shall distribute a grant to an eligible school corporation equal to fifty percent (50%) of the eligible school corporation's estimated circuit breaker replacement amount for the calendar year in two (2) installments. ~~An installment shall be paid not later than:~~

~~(1) June 20; and~~

~~(2) December 20;~~

~~of the calendar year.~~

SECTION 263. IC 20-20-36.2-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION

TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 11. This chapter expires January 1, 2011.**

SECTION 264. IC 20-23-6-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 18. (a) This section applies to a school corporation with an ADM on June 30, 2009, of less than one hundred (100) students.**

(b) Before January 1, 2011, a school corporation to which this section applies shall reorganize by consolidating with an adjacent school corporation under this chapter.

(c) If the governing body of a school corporation to which this section applies does not comply with this section before January 1, 2011, the state board shall, after December 31, 2010, develop a reorganization plan for the school corporation and require the governing body to implement the plan.

SECTION 265. IC 20-23-9-5, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall ~~submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 for~~ **hold** a factfinding hearing.

SECTION 266. IC 20-23-9-6, AS ADDED BY P.L.231-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. ~~(a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.~~

~~(b)~~ **(a)** At a **factfinding** hearing ~~described in subsection (a),~~ **under section 5 of this chapter,** the ~~school property tax control board~~ **department of local government finance** shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12.

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

~~(c)~~ **(b)** In determining the amount of arrears under ~~subsection (b)(2),~~ **subsection (a)(2),** the ~~school property tax control board~~ **department of local government finance** shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

~~(d)~~ **(c)** If, in a hearing under this section, ~~a school property tax control board~~ **the department of**

local government finance determines that a township school has:

(1) under subsection ~~(b)(1),~~ **(a)(1),** failed to make a required payment; or

(2) under subsection ~~(b)(3),~~ **(a)(3),** failed to file a required report;

the department may act under section 7 of this chapter.

SECTION 267. IC 20-23-9-7, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) If ~~a school property tax control board~~ **the department of local government finance** makes a determination under section ~~6(d)~~ **6(c)** of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual obligation calling for an annual outlay by the township exceeding ten thousand dollars ($10,000);

(C) purchasing personal property for a consideration greater than ten thousand dollars ($10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for any calendar year;

until the township school has made all required payments under section ~~6(b)(1)~~ **6(a)(1)** of this chapter and filed all required reports under section ~~6(b)(3)~~ **6(a)(3)** of this chapter; and

(2) shall certify to the treasurer of state the amount of arrears determined under section ~~6(b)(2)~~ **6(a)(2)** of this chapter.

(b) Upon being notified of the amount of arrears certified under subsection (a)(2), the treasurer of state shall make payments from the funds of state to the extent, but not in excess, of any amounts appropriated by the general assembly for distribution to the township school, deducting the payments from any amount distributed to the township school.

SECTION 268. IC 20-24-7-11, AS ADDED BY P.L.246-2005, SECTION 129, IS CORRECTED AND IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

~~*(b) There is appropriated to the department of education ten million dollars ($10,000,000) from the common school fund interest balance in the state general fund to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools, beginning July 1, 2005, and ending June 30, 2007.*~~

(b) The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools.

~~(c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 necessary to implement this section.~~

(c) To increase the state's opportunity to receive matching funds from the United States Department of Education, the department shall develop a facilities incentive grants program before January 1, 2010.

(d) The department shall use the priority criteria set forth in 21 U.S.C. 7221d(b) and 34 CFR 226.12 through 34 CFR 226.14 to develop the facilities incentive grants program.

SECTION 269. IC 20-24-7-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 13. (a) As used in this SECTION, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:**

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

(b) The department shall establish a pilot program to provide funding for a statewide total

of up to one thousand (1,000) students who attend virtual charter schools in the school year ending in 2010 and two thousand (2,000) students who attend virtual charter schools in the school year ending in 2011. In the first year of the pilot program, the department shall operate the virtual charter school. Beginning with the second year of the pilot program, the department shall choose an entity or entities to operate the virtual charter school. The pilot program must focus on children who have medical disabilities or circumstances that prevent them from attending school or for whom a virtual charter school is a better alternative than a traditional school. At least seventy-five percent (75%) of the students enrolled in virtual charter schools under this section must have been included in the ADM count for the previous school year.

(c) A virtual charter school is entitled to receive funding from the state in an amount equal to the product of:

(1) the number of students included in the virtual charter school's ADM who are participating in the pilot program; multiplied by

(2) eighty percent (80%) of the statewide average basic tuition support.

(d) The department shall adopt rules under IC 4-22-2 to govern the operation of virtual charter schools.

(e) Beginning in 2009, the department shall before December 1 of each year submit an annual report to the state budget committee concerning the program under this section.

SECTION 270. IC 20-26-5-4, AS AMENDED BY P.L.168-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's previous year's ADM, to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons

described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. To:

(A) participate in a state employee health plan under IC 5-10-8-6.6 **or IC 5-10-8-6.7;**

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 271. IC 20-26-11-23, AS AMENDED BY P.L.146-2008, SECTION 473, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would otherwise become payable to the

transferee corporation after such calendar year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance. ~~and any grant shall be made solely after affirmative recommendation of the school property tax control board.~~ Repayment of any advance or loan from the state shall be made from state tuition support distributions or other money available to the school corporation.

SECTION 272. IC 20-28-7-9, AS AMENDED BY P.L.38-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Before a teacher is refused continuation of the contract under section 8 of this chapter, the teacher has the following rights, which shall be strictly construed:

(1) The principal of the school at which the teacher teaches must provide the teacher with an annual written evaluation of the teacher's performance before January 1 of each year. Upon the request of a nonpermanent teacher, delivered in writing to the principal not later than thirty (30) days after the teacher receives the evaluation required by this section, the principal shall provide the teacher with an additional written evaluation.

(2) On or before ~~May~~ **June** 1 **in an even-numbered year and the later of June 15 or the date a budget act is enacted by the general assembly in an odd-numbered year,** the school corporation shall notify the teacher that the governing body will consider nonrenewal of the contract for the next school term. The notification must be:

(A) written; and

(B) delivered in person or mailed by registered or certified mail to the teacher at the teacher's last known address.

(b) The notice in subsection (a)(2) must include a written statement, which:

(1) may be developed in executive session; and

(2) is not a public document;

giving the reasons for the consideration of the nonrenewal of the teacher's contract.

(c) For reasons other than a reduction in force, the notice in subsection (a)(2) must inform the teacher that, not later than ten (10) days after the teacher's receipt of the notice, the teacher may request a conference under section 10 of this chapter.

(d) If the reason for nonrenewal is reduction in force, the teacher may request a conference as provided in section 10 of this chapter.

SECTION 273. IC 20-33-8.5-5, AS AMENDED BY P.L.234-2007, SECTION 228, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. The agreement must provide how the expenses of supervising a student who has been suspended or expelled are funded. A school corporation may not be required to expend more than the transition to foundation ~~revenue per adjusted ADM~~ **amount** (as ~~defined in IC 20-43-1-29.3)~~ **determined under IC 20-43-5-6)** for each student referred under the agreement.

SECTION 274. IC 20-40-8-19, AS AMENDED BY P.L.146-2008, SECTION 528, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

A school corporation's expenditures under this section may not exceed in ~~2008~~ **2010** and in ~~2009~~ **2011** three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

SECTION 275. IC 20-43-1-1, AS AMENDED BY P.L.234-2007, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This article expires January 1, ~~2010.~~

2012.

SECTION 276. IC 20-43-1-8, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. "Basic tuition support" means the part of a school corporation's state tuition support for basic programs determined under ~~IC 20-43-6-5.~~ **IC 20-43-6-3.**

SECTION 277. IC 20-43-1-25, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

(1) a school corporation **other than a virtual charter school** in any calendar year under this article for all grants, distributions, and awards described in IC 20-43-2-3; **and**

(2) a virtual charter school in any calendar year under IC 20-24-7-13.

SECTION 278. IC 20-43-1-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 21.5. "Restoration grant" refers to a grant under IC 20-43-12.**

SECTION 279. IC 20-43-1-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 31. "Virtual charter school" has the meaning set forth in IC 20-24-7-13.**

SECTION 280. IC 20-43-1-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 32. For purposes of the calculation of state tuition support under this article and for purposes of restoration grants, a school corporation's fiscal year is the calendar year.**

SECTION 281. IC 20-43-2-2, AS AMENDED BY P.L.146-2008, SECTION 482, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. The maximum state distribution for a calendar year for all school corporations for the purposes described in section 3 of this chapter is:

~~(1) three billion eight hundred twelve million five hundred thousand dollars ($3,812,500,000) in 2007;~~

~~(2) three billion nine hundred sixty million nine hundred thousand dollars ($3,960,900,000) in 2008; and~~

~~(3)~~ **(1)** ~~six~~ **five** billion ~~five~~ **eight** hundred ~~nine~~ **twenty-nine** million **nine hundred thousand** dollars ~~($6,509,000,000)~~ **($5,829,900,000)** in 2009;

(2) six billion five hundred six million two hundred thousand dollars ($6,506,200,000) in 2010; and

(3) six billion five hundred thirty million seven hundred thousand dollars ($6,530,700,000) in 2011.

SECTION 282. IC 20-43-2-3, AS AMENDED BY P.L.3-2008, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. If the total amount to be distributed:

(1) as basic tuition support;

(2) for academic honors diploma awards;

(3) for primetime distributions;

(4) for special education grants; ~~and~~

(5) for career and technical education grants; **and**

(6) restoration grants;

for a particular year exceeds the maximum state distribution for a calendar year, the amount to be distributed for state tuition support under this article to each school corporation during each of the last six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount of the excess.

SECTION 283. IC 20-43-3-4, AS AMENDED BY P.L.146-2008, SECTION 485, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) **This subsection applies to calendar year 2009.** A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support for the year that precedes the current year.

(B) The school corporation's maximum permissible tuition support levy for calendar year 2008.

(C) The school corporation's excise tax revenue for calendar year 2007.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection ~~(b),~~ **(c),** subsection ~~(c),~~ **(d),** IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.

(b) This subsection applies to calendar years 2010 and 2011. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support for the year that precedes the current year.

(B) For calendar year 2010, the amount of education stabilization funds received by the school corporation in calendar year 2009 under Section 14002(a) of the federal American Recovery and Reinvestment Act of 2009 (ARRA).

(C) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (c) or IC 20-30-2-4.

~~(b)~~ **(c)** A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

~~(c)~~ **(d)** This section applies only to 2009. A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-24-11. The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-24-7-3(c) and IC 20-24-7-3(d) (as effective December 31, 2008); multiplied by

(2) two (2).

SECTION 284. IC 20-43-4-7, AS AMENDED BY P.L.234-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) This subsection does not apply to a charter school. When calculating adjusted ADM for ~~2008~~ **2010** distributions, this subsection, as effective after December 31, ~~2007,~~ **2009,** shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for ~~2007~~ **2009** distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the sum of the following:

~~(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).~~

~~(B) The school corporation's ADM for the year preceding the current year by three (3) years multiplied by two-tenths (0.2).~~

~~(C)~~ **(A)** The school corporation's ADM for the year preceding the current year by two (2) years ~~multiplied~~ **divided** by ~~two-tenths (0.2).~~ **three (3).**

~~(D)~~ **(B)** The school corporation's ADM for the year preceding the current year by one (1) year ~~multiplied~~ **divided** by ~~two-tenths (0.2).~~ **three (3).**

~~(E)~~ **(C)** The school corporation's ADM for the current year ~~multiplied~~ **divided** by ~~two-tenths (0.2).~~ **three (3).**

STEP TWO: Determine the school corporation's ADM for the current year.

STEP THREE: Determine the greater of the following:

(A) The STEP ONE result.

(B) The STEP TWO result.

(b) A charter school's adjusted ADM for purposes of this article is the charter school's current ADM.

SECTION 285. IC 20-43-5-3, AS AMENDED BY P.L.3-2008, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. A school corporation's complexity index is determined under the following formula:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free or reduced price lunches in the school year ending in the later of:

(A) 2007 **for purposes of determining the complexity index in 2009, and 2009 for the purposes of determining the complexity index in 2010 and 2011**; or

(B) the first year of operation of the school corporation.

(2) Determine the quotient of:

~~(A) in 2008:~~

~~(i) two thousand two hundred fifty dollars ($2,250); divided by~~

~~(ii) four thousand seven hundred ninety dollars ($4,790); and~~

~~(B)~~ **(A)** in 2009:

(i) two thousand four hundred dollars ($2,400); divided by

(ii) four thousand eight hundred twenty-five dollars ($4,825);

(B) in 2010:

(i) two thousand two hundred thirty-eight dollars ($2,238); divided by

(ii) four thousand five hundred dollars ($4,500); and

(C) in 2011:

(i) two thousand two hundred forty-three dollars ($2,243); divided by

(ii) four thousand five hundred ten dollars ($4,510).

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: Determine the result of one (1) plus the STEP ONE result.

STEP THREE: This STEP applies if the STEP TWO result is equal to or greater than at least one and twenty-five hundredths (1.25). Determine the result of the following:

(1) Subtract one and twenty-five hundredths (1.25) from the STEP TWO result.

(2) Determine the result of:

(A) the STEP TWO result; plus

(B) the subdivision (1) result.

The data to be used in making the calculations under STEP ONE must be the data collected in the annual pupil enrollment count by the department.

SECTION 286. IC 20-43-5-4, AS AMENDED BY P.L.234-2007, SECTION 244, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. A school corporation's foundation amount for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: ~~Determine~~ **The STEP ONE amount is:**

~~(A) in 2008, four thousand seven hundred ninety dollars ($4,790); or~~

~~(B)~~ **(A)** in 2009, four thousand eight hundred twenty-five dollars ($4,825);

(B) in 2010, four thousand five hundred dollars ($4,500); and

(C) in 2011, four thousand five hundred ten dollars ($4,510).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

SECTION 287. IC 20-43-5-5, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. A school corporation's previous year revenue foundation amount for a calendar year is equal to the **result of:**

(1) the school corporation's previous year revenue; divided by

(2) the school corporation's adjusted ADM for the previous year.

SECTION 288. IC 20-43-5-6, AS AMENDED BY P.L.234-2007, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. **(a)** A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus

(B) the school corporation's previous year revenue foundation amount.

STEP TWO: Divide the STEP ONE result by:

~~(A) four (4) in 2008; or~~

~~(B)~~ **(A)** three (3) in 2009;

(B) two (2) in 2010; and

(C) one (1) in 2011.

STEP THREE: A school corporation's STEP THREE amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the quotient of:

(i) the school corporation's transition to foundation revenue for the calendar year where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.

(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.

(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.

(iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP THREE amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

(i) The school corporation's foundation amount for the calendar year if the STEP ONE amount is at least negative **one hundred** fifty dollars ~~(-$50)~~ **(-$150)** and not more than ~~one hundred~~ **fifty** dollars ~~($100).~~ **($50).**

~~(ii) For 2009, the school corporation's foundation amount for the calendar year, if the foundation amount in 2008 equaled the school corporation's transition to foundation revenue per adjusted ADM in 2008.~~

~~(iii)~~ **(ii)** The sum of the school corporation's previous year revenue foundation amount and the greater of the school corporation's STEP TWO amount or ~~one hundred~~ **fifty** dollars ~~($100),~~ **($50),** if the school corporation's STEP ONE amount is greater than ~~one hundred~~ **fifty** dollars ~~($100).~~ **($50).**

~~(iv)~~ **(iii)** The ~~difference determined by subtracting fifty dollars ($50) from~~ **amount determined under subsection (b), if the school corporation's STEP ONE amount is less than negative one hundred fifty dollars (-$150).**

(b) For the purposes of STEP THREE (C)(iii) in subsection (a), determine the result of:

(1) the school corporation's previous year revenue foundation amount; ~~if the school corporation's STEP ONE amount is less than negative fifty dollars (-$50).~~ **minus**

(2) the greater of:

(A) one hundred fifty dollars ($150); or

(B) the result of:

(i) the absolute value of the STEP ONE amount; divided by

(ii) nine (9) in 2010, and eight (8) in 2011.

SECTION 289. IC 20-43-5-7, AS AMENDED BY P.L.3-2008, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. A school corporation's transition to foundation revenue for a calendar year is equal to the ~~sum of the following:~~

~~(1) The~~ product of:

~~(A)~~ **(1)** the school corporation's transition to foundation amount for the calendar year; multiplied by

~~(B)~~ **(2)** the school corporation's:

~~(i)~~ **(A)** current ADM, if the current ADM for the school corporation is less than one hundred (100); and

~~(ii)~~ **(B)** current adjusted ADM, if ~~item (i)~~ **clause (A)** does not apply.

~~(2) Either:~~

~~(A) The result of:~~

~~(i) one hundred dollars ($100) for calendar year 2008 and one hundred fifty dollars ($150) for calendar year 2009; multiplied by~~

~~(ii) the school corporation's adjusted ADM;~~

~~if the school corporation's current ADM is less than three thousand and six hundred (3,600) and the amount determined under subdivision (1) is less than the school corporation's previous year revenue.~~

~~(B) The result of:~~

~~(i) one hundred dollars ($100) for calendar year 2008 and one hundred fifty dollars ($150) for calendar year 2009; multiplied by~~

~~(ii) the school corporation's adjusted ADM;~~

~~if clause (A) does not apply and the result of the amount under subdivision (1) is less than the result of the school corporation's previous year revenue multiplied by nine hundred sixty-five~~

~~thousandths (0.965).~~

~~(C) The school corporation's current adjusted ADM multiplied by the lesser of:~~

~~(i) one hundred dollars ($100); or~~

~~(ii) the school corporation's STEP TWO amount under section 6 of this chapter;~~

~~if clauses (A) and (B) do not apply, the amount under subdivision (1) is less than the school corporation's previous year revenue, and the school corporation's result under STEP ONE of section 6 of this chapter is greater than zero (0). or~~

~~(D) Zero (0), if clauses (A), (B), and (C) do not apply.~~

~~(3) This subdivision does not apply to a charter school. Either:~~

~~(A) three hundred dollars ($300) multiplied by the school corporation's current ADM, if the school corporation's current ADM is less than one thousand seven hundred (1,700) and the school corporation's complexity index is greater than one and two-tenths (1.2);~~

~~(B) one hundred dollars ($100) multiplied by the school corporation's current ADM, if the school corporation's current ADM is less than one thousand seven hundred (1,700) and the school corporation's complexity index is greater than one and one-tenth (1.1) and not greater than one and two-tenths (1.2); or~~

~~(C) zero (0), if clauses (A) and (B) do not apply.~~

SECTION 290. IC 20-43-6-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. Subject to the amount appropriated by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a year is the amount determined in section ~~5~~ **3** of this chapter.

SECTION 291. IC 20-43-6-3, AS AMENDED BY P.L.146-2008, SECTION 488, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. (a) A school corporation's ~~total regular program~~ **basic** tuition support for a ~~calendar~~ year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a ~~calendar~~ year that is not equal to the ~~school corporation's~~ foundation amount for the ~~calendar~~ year. The school corporation's ~~total regular program~~ **basic** tuition support for a ~~calendar~~ year is equal to the school corporation's transition to foundation revenue for the ~~calendar~~ year.

(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a ~~calendar~~ year that is equal to the ~~school corporation's~~ foundation amount for the ~~calendar~~ year. The school corporation's ~~total regular program~~ **basic** tuition support for a ~~calendar~~ year is the sum of the following:

(1) The ~~school corporation's~~ foundation amount for the ~~calendar~~ year multiplied by the school corporation's adjusted ADM. ~~for the current year.~~

(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(d) This subsection applies to students of a virtual charter school who are participating in the pilot program under IC 20-24-7-13. A virtual charter school's basic tuition support for a year for those students is the amount determined under IC 20-24-7-13.

SECTION 292. IC 20-43-7-6, AS AMENDED BY P.L.234-2007, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's special education grant for a calendar year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by

~~(A) in 2008, eight thousand three hundred dollars ($8,300); and~~

~~(B) in 2009,~~ eight thousand three hundred fifty dollars ($8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by

~~(A) in 2008, two thousand two hundred fifty dollars ($2,250); and~~

~~(B) in 2009,~~ two thousand two hundred sixty-five dollars ($2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by

~~(A) in 2008, five hundred thirty-one dollars ($531); and~~

~~(B) in 2009,~~ five hundred thirty-three dollars ($533).

(4) The cumulative count of pupils in homebound programs multiplied by

~~(A) in 2008, five hundred thirty-one dollars ($531); and~~

~~(B) in 2009,~~ five hundred thirty-three dollars ($533).

(5) The nonduplicated count of pupils in special preschool education programs multiplied by two thousand seven hundred fifty dollars ($2,750).

SECTION 293. IC 20-43-9-4, AS AMENDED BY P.L.234-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. For purposes of computation under this chapter, the following shall be used:

(1) The staff cost amount for a school corporation

~~(A) in 2008, is seventy-two thousand dollars ($72,000); and~~

~~(B) in 2009,~~ is seventy-four thousand five hundred dollars ($74,500).

(2) The guaranteed primetime amount for a school corporation is the primetime allocation, before any penalty is assessed under this chapter, that the school corporation would have received under this chapter for the 1999 calendar year or the first year of participation in the program, whichever is later.

(3) The following apply to determine whether amounts received under this chapter have been devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this chapter:

(A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 8 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the state board.

SECTION 294. IC 20-43-9-6, AS AMENDED BY P.L.234-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):

(i) Determine the result of one and two-tenths (1.2) minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the ~~total regular program~~ **basic** tuition support for the year multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

STEP FOUR: Determine the result of:

(A) the STEP THREE result; multiplied by

(B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; divided by

(B) the staff cost amount.

STEP SIX: Determine the greater of zero (0) or the result of:

(A) the STEP TWO amount; minus

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX amount; multiplied by

(B) the staff cost amount.

STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's guaranteed primetime amount.

STEP NINE: A school corporation's amount under this STEP is the following:

(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), the amount under this STEP is the lesser of:

(i) the STEP EIGHT amount; or

(ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

SECTION 295. IC 20-43-11.5-1, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A school corporation may appeal to the department ~~of local government finance under IC 6-1.1-19~~ for a new facility adjustment to increase the school corporation's tuition support distribution for the following year. ~~by the amount described in section 2 of this chapter.~~

(b) Upon the demonstration by the school corporation to the department ~~of local government finance~~ that an adjustment is necessary to pay increased costs to open:

(1) a new school facility; or

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

the department ~~of local government finance~~ may grant the appeal. If the department ~~of local government finance~~ grants an appeal, it shall determine the amount of the new facility adjustment to be distributed to the school corporation under this chapter. In determining the amount of a new facility adjustment, the department ~~of local government finance~~ shall consider the extent to which a part of tuition support distributions offsets any increased costs described in subdivision (1) or (2).

SECTION 296. IC 20-43-11.5-2, AS ADDED BY P.L.146-2008, SECTION 490, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) If a school corporation's appeal under this chapter is granted, the department shall, subject to amounts appropriated, distribute to the

school corporation the amount of the new facility adjustment approved by the department. ~~of local government finance.~~

(b) A new facility adjustment is in addition to the amount of the state tuition support distribution to which the school corporation is **otherwise** entitled under this article.

SECTION 297. IC 20-43-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]:

Chapter 12. Restoration Grants

Sec. 1. A school corporation is entitled to a restoration grant.

Sec. 2. The amount of the restoration grant to which a school corporation is entitled in a year is equal to the result determined under STEP SIX of the following formula:

STEP ONE: Determine the school corporation's basic tuition support for the current year.

STEP TWO: Determine the amount of the basic tuition support to which the school corporation would have been entitled for the 2009 year if the school corporation's basic tuition support had been computed using the formula for computing basic tuition support for 2009 as that formula existed after the amendments made by P.L.146-2008.

STEP THREE: Determine the sum of:

(A) the STEP TWO amount divided by the school corporation's 2009 ADM; plus

(B) seventy-two dollars ($72) for 2010 and one hundred twenty-two dollars ($122) for 2011.

STEP FOUR: Determine the result of:

(A) the school corporation's STEP THREE amount; multiplied by

(B) the school corporation's ADM for the current year.

STEP FIVE: Determine the lesser of:

(A) the STEP FOUR amount; or

(B) the STEP TWO amount.

STEP SIX: Determine the greater of zero (0) or the result of:

(A) the STEP FIVE amount; minus

(B) the STEP ONE amount.

SECTION 298. IC 20-46-1-7, AS AMENDED BY P.L.146-2008, SECTION 494, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the levy; and

(2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor. ~~and the department of local government~~

~~finance. Upon receipt of the certified resolution, the tax control board shall proceed in the same manner as the tax control board would for any other levy being reimposed or extended under this chapter.~~ However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under ~~IC 6-1.1-19-4.5(c) (before its repeal) and~~ this chapter. ~~after June 30, 2006.~~

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.

SECTION 299. IC 20-46-3-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. A school corporation may petition the ~~tax control board~~ **department of local government finance** to impose a property tax to raise revenue for the purposes of the fund. However, before a school corporation may impose a property tax under this chapter, the school corporation must file a petition with the ~~tax control board~~ **department of local government finance** under IC 6-1.1-19. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

(1) The name of the school corporation.

(2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.

(3) The proposed levy.

(4) Any other item required by the ~~school property tax control board~~ **department of local government finance.**

SECTION 300. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18.5-9.9, the ~~tax control board may recommend to the~~ department of local government finance ~~that a~~ **may allow a** school corporation ~~be allowed~~ to establish a levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

(1) The revenue derived from a tax rate of eight and thirty-three hundredths cents ($0.0833) for each one hundred dollars ($100) of assessed valuation within the school corporation.

(2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 20-46-6 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

SECTION 301. IC 20-46-3-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. The department of local government finance shall review the petition of the school corporation ~~and the recommendation of the tax control board~~ and:

(1) disapprove the petition if the petition does not comply with this section;

(2) approve the petition; or

(3) approve the petition with modifications.

SECTION 302. IC 20-46-5-6.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.1. (a) This section does not apply to a school corporation located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**

(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

(c) This section expires January 1, 2011.

SECTION 303. IC 20-46-5-7, AS AMENDED BY P.L.146-2008, SECTION 505, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in subsection (b), this section applies only to a school corporation located in South Bend.

(b) After December 31, ~~2009,~~ **2010,** this section applies to all school corporations.

(c) This subsection expires January 1, ~~2010.~~ **2011.** This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

SECTION 304. IC 20-46-5-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. After reviewing the plan, the department of local government finance shall certify its approval, disapproval, or modification of the plan to the governing body and the county auditor of the county. ~~The department of local government finance may seek the recommendation of the tax control board with respect to this determination.~~ The action of the department of local government finance with respect to the plan is final.

SECTION 305. IC 20-46-5-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A governing body may amend a plan. When an amendment to a plan is required, the governing body must:

(1) declare the nature of and the need for the amendment; and

(2) show cause as to why the original plan no longer meets the needs of the school corporation.

(b) The governing body must then conduct a public hearing on and pass a resolution to adopt the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 8 of this chapter.

(d) An amendment to the plan is not subject to the deadlines for adoption described in section ~~6~~ **6.1** or 7 of this chapter. However, the amendment to the plan must be submitted to the department of local government finance for its consideration and is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan set forth in this chapter.

SECTION 306. IC 20-46-6-8.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.1. (a) This section does not apply to a school corporation that is located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.**

(b) Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must:

(1) after January 1; and

(2) not later than September 20;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

(c) This section expires January 1, 2011.

SECTION 307. IC 20-46-6-9, AS AMENDED BY P.L.146-2008, SECTION 508, IS AMENDED

TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), this section applies only to a school corporation that is located in South Bend.

(b) After December 31, ~~2009,~~ **2010,** this section applies to all school corporations.

(c) This subsection expires January 1, ~~2010.~~ **2011.** This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for a fund in a particular year, the governing body must:

(1) after January 1; and

(2) before February 2;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

SECTION 308. IC 20-46-6-15, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. After a hearing on the petition under section 14 of this chapter, the department of local government finance shall certify its approval, disapproval, or modification of the plan to the governing body and the county auditor of the county. ~~The department of local government finance may seek the recommendation of the tax control board with respect to the department of local government finance's determination.~~

SECTION 309. IC 20-46-6-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) This section applies to an amendment to a plan that is required by a reason other than an emergency.

(b) The governing body must hold a public hearing on the proposed amendment. At the hearing, the governing body must declare the nature of and the need for the amendment and pass a resolution to adopt the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 10 of this chapter. The governing body must publish the proposed amendment to the plan and notice of the hearing in accordance with IC 5-3-1-2(b).

(d) An amendment to the plan:

(1) is not subject to the deadline for adoption described in section ~~8~~ **8.1** or 9 of this chapter;

(2) must be submitted to the department of local government finance for its consideration; and

(3) is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan.

SECTION 310. IC 20-46-6-19, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies to an amendment to a plan that is required by reason of an emergency that results in costs that exceed the amount accumulated in the fund for repair, replacement, or site acquisition that is necessitated by an emergency.

(b) The governing body is not required to comply with section 18 of this chapter.

(c) The governing body must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the governing body may adopt a resolution to amend the plan.

(d) An amendment to the plan is not subject to the deadline and the procedures for adoption described in section ~~8~~ **8.1** or 9 of this chapter. However, the amendment is subject to modification by the department of local government finance.

SECTION 311. IC 20-46-7-11, AS AMENDED BY P.L.146-2008, SECTION 513, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The department of local government finance in determining whether to approve or disapprove a school building construction project ~~and the tax control board in determining whether to recommend approval or disapproval of a~~

~~school building construction project~~ shall consider the following factors:

(1) The current and proposed square footage of school building space per student.

(2) Enrollment patterns within the school corporation.

(3) The age and condition of the current school facilities.

(4) The cost per square foot of the school building construction project.

(5) The effect that completion of the school building construction project would have on the school corporation's tax rate.

(6) Any other pertinent matter.

(b) The authority of the department of local government finance to determine whether to approve or disapprove a school building construction project does not after June 30, 2008, include the authority to review or approve the financing of the school building construction project.

SECTION 312. IC 20-49-1-3, AS AMENDED BY P.L.234-2007, SECTION 265, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. "Transition to foundation ~~revenue per adjusted ADM" has the meaning set forth in IC 20-43-1-29.3.~~ **amount" refers to the amount determined under IC 20-43-5-6.**

SECTION 313. IC 20-49-2-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. A nondisaster advancement to any school corporation under section 10 of this chapter may not exceed two hundred fifty thousand dollars ($250,000). However, this dollar limitation is waived if:

(1) the school corporation has an ~~adjusted~~ assessed valuation per ADA of less than eight thousand four hundred dollars ($8,400); **and**

(2) the school corporation's debt service fund tax rate would exceed one dollar ($1) for each one hundred dollars ($100) of assessed valuation without a waiver of the dollar limitation. ~~and~~

~~(3) the school property tax control board recommends a waiver of the limitation.~~

SECTION 314. IC 20-49-7-10, AS AMENDED BY P.L.234-2007, SECTION 266, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. The amount of an advance for operational costs may not exceed the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the product of:

(A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by

(B) the charter school's transition to foundation ~~revenue per adjusted ADM.~~ **amount.**

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) two (2).

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 315. IC 20-49-7-11, AS AMENDED BY P.L.234-2007, SECTION 267, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. The amount of an advance for operational costs may not exceed the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the quotient of:

(A) the charter school's transition to foundation ~~revenue per adjusted ADM,~~ **amount;** divided by

(B) two (2).

STEP TWO: Determine the difference between:

(A) the charter school's current ADM; minus

(B) the charter school's ADM of the previous year.

STEP THREE: Determine the product of:
(A) the STEP ONE amount; multiplied by
(B) the STEP TWO amount.
STEP FOUR: Determine the product of:
(A) the STEP THREE amount; multiplied by
(B) one and fifteen-hundredths (1.15).

SECTION 316. IC 20-49-7-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 21. (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under this chapter does not have to make principal or interest payments during the state fiscal years beginning:**
(1) July 1, 2009; and
(2) July 1, 2010;
notwithstanding contrary terms in the charter school and state board advance agreement.

(b) The repayment term of the advance shall be extended by two (2) years to provide for the waiver described in subsection (a) even though it may make the repayment term for the advance longer than twenty (20) years.

SECTION 317. IC 20-51 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

ARTICLE 51. SCHOOL SCHOLARSHIPS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Agreement" refers to an agreement between the department and an applicant that applies for certification of a school scholarship program.

Sec. 3. "Contribution" refers to a contribution to a scholarship granting organization for use in a school scholarship program.

Sec. 4. (a) "Cost of education" means the tuition and fees that would otherwise be charged by a participating school to:
(1) an eligible student; or
(2) a parent of an eligible student.

(b) In the case of an eligible pupil who attends a public school, the term includes any transfer tuition charged to the eligible student or a parent of the eligible student.

Sec. 5. "Eligible student" refers to an individual who:
(1) has legal settlement in Indiana;
(2) is at least five (5) years of age and less than twenty-two (22) years of age on the date in the school year specified in IC 20-33-2-7;
(3) either has been or is currently enrolled in a participating school;
(4) either:
(A) is a member of a household with an annual income of not more than two hundred percent (200%) of the amount required for the individual to qualify for the federal free or reduced price lunch program; or
(B) received a scholarship under this article in the immediately preceding school year or the immediately preceding term of the current school year and qualified under clause (A) in the first year that the individual received a scholarship under this article; and
(5) meets at least one (1) of the following conditions:
(A) The individual is enrolling in kindergarten.
(B) The individual was enrolled in a public school during the school year preceding the first school year for which a scholarship granting organization provides a scholarship

to the individual.

(C) The individual received a scholarship in the previous year from a nonprofit scholarship granting organization that qualifies for certification as a school scholarship program.

(D) The individual received a school scholarship for the previous school year.

Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

(1) an eligible student is required to pay tuition or transfer tuition to attend;

(2) voluntarily agrees to enroll an eligible student;

(3) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board; and

(4) administers the tests under the Indiana statewide testing for educational progress (ISTEP) program or administers another nationally recognized and norm-referenced assessment of the school's students.

(b) The term does not include a public school in a school corporation where the eligible student has legal settlement under IC 20-26-11.

Sec. 7. "Scholarship granting organization" refers to an organization that:

(1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and

(2) is organized at least in part to grant school scholarships.

Sec. 8. "School scholarship" refers to a grant to pay only the cost of education for an eligible student as determined for the school year (as defined in IC 20-18-2-17) for which the scholarship will be granted.

Chapter 2. Exchange of Information; Rules

Sec. 1. The department shall maintain a publicly available list of the school scholarship programs certified by the department. The list must contain names, addresses, and any other information that the department determines is necessary for the public to determine which scholarship granting organizations conduct school scholarship programs. A current list must be posted on an Internet web site used by the department to provide information to the public.

Chapter 3. Scholarship Granting Organizations; Certification; Administration of Contributions

Sec. 1. (a) A program qualifies for certification as a school scholarship program if:

(1) the program:

(A) is administered by a scholarship granting organization; and

(B) has the primary purpose of providing school scholarships to eligible students; and

(2) the scholarship granting organization administering the program:

(A) applies to the department on the form and in the manner prescribed by the department; and

(B) enters into an agreement with the department to comply with this article.

(b) A program may not be certified as a school scholarship program if the program:

(1) limits a recipient of a school scholarship to attending specific participating schools; or

(2) limits the ability of a recipient of a school scholarship to change attendance from one

(1) participating school to another participating school.

Sec. 2. The department shall certify all programs that meet the qualifications under section 1 of this chapter as school scholarship programs.

Sec. 3. An agreement entered into under section 1 of this chapter between the department and a scholarship granting organization must require the scholarship granting organization to do the following:

(1) Provide a receipt to taxpayers for contributions made to the scholarship granting

organization that will be used in a school scholarship program. The department of state revenue shall prescribe a standardized form for the receipt issued under this subdivision. The receipt must indicate the value of the contribution and part of the contribution being designated for use in a school scholarship program.

(2) Distribute at least ninety percent (90%) of the total amount of contributions as school scholarships to eligible students.

(3) Distribute one hundred percent (100%) of any income earned on contributions as school scholarships to eligible students.

(4) Conduct criminal background checks on all the scholarship granting organization's employees and board members and exclude from employment or governance any individual who might reasonably pose a risk to the appropriate use of contributed funds.

(5) Make the reports required by this chapter.

Sec. 4. An agreement entered into under section 1 of this chapter may not prohibit a scholarship granting organization from receiving contributions other than contributions described in section 3(1) of this chapter.

Sec. 5. An agreement entered into under section 1 of this chapter must prohibit a scholarship granting organization from distributing school scholarships for use by an eligible student to:

(1) enroll in a school that has:

(A) paid staff or board members; or

(B) relatives of paid staff or board members;

in common with the scholarship granting support organization;

(2) enroll in a school that the scholarship granting organization knows does not qualify as a participating school; or

(3) pay for the cost of education for a public school where the eligible student is entitled to enroll without the payment of tuition.

Sec. 6. (a) A scholarship granting organization certified under this chapter must publicly report to the department by August 1 of each year the following information regarding the organization's scholarships awarded in the previous school year:

(1) The name and address of the scholarship granting organization.

(2) The total number and total dollar amount of contributions received during the previous school year.

(3) The:

(A) total number and total dollar amount of scholarships awarded during the previous school year; and

(B) total number and total dollar amount of school scholarships awarded during the previous school year.

The report must be certified under penalties of perjury by the chief executive officer of the scholarship granting organization.

(b) A scholarship granting organization certified under this chapter shall contract with an independent certified public accountant for an annual financial audit of the scholarship granting organization. The scholarship granting organization must provide a copy of the annual financial audit to the department and must make the annual financial audit available to a member of the public upon request.

Sec. 7. The department shall prescribe a standardized form for scholarship granting organizations to report information required under this chapter.

Sec. 8. The department may, in a proceeding under IC 4-21.5, suspend or terminate the certification of an organization as a scholarship granting organization if the department establishes that the scholarship granting organization has intentionally and substantially failed

to comply with the requirements of this article or an agreement entered into under this article.

Sec. 9. If the department suspends or terminates the certification of an organization as a scholarship granting organization, the department shall notify affected eligible students and their parents of the decision as quickly as possible. An eligible student affected by a suspension or termination of a scholarship granting organization's certification remains an eligible student under this article until the end of the school year after the school year in which the scholarship granting organization's certification is suspended or terminated, regardless of whether the scholarship student currently meets the definition of an eligible student.

Sec. 10. The department may conduct either a financial review or an audit of a scholarship granting organization certified under this chapter if the department of state revenue has evidence of fraud.

Sec. 11. The department shall adopt rules under IC 4-22-2 to implement this article.

SECTION 318. IC 21-14-2-12.5, AS ADDED BY P.L.224-2007, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12.5. This section applies to tuition and mandatory fees that a board of trustees of a state educational institution votes to increase after June 30, 2007.

(b) After the enactment of a state budget, the commission for higher education shall recommend nonbinding tuition and mandatory fee increase targets for each state educational institution.

(c) The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.

(d) The state budget committee shall review the targets recommended under subsection (b) and reports received under subsection (c). ~~and may request that~~ **If** a state educational institution **sets tuition and mandatory fee rates higher than the nonbinding tuition and mandatory fee increase targets set by the commission for higher education under subsection (b), the state educational institution shall** appear at a public meeting of the state budget committee concerning the report.

SECTION 319. IC 21-14-10-4, AS ADDED BY P.L.141-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. If an eligible applicant:

(1) is permitted to matriculate in a state educational institution;

(2) qualifies under this chapter; and

(3) has earned or has been awarded ~~a cash scholarship~~ **nonstate tuition based gift aid (excluding federal Pell Grants)** that is paid or payable to the state educational institution, from any source;

the amount paid shall be applied to the credit of the eligible applicant in the payment of ~~incidental expenses~~ **tuition and regularly assessed fees** of the eligible applicant's attendance at the state educational institution ~~The balance, if the terms of the scholarship permit, must be returned to the eligible applicant.~~ **to the extent that the eligible applicant's tuition and regularly assessed fees exceed any nonstate tuition based gift aid (excluding federal Pell Grants) paid to the eligible applicant. A student may not receive state aid from any source or fund for more than a total of eight (8) semesters (or the equivalent). The amount of state aid may not exceed the student's tuition and regularly assessed fees.**

SECTION 320. IC 21-29-3-3, AS ADDED BY P.L.2-2007, SECTION 270, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) Subject to subsections (b) through (d), any state educational institution may enter into and modify, amend, or terminate one (1) or more swap agreements that the state educational institution determines to be necessary or desirable in connection with or incidental to the issuance, carrying, or securing of obligations. Swap agreements entered into by a state educational institution must:

(1) contain the provisions (including payment, term, security, default, and remedy provisions);

and

(2) be with the parties;

that the state educational institution determines are necessary or desirable after due consideration is given to the creditworthiness of the parties.

(b) A state educational institution may not:

(1) enter into, modify, amend, or terminate any swap agreement without the specific approval of the public finance director appointed under IC 4-4-11-9;

~~(1)~~ **(2)** enter into any swap agreement under this section other than for the purpose of managing an interest rate or similar risk that arises in connection with or incidental to the issuance, carrying, or securing of obligations by the state educational institution; or

~~(2)~~ **(3)** carry on a business of acting as a dealer in swap agreements.

(c) A swap agreement is considered as being entered into in connection with or incidental to the issuance, carrying, or securing of obligations if:

(1) the swap agreement is entered into not more than one hundred eighty (180) days after the issuance of the obligations and specifically indicates the agreement's relationship to the obligations;

(2) the board of trustees of the state educational institution specifically designates the swap agreement as having a relationship to the particular obligations;

(3) the swap agreement amends, modifies, or reverses a swap agreement described in subdivision (1) or (2); or

(4) the terms of the swap agreement bear a reasonable relationship to the terms of the obligations.

(d) Payments to be made by a state educational institution to any other party under a swap agreement are payable only from the same source or sources of funds from which the related obligations are payable.

SECTION 321. IC 21-34-10-7, AS ADDED BY P.L.2-2007, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ~~ten~~ **fifteen** million dollars ~~($10,000,000)~~ **($15,000,000) for each campus of the state educational institution. Any annual operating savings in excess of the annual debt service requirements on bonds issued shall be used to fund basic research for the Indiana Innovation Alliance.**

SECTION 322. IC 22-4-19-6, AS AMENDED BY P.L.175-2009, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) Each employing unit shall keep true and accurate records containing information the department considers necessary. These records are:

(1) open to inspection; and

(2) subject to being copied;

by an authorized representative of the department at any reasonable time and as often as may be necessary. The department, the review board, or an administrative law judge may require from any employing unit any verified or unverified report, with respect to persons employed by it, which is considered necessary for the effective administration of this article.

(b) Except as provided in subsections (d) and (f), information obtained or obtained from any person in the administration of this article and the records of the department relating to the unemployment tax

or the payment of benefits is confidential and may not be published or be open to public inspection in any manner revealing the individual's or the employing unit's identity, except in obedience to an order of a court or as provided in this section.

(c) A claimant or an employer at a hearing before an administrative law judge or the review board shall be supplied with information from the records referred to in this section to the extent necessary for the proper presentation of the subject matter of the appearance. The department may make the information necessary for a proper presentation of a subject matter before an administrative law judge or the review board available to an agency of the United States or an Indiana state agency.

(d) The department may release the following information:

(1) Summary statistical data may be released to the public.

(2) Employer specific information known as ES 202 data and data resulting from enhancements made through the business establishment list improvement project may be released to the Indiana economic development corporation only for the following purposes:

(A) The purpose of conducting a survey.

(B) The purpose of aiding the officers or employees of the Indiana economic development corporation in providing economic development assistance through program development, research, or other methods.

(C) Other purposes consistent with the goals of the Indiana economic development corporation and not inconsistent with those of the department.

(3) Employer specific information known as ES 202 data and data resulting from enhancements made through the business establishment list improvement project may be released to the budget agency **and the legislative services agency** only for aiding the employees of the budget agency **or the legislative services agency** in forecasting tax revenues.

(4) Information obtained from any person in the administration of this article and the records of the department relating to the unemployment tax or the payment of benefits for use by the following governmental entities:

(A) department of state revenue; or

(B) state or local law enforcement agencies;

only if there is an agreement that the information will be kept confidential and used for legitimate governmental purposes.

(e) The department may make information available under subsection (d)(1), (d)(2), or (d)(3) only:

(1) if:

(A) data provided in summary form cannot be used to identify information relating to a specific employer or specific employee; or

(B) there is an agreement that the employer specific information released to the Indiana economic development corporation, ~~or~~ the budget agency, **or the legislative services agency** will be treated as confidential and will be released only in summary form that cannot be used to identify information relating to a specific employer or a specific employee; and

(2) after the cost of making the information available to the person requesting the information is paid under IC 5-14-3.

(f) In addition to the confidentiality provisions of subsection (b), the fact that a claim has been made under IC 22-4-15-1(c)(8) and any information furnished by the claimant or an agent to the department to verify a claim of domestic or family violence are confidential. Information concerning the claimant's current address or physical location shall not be disclosed to the employer or any other person. Disclosure is subject to the following additional restrictions:

(1) The claimant must be notified before any release of information.

(2) Any disclosure is subject to redaction of unnecessary identifying information, including the claimant's address.

(g) An employee:

(1) of the department who recklessly violates subsection (a), (c), (d), (e), or (f); or

(2) of any governmental entity listed in subsection (d)(4) who recklessly violates subsection (d)(4);

commits a Class B misdemeanor.

(h) An employee of the Indiana economic development corporation, ~~or~~ the budget agency, **or the legislative services agency** who violates subsection (d) or (e) commits a Class B misdemeanor.

(i) An employer or agent of an employer that becomes aware that a claim has been made under IC 22-4-15-1(c)(8) shall maintain that information as confidential.

(j) The department may charge a reasonable processing fee not to exceed two dollars ($2) for each record that provides information about an individual's last known employer released in compliance with a court order under subsection (b).

SECTION 323. IC 24-4.4-1-101, AS ADDED BY P.L.145-2008, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 101. **(a)** This article shall be known and may be cited as the First Lien Mortgage Lending Act.

(b) Notwithstanding any other provision of this article or IC 24-4.5, the department may adopt emergency rules under IC 4-22-2-37.1, to remain effective until codified in the Indiana Code, in order to provide for a system of licensing creditors and mortgage loan originators that meets the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (H.R. 3221 Title V) and the interpretations of that Act issued by the Secretary of Housing and Urban Development.

SECTION 324. IC 24-4.5-1-102, AS AMENDED BY P.L.90-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 102. Purposes; Rules of Construction—(1) This article shall be liberally construed and applied to promote its underlying purposes and policies.

(2) The underlying purposes and policies of this article are:

(a) to simplify, clarify, and modernize the law governing retail installment sales, consumer credit, small loans, and usury;

(b) to provide rate ceilings to assure an adequate supply of credit to consumers;

(c) to further consumer understanding of the terms of credit transactions and to foster competition among suppliers of consumer credit so that consumers may obtain credit at reasonable cost;

(d) to protect consumer buyers, lessees, and borrowers against unfair practices by some suppliers of consumer credit, having due regard for the interests of legitimate and scrupulous creditors;

(e) to permit and encourage the development of fair and economically sound consumer credit practices;

(f) to conform the regulation of consumer credit transactions to the policies of the Federal Consumer Credit Protection Act; and

(g) to make uniform the law including administrative rules among the various jurisdictions.

(3) A reference to a requirement imposed by this article includes reference to a related rule of the department adopted pursuant to this article.

(4) A reference to a federal law in IC 24-4.5 is a reference to the law in effect December 31, ~~2007.~~ **2008.**

(5) This article applies to a transaction if the director determines that the transaction:

(a) is in substance a disguised consumer credit transaction; or

(b) involves the application of subterfuge for the purpose of avoiding this article.

A determination by the director under this paragraph must be in writing and shall be delivered to all parties to the transaction. IC 4-21.5-3 applies to a determination made under this paragraph.

SECTION 325. IC 25-26-13-4, AS AMENDED BY P.L.204-2005, SECTION 15, IS AMENDED

TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The board may:

(1) promulgate rules and regulations under IC 4-22-2 for implementing and enforcing this chapter;

(2) establish requirements and tests to determine the moral, physical, intellectual, educational, scientific, technical, and professional qualifications for applicants for pharmacists' licenses;

(3) refuse to issue, deny, suspend, or revoke a license or permit or place on probation or fine any licensee or permittee under this chapter;

(4) regulate the sale of drugs and devices in the state of Indiana;

(5) impound, embargo, confiscate, or otherwise prevent from disposition any drugs, medicines, chemicals, poisons, or devices which by inspection are deemed unfit for use or would be dangerous to the health and welfare of the citizens of the state of Indiana; the board shall follow those embargo procedures found in IC 16-42-1-18 through IC 16-42-1-31, and persons may not refuse to permit or otherwise prevent members of the board or their representatives from entering such places and making such inspections;

(6) prescribe minimum standards with respect to physical characteristics of pharmacies, as may be necessary to the maintenance of professional surroundings and to the protection of the safety and welfare of the public;

(7) subject to IC 25-1-7, investigate complaints, subpoena witnesses, schedule and conduct hearings on behalf of the public interest on any matter under the jurisdiction of the board;

(8) prescribe the time, place, method, manner, scope, and subjects of licensing examinations which shall be given at least twice annually; and

(9) perform such other duties and functions and exercise such other powers as may be necessary to implement and enforce this chapter.

(b) The board shall adopt rules under IC 4-22-2 for the following:

(1) Establishing standards for the competent practice of pharmacy.

(2) Establishing the standards for a pharmacist to counsel individuals regarding the proper use of drugs.

(3) Establishing standards and procedures before January 1, 2006, to ensure that a pharmacist:

(A) has entered into a contract that accepts the return of expired drugs with; or

(B) is subject to a policy that accepts the return of expired drugs of;

a wholesaler, manufacturer, or agent of a wholesaler or manufacturer concerning the return by the pharmacist to the wholesaler, the manufacturer, or the agent of expired legend drugs or controlled drugs. In determining the standards and procedures, the board may not interfere with negotiated terms related to cost, expenses, or reimbursement charges contained in contracts between parties, but may consider what is a reasonable quantity of a drug to be purchased by a pharmacy. The standards and procedures do not apply to vaccines that prevent influenza, medicine used for the treatment of malignant hyperthermia, and other drugs determined by the board to not be subject to a return policy. An agent of a wholesaler or manufacturer must be appointed in writing and have policies, personnel, and facilities to handle properly returns of expired legend drugs and controlled substances.

(c) The board may grant or deny a temporary variance to a rule it has adopted if:

(1) the board has adopted rules which set forth the procedures and standards governing the grant or denial of a temporary variance; and

(2) the board sets forth in writing the reasons for a grant or denial of a temporary variance.

(d) The board shall adopt rules and procedures, in consultation with the medical licensing board, concerning the electronic transmission of prescriptions. The rules adopted under this subsection must address the following:

(1) Privacy protection for the practitioner and the practitioner's patient.

(2) Security of the electronic transmission.
(3) A process for approving electronic data intermediaries for the electronic transmission of prescriptions.
(4) Use of a practitioner's United States Drug Enforcement Agency registration number.
(5) Protection of the practitioner from identity theft or fraudulent use of the practitioner's prescribing authority.

(e) The governor may direct the board to develop:

(1) a prescription drug program that includes the establishment of criteria to eliminate or significantly reduce prescription fraud; and

(2) a standard format for an official tamper resistant prescription drug form for prescriptions (as defined in IC 16-42-19-7(1)).

The board may adopt rules under IC 4-22-2 necessary to implement this subsection.

(f) The standard format for a prescription drug form described in subsection (e)(2) must include the following:

(1) A counterfeit protection bar code with human readable representation of the data in the bar code.

(2) A thermochromic mark on the front and the back of the prescription that:

(A) is at least one-fourth (1/4) of one (1) inch in height and width; and

(B) changes from blue to clear when exposed to heat.

(g) The board may contract with a supplier to implement and manage the prescription drug program described in subsection (e). The supplier must:

(1) have been audited by a third party auditor using the SAS 70 audit or an equivalent audit for at least the three (3) previous years; and

(2) be audited by a third party auditor using the SAS 70 audit or an equivalent audit throughout the duration of the contract;

in order to be considered to implement and manage the program.

SECTION 326. IC 28-10-1-1, AS AMENDED BY P.L.90-2008, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. A reference to a federal law or federal regulation in IC 28 is a reference to the law or regulation in effect December 31, ~~2007.~~ **2008.**

SECTION 327. IC 31-25-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 5. Cooperation With Department of Child Services Ombudsman

Sec. 1. As used in this chapter, "ombudsman" refers to the office of the department of child services ombudsman established within the Indiana department of administration by IC 4-13-19-3. The term includes an employee of the office of the department of child services ombudsman or an individual approved by the office of the department of child services ombudsman to investigate and resolve complaints regarding the health and safety of a child.

Sec. 2. The department and the juvenile court with jurisdiction over a child shall provide the ombudsman with:

(1) appropriate access to all records of the department concerning the child, excluding adoption records, but including all records of the department related to vendors and contractors; and

(2) immediate access, without prior notice, to any facility in which the child is placed or is receiving services funded by the department.

SECTION 328. IC 31-27-3-18, AS AMENDED BY P.L.138-2007, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records regarding each child in the control and care of the licensee as the department requires and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the child caring institution.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the child caring institution.

(5) The parent, guardian, or custodian of the child at the child caring institution.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 329. IC 31-27-4-21, AS AMENDED BY P.L.138-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the foster family home.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the foster family home.

(5) The parent, guardian, or custodian of the child at the foster family home.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 330. IC 31-27-5-18, AS AMENDED BY P.L.138-2007, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department, upon request, the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the group home.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.

(4) An agency having the legal responsibility to care for a child placed at the group home.

(5) The parent, guardian, or custodian of the child at the group home.

(6) A citizen review panel established under IC 31-25-2-20.4.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 331. IC 31-27-6-15, AS AMENDED BY P.L.138-2007, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) A licensee shall keep records required by the department regarding each child in the control and care of the licensee and shall report to the department upon request the facts the department requires with reference to children.

(b) The department shall keep records regarding children and facts learned about children and the children's parents or relatives confidential.

(c) The following have access to records regarding children and facts learned about children:

(1) A state agency involved in the licensing of the child placing agency.

(2) A legally mandated child protection agency.

(3) A law enforcement agency.
(4) A citizen review panel established under IC 31-25-2-20.4.
(5) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 332. IC 31-33-18-1, AS AMENDED BY P.L.145-2006, SECTION 283, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) Except as provided in section 1.5 of this chapter, the following are confidential:

(1) Reports made under this article (or IC 31-6-11 before its repeal).
(2) Any other information obtained, reports written, or photographs taken concerning the reports in the possession of:
(A) the division of family resources;
(B) the county office; ~~or~~
(C) the department; **or**
(D) the department of child services ombudsman established by IC 4-13-19-3.

(b) Except as provided in section 1.5 of this chapter, all records held by:
(1) the division of family resources;
(2) a county office;
(3) the department;
(4) a local child fatality review team established under IC 31-33-24; ~~or~~
(5) the statewide child fatality review committee established under IC 31-33-25; **or**
(6) the department of child services ombudsman established by IC 4-13-19-3;

regarding the death of a child determined to be a result of abuse, abandonment, or neglect are confidential and may not be disclosed.

SECTION 333. IC 31-33-18-1.5, AS AMENDED BY P.L.131-2009, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.5. (a) This section applies to records held by:

(1) the division of family resources;
(2) a county office;
(3) the department;
(4) a local child fatality review team established under IC 31-33-24; ~~or~~
(5) the statewide child fatality review committee established under IC 31-33-25; **or**
(6) the department of child services ombudsman established by IC 4-13-19-3;

regarding a child whose death or near fatality may have been the result of abuse, abandonment, or neglect.

(b) For purposes of subsection (a), a child's death or near fatality may have been the result of abuse, abandonment, or neglect if:
(1) an entity described in subsection (a) determines that the child's death or near fatality is the result of abuse, abandonment, or neglect; or
(2) a prosecuting attorney files:
(A) an indictment or information; or
(B) a complaint alleging the commission of a delinquent act;
that, if proven, would cause a reasonable person to believe that the child's death or near fatality may have been the result of abuse, abandonment, or neglect.

Upon the request of any person, or upon its own motion, the court exercising juvenile jurisdiction in the county in which the child's death or near fatality occurred shall determine whether the allegations contained in the indictment, information, or complaint described in subdivision (2), if proven, would cause a reasonable person to believe that the child's death or near fatality may have been the result of abuse, abandonment, or neglect.

(c) As used in this section:

(1) "identifying information" means information that identifies an individual, including an individual's:

(A) name, address, date of birth, occupation, place of employment, and telephone number;

(B) employer identification number, mother's maiden name, Social Security number, or any identification number issued by a governmental entity;

(C) unique biometric data, including the individual's fingerprint, voice print, or retina or iris image;

(D) unique electronic identification number, address, or routing code;

(E) telecommunication identifying information; or

(F) telecommunication access device, including a card, a plate, a code, an account number, a personal identification number, an electronic serial number, a mobile identification number, or another telecommunications service or device or means of account access; and

(2) "near fatality" has the meaning set forth in 42 U.S.C. 5106a.

(d) Unless information in a record is otherwise confidential under state or federal law, a record described in subsection (a) that has been redacted in accordance with this section is not confidential and may be disclosed to any person who requests the record. The person requesting the record may be required to pay the reasonable expenses of copying the record.

(e) When a person requests a record described in subsection (a), the entity having control of the record shall immediately transmit a copy of the record to the court exercising juvenile jurisdiction in the county in which the death or near fatality of the child occurred. However, if the court requests that the entity having control of a record transmit the original record, the entity shall transmit the original record.

(f) Upon receipt of the record described in subsection (a), the court shall, within thirty (30) days, redact the record to exclude:

(1) identifying information described in subsection (c)(1)(B) through (c)(1)(F) of a person; and

(2) all identifying information of a child less than eighteen (18) years of age.

(g) The court shall disclose the record redacted in accordance with subsection (f) to any person who requests the record, if the person has paid:

(1) to the entity having control of the record, the reasonable expenses of copying under IC 5-14-3-8; and

(2) to the court, the reasonable expenses of copying the record.

(h) The data and information in a record disclosed under this section must include the following:

(1) A summary of the report of abuse or neglect and a factual description of the contents of the report.

(2) The date of birth and gender of the child.

(3) The cause of the fatality or near fatality, if the cause has been determined.

(4) Whether the department or the office of the secretary of family and social services had any contact with the child or a member of the child's family or household before the fatality or near fatality, and, if the department or the office of the secretary of family and social services had contact, the following:

(A) The frequency of the contact or communication with the child or a member of the child's family or household before the fatality or near fatality and the date on which the last contact or communication occurred before the fatality or near fatality.

(B) A summary of the status of the child's case at the time of the fatality or near fatality, including:

(i) whether the child's case was closed by the department or the office of the secretary of family and social services before the fatality or near fatality; and

(ii) if the child's case was closed as described under item (i), the reasons that the case was

closed.

(i) The court's determination under subsection (f) that certain identifying information or other information is not relevant to establishing the facts and circumstances leading to the death or near fatality of a child is not admissible in a criminal proceeding or civil action.

SECTION 334. IC 31-33-18-2, AS AMENDED BY P.L.138-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. The reports and other material described in section 1(a) of this chapter and the unredacted reports and other material described in section 1(b) of this chapter shall be made available only to the following:

(1) Persons authorized by this article.

(2) A legally mandated public or private child protective agency investigating a report of child abuse or neglect or treating a child or family that is the subject of a report or record.

(3) A police or other law enforcement agency, prosecuting attorney, or coroner in the case of the death of a child who is investigating a report of a child who may be a victim of child abuse or neglect.

(4) A physician who has before the physician a child whom the physician reasonably suspects may be a victim of child abuse or neglect.

(5) An individual legally authorized to place a child in protective custody if:

(A) the individual has before the individual a child whom the individual reasonably suspects may be a victim of abuse or neglect; and

(B) the individual requires the information in the report or record to determine whether to place the child in protective custody.

(6) An agency having the legal responsibility or authorization to care for, treat, or supervise a child who is the subject of a report or record or a parent, guardian, custodian, or other person who is responsible for the child's welfare.

(7) An individual named in the report or record who is alleged to be abused or neglected or, if the individual named in the report is a child or is otherwise incompetent, the individual's guardian ad litem or the individual's court appointed special advocate, or both.

(8) Each parent, guardian, custodian, or other person responsible for the welfare of a child named in a report or record and an attorney of the person described under this subdivision, with protection for the identity of reporters and other appropriate individuals.

(9) A court, for redaction of the record in accordance with section 1.5 of this chapter, or upon the court's finding that access to the records may be necessary for determination of an issue before the court. However, except for disclosure of a redacted record in accordance with section 1.5 of this chapter, access is limited to in camera inspection unless the court determines that public disclosure of the information contained in the records is necessary for the resolution of an issue then pending before the court.

(10) A grand jury upon the grand jury's determination that access to the records is necessary in the conduct of the grand jury's official business.

(11) An appropriate state or local official responsible for child protection services or legislation carrying out the official's official functions.

(12) A foster care review board established by a juvenile court under IC 31-34-21-9 (or IC 31-6-4-19 before its repeal) upon the court's determination that access to the records is necessary to enable the foster care review board to carry out the board's purpose under IC 31-34-21.

(13) The community child protection team appointed under IC 31-33-3 (or IC 31-6-11-14 before its repeal), upon request, to enable the team to carry out the team's purpose under IC 31-33-3.

(14) A person about whom a report has been made, with protection for the identity of:

(A) any person reporting known or suspected child abuse or neglect; and

(B) any other person if the person or agency making the information available finds that disclosure of the information would be likely to endanger the life or safety of the person.

(15) An employee of the department, a caseworker, or a juvenile probation officer conducting a criminal history check under IC 31-26-5, IC 31-34, or IC 31-37 to determine the appropriateness of an out-of-home placement for a:

(A) child at imminent risk of placement;

(B) child in need of services; or

(C) delinquent child.

The results of a criminal history check conducted under this subdivision must be disclosed to a court determining the placement of a child described in clauses (A) through (C).

(16) A local child fatality review team established under IC 31-33-24-6.

(17) The statewide child fatality review committee established by IC 31-33-25-6.

(18) The department.

(19) The division of family resources, if the investigation report:

(A) is classified as substantiated; and

(B) concerns:

(i) an applicant for a license to operate;

(ii) a person licensed to operate;

(iii) an employee of; or

(iv) a volunteer providing services at;

a child care center licensed under IC 12-17.2-4 or a child care home licensed under IC 12-17.2-5.

(20) A citizen review panel established under IC 31-25-2-20.4.

(21) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 335. IC 31-33-25-6, AS ADDED BY P.L.145-2006, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) The statewide child fatality review committee is established to review a child's death that is:

(1) sudden;

(2) unexpected; or

(3) unexplained;

if the county where the child died does not have a local child fatality review team or if the local child fatality review team requests a review of the child's death by the statewide committee.

(b) The statewide child fatality review committee may also review the death of a child upon request by an individual **or the department of child services ombudsman established by IC 4-13-19-3.**

(c) A request submitted under subsection (b) must set forth:

(1) the name of the child;

(2) the age of the child;

(3) the county where the child died;

(4) whether a local child fatality review team reviewed the death; and

(5) the cause of death of the deceased child.

SECTION 336. IC 31-33-25-8, AS AMENDED BY P.L.225-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. The statewide child fatality review committee consists of the following members appointed by the governor:

(1) a coroner or deputy coroner;

(2) a representative from:

(A) the state department of health established by IC 16-19-1-1;

(B) a local health department established under IC 16-20-2; or

(C) a multiple county health department established under IC 16-20-3;

(3) a pediatrician;

(4) a representative of law enforcement;
(5) a representative from an emergency medical services provider;
(6) the director or a representative of the department;
(7) a representative of a prosecuting attorney;
(8) a pathologist who is:
(A) certified by the American Board of Pathology in forensic pathology; and
(B) licensed to practice medicine in Indiana;
(9) a mental health provider;
(10) a representative of a child abuse prevention program; ~~and~~
(11) a representative of the department of education; **and**
(12) at the discretion of the department of child services ombudsman, a representative of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 337. IC 31-33-26-5, AS ADDED BY P.L.138-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Subject to the accessibility to files provided in subsection (b), at least ten (10) levels of security for confidentiality in the index must be maintained.

(b) The index must have a comprehensive system of limited access to information as follows:
(1) The index must be accessed only by the entry of an operator identification number and a password.
(2) A child welfare caseworker must be allowed to access only:
(A) cases that are assigned to the caseworker; and
(B) other cases or investigations that involve:
(i) a family member of a child; or
(ii) a child;
who is the subject of a case described in clause (A).
(3) A child welfare supervisor may access only the following:
(A) Cases assigned to the supervisor.
(B) Cases assigned to a caseworker who reports to the supervisor.
(C) Other cases or investigations that involve:
(i) a family member of a child; or
(ii) a child;
who is the subject of a case described in clause (A) or (B).
(D) Cases that are unassigned.
(4) To preserve confidentiality in the workplace, child welfare managers, as designated by the department, may access any case, except restricted cases involving:
(A) a state employee; or
(B) the immediate family member of a state employee;
who has access to the index. Access to restricted information under this subdivision may be obtained only if an additional level of security is implemented.
(5) Access to records of authorized users, including passwords, is restricted to:
(A) users designated by the department as administrators; and
(B) the administrator's level of access as determined by the department.
(6) Ancillary programs that may be designed for the index may not be executed in a manner that would circumvent the index's log-on security measures.
(7) Certain index functions must be accessible only to index operators with specified levels of authorization as determined by the department.
(8) Files containing passwords must be encrypted.
(9) There must be two (2) additional levels of security for confidentiality as determined by the

department.

(10) The department of child services ombudsman established by IC 4-13-19-3 shall have read only access to the index concerning:

(A) children who are the subject of complaints filed with; or

(B) cases being investigated by;

the department of child services ombudsman. The office of the department of child services ombudsman shall not have access to any information related to cases or information that involves the ombudsman or any member of the ombudsman's immediate family.

SECTION 338. IC 31-39-2-6, AS AMENDED BY P.L.145-2006, SECTION 359, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. The records of the juvenile court are available without a court order to:

(1) the attorney for the department of child services; or

(2) any authorized staff member of:

(A) the county office;

(B) the department of child services; ~~or~~

(C) the department of correction; **or**

(D) the department of child services ombudsman established by IC 4-13-19-3.

SECTION 339. IC 31-39-4-7, AS AMENDED BY P.L.145-2006, SECTION 361, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. The records of a law enforcement agency are available, without specific permission from the head of the agency, to: ~~the:~~

(1) the attorney for the department of child services or any authorized staff member; **or**

(2) any authorized staff member of the department of child services ombudsman established by IC 4-13-19-3.

SECTION 340. IC 31-39-9-1, AS ADDED BY P.L.67-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. The following entities and agencies may exchange records of a child who is a child in need of services or has been determined to be a delinquent child under IC 31-37-1-2, if the information or records are not confidential under state or federal law:

(1) A court.

(2) A law enforcement agency.

(3) The department of correction.

(4) The department of child services.

(5) The office of the secretary of family and social services.

(6) A primary or secondary school, including a public or nonpublic school.

(7) The department of child services ombudsman established by IC 4-13-19-3.

SECTION 341. IC 31-40-1-3, AS AMENDED BY P.L.146-2008, SECTION 667, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) A parent or guardian of the estate of:

(1) a child adjudicated a delinquent child or a child in need of services; or

(2) a participant in a program of informal adjustment approved by a juvenile court under IC 31-34-8 or IC 31-37-9;

is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services provided by or through the department.

(b) Each person described in subsection (a) shall, before a hearing under subsection (c) concerning payment or reimbursement of costs, furnish the court and the department with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

(1) a detention hearing;
(2) a hearing that is held after the payment of costs by the department under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);
(3) the dispositional hearing; or
(4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for, or reimburse the department for the cost of services provided to the child or the parent or guardian unless the court makes a specific finding that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

(d) Any parental reimbursement obligation under this section shall be paid directly to the department and not to the local court clerk so long as the child in need of services case, juvenile delinquency case, or juvenile status offense case is open. The department shall keep track of all payments made by each parent and shall provide a receipt for each payment received. At the end of the child in need of services, juvenile delinquency, or juvenile status action, the department shall provide an accounting of payments received, and the court may consider additional evidence of payment activity and determine the amount of parental reimbursement obligation that remains unpaid. The court shall reduce the unpaid balance to a final judgment that may be enforced in any court having jurisdiction over such matters.

(e) After a judgment for unpaid parental reimbursement obligation is rendered, payments made toward satisfaction of the judgment shall be made to the clerk of the court in the county where the enforcement action is filed and shall be promptly forwarded to the department in the same manner as any other judgment payment.

SECTION 342. IC 31-40-1-6, AS AMENDED BY P.L.146-2008, SECTION 670, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) The department may contract with any of the following, on terms and conditions with respect to compensation and payment or reimbursement of expenses as the department may determine, for the enforcement and collection of any parental reimbursement obligation established by order entered by the court under section 3 or 5(g) of this chapter:

(1) The prosecuting attorney of the county in which the juvenile court that ordered or approved the services is located or in which the obligor resides.
(2) An attorney licensed to practice law in Indiana, if the attorney is not an employee of the department.
(3) A private collection agency licensed under IC 25-11.

(b) A contract entered into under this section is subject to approval under IC 4-13-2-14.1.

(c) Any fee payable to a prosecuting attorney under a contract under subsection (a)(1) shall be deposited in the county general fund and credited to a separate account identified as the prosecuting attorney's child services collections account. The prosecuting attorney may expend funds credited to the prosecuting attorney's child services collections account, without appropriation, only for the purpose of supporting and enhancing the functions of the prosecuting attorney in enforcement and collection of parental obligations to reimburse the department.

(d) Contracts between a prosecuting attorney, a private attorney, or a collection agency licensed under IC 25-11 and the department:

(1) must:
(A) be in writing;
(B) include:
(i) all fees, charges, and costs, including administrative and application fees; and
(ii) the right of the department to cancel the contract at any time;
(C) require the prosecuting attorney, private attorney, or collection agency, upon the

request of the department, to provide the:

(i) source of each payment received for a parental reimbursement order;

(ii) form of each payment received for a parental reimbursement order; and

(iii) amount and percentage that is deducted as a fee or a charge from each payment on the parental reimbursement order; and

(D) have a term of not more than four (4) years; and

(2) may be negotiable contingency contracts in which a prosecuting attorney, private attorney, or collection agency may not collect a fee that exceeds fifteen percent (15%) of the parental reimbursement collected per case.

(e) A prosecuting attorney, private attorney, or collection agency that contracts with the department under this section may, in addition to the collection of the parental reimbursement order, assess and collect from an obligor all fees, charges, costs, and other expenses as provided under the terms of the contract described in subsection (d).

SECTION 343. IC 32-30-10-14, AS AMENDED BY P.L.88-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The proceeds of a sale described in IC 32-29-7 or section 8 or 12(b) of this chapter must be applied in the following order:

(1) Expenses of the offer and sale, including expenses incurred under IC 32-29-7-4 or section 9 of this chapter (or IC 34-1-53-6.5 or IC 32-15-6-6.5 before their repeal).

(2) The amount of any property taxes on the property sold:

(A) that are due and owing; and

(B) for which the due date has passed as of the date of the sheriff's sale.

The sheriff shall transfer the amounts collected under this subdivision to the county treasurer not more than ten (10) days after the date of the sheriff's sale.

(3) Any amount of redemption where a certificate of sale is outstanding.

~~(2)~~ **(4)** The payment of the principal due, interest, and costs not described in subdivision (1).

~~(3)~~ **(5)** The residue secured by the mortgage and not due.

~~(4)~~ **(6)** If the residue referred to in subdivision ~~(3)~~ **(5)** does not bear interest, a deduction must be made by discounting the legal interest.

In all cases in which the proceeds of sale exceed the amounts described in subdivisions (1) through ~~(4),~~ **(6),** the surplus must be paid to the clerk of the court to be transferred, as the court directs, to the mortgage debtor, mortgage debtor's heirs, or other persons assigned by the mortgage debtor.

SECTION 344. IC 34-30-2-39.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.6. IC 4-13-19-6 (Concerning a person who releases information to the department of child services ombudsman).**

SECTION 345. IC 34-30-2-39.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 39.7. IC 4-13-19-9 (Concerning the department of child services ombudsman for the good faith performance of official duties).**

SECTION 346. IC 35-48-7-8.1, AS ADDED BY P.L.65-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.1. (a) This section applies after June 30, 2007.

(b) The advisory committee shall provide for a controlled substance prescription monitoring program that includes the following components:

(1) Each time a controlled substance designated by the advisory committee under IC 35-48-2-5 through IC 35-48-2-10 is dispensed, the dispenser shall transmit to the INSPECT program the following information:

(A) The controlled substance recipient's name.

(B) The controlled substance recipient's or the recipient representative's identification number or the identification number or phrase designated by the INSPECT program.

(C) The controlled substance recipient's date of birth.
(D) The national drug code number of the controlled substance dispensed.
(E) The date the controlled substance is dispensed.
(F) The quantity of the controlled substance dispensed.
(G) The number of days of supply dispensed.
(H) The dispenser's United States Drug Enforcement Agency registration number.
(I) The prescriber's United States Drug Enforcement Agency registration number.
(J) An indication as to whether the prescription was transmitted to the pharmacist orally or in writing.
(K) Other data required by the advisory committee.

(2) The information required to be transmitted under this section must be transmitted not more than seven (7) days after the date on which a controlled substance is dispensed.

(3) A dispenser shall transmit the information required under this section by:
(A) uploading to the INSPECT web site;
(B) a computer diskette; or
(C) a CD-ROM disk;
that meets specifications prescribed by the advisory committee.

(4) The advisory committee may require that prescriptions for controlled substances be written on a one (1) part form that cannot be duplicated. However, the advisory committee may not apply such a requirement to prescriptions filled at a pharmacy with a Type II permit (as described in IC 25-26-13-17) and operated by a hospital licensed under IC 16-21, or prescriptions ordered for and dispensed to bona fide enrolled patients in facilities licensed under IC 16-28. The committee may not require multiple copy prescription forms ~~and serially numbered prescription forms~~ for any prescriptions written. The advisory committee may not require different prescription forms for any individual drug or group of drugs. Prescription forms required under this subdivision must be jointly approved by the committee and by the Indiana board of pharmacy established by IC 25-26-13-3.

(5) The costs of the program.

SECTION 347. IC 36-1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The area inside the boundaries of a county comprises its territorial jurisdiction. However, a municipality has exclusive jurisdiction over bridges (subject to IC 8-16-3-1 **and IC 8-16-3.1-4),** streets, alleys, sidewalks, watercourses, sewers, drains, and public grounds inside its corporate boundaries, unless a statute provides otherwise.

(b) The area inside the corporate boundaries of a municipality comprises its territorial jurisdiction, except to the extent that a statute expressly authorizes the municipality to exercise a power in areas outside its corporate boundaries.

(c) Whenever a statute authorizes a municipality to exercise a power in areas outside its corporate boundaries, the power may be exercised:

(1) inside the corporate boundaries of another municipality, only if both municipalities, by ordinance, enter into an agreement under IC 36-1-7; or

(2) in a county other than the county in which the municipal hall is located, but not inside the corporate boundaries of another municipality, only if both the municipality and the other county, by ordinance, enter into an agreement under IC 36-1-7.

(d) If the two (2) units involved under subsection (c) cannot reach an agreement, either unit may petition the circuit or superior court of the county to hear and determine the matters at issue. The clerk of the court shall issue notice to the other unit as in other civil actions, and the court shall hold the hearing without a jury. There may be a change of venue from the judge but not from the county. The petitioning unit shall pay the costs of the action.

SECTION 348. IC 36-1-8-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 17. (a) As used in this section, "compensation" means the total of all money paid to an elected county, city, town, or township officer for performing duties as an elected officer, regardless of the source of funds from which the money is paid. The term includes all employee benefits paid to the elected officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits.**

(b) An elected county, city, town, or township officer may waive some or all of the elected officer's compensation for any year by filing a notice that satisfies the following:

(1) The notice is in writing.

(2) The notice states in substance all of the following:

(A) The position held by the elected officer.

(B) The calendar year covered by the notice.

(C) The part of the elected officer's compensation that will be waived under this section.

(D) That the elected officer understands that the notice is irrevocable beginning January 1 of the year covered by the notice.

(3) The notice is signed by the elected officer who wants to waive compensation.

(c) An elected county, city, town, or township officer who wants to waive compensation under this section must file the notice with the fiscal officer of the elected officer's county, city, town, or township before January 1 of the year covered by the notice.

(d) Beginning January 1 of the year covered by the notice, a notice filed under this section is irrevocable during the year covered by the notice.

(e) An elected county, city, town, or township officer who files a notice under this section:

(1) is not entitled to the part of compensation waived for duties performed in the year covered by the notice; and

(2) may not be paid the part of compensation waived for duties performed in the year covered by the notice.

SECTION 349. IC 36-3-1-5.1, AS AMENDED BY P.L.216-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.1. (a) Except for those duties that are reserved by law to the county sheriff in this section, the city-county legislative body may by majority vote adopt an ordinance, approved by the mayor, to consolidate the police department of the consolidated city and the county sheriff's department.

(b) The city-county legislative body may not adopt an ordinance under this section unless it first:

(1) holds a public hearing on the proposed consolidation; and

(2) determines that:

(A) reasonable and adequate police protection can be provided through the consolidation; and

(B) the consolidation is in the public interest.

(c) If an ordinance is adopted under this section, the consolidation shall take effect on the date specified in the ordinance.

(d) Notwithstanding any other law, an ordinance adopted under this section must provide that the county sheriff's department shall be responsible for all the following for the consolidated city and the county under the direction and control of the sheriff:

(1) County jail operations and facilities.

(2) Emergency communications.

(3) Security for buildings and property owned by:

(A) the consolidated city;

(B) the county; or

(C) both the consolidated city and county.

(4) Service of civil process and collection of taxes under tax warrants.

(5) Sex and violent offender registration.

(e) The following apply if an ordinance is adopted under this section:

(1) The department of local government finance ~~on recommendation from the local government tax control board,~~ shall adjust the maximum permissible ad valorem property tax levy of the consolidated city and the county for property taxes first due and payable in the year a consolidation takes effect under this section. When added together, the adjustments under this subdivision must total zero (0).

(2) The ordinance must specify which law enforcement officers of the police department and which law enforcement officers of the county sheriff's department shall be law enforcement officers of the consolidated law enforcement department.

(3) The ordinance may not prohibit the providing of law enforcement services for an excluded city under an interlocal agreement under IC 36-1-7.

(4) A member of the county police force who:

(A) was an employee beneficiary of the sheriff's pension trust before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains an employee beneficiary of the sheriff's pension trust. The member retains, after the consolidation, credit in the sheriff's pension trust for service earned while a member of the county police force and continues to earn service credit in the sheriff's pension trust as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the sheriff's pension trust.

(5) A member of the police department of the consolidated city who:

(A) was a member of the 1953 fund or the 1977 fund before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains a member of the 1953 fund or the 1977 fund. The member retains, after the consolidation, credit in the 1953 fund or the 1977 fund for service earned while a member of the police department of the consolidated city and continues to earn service credit in the 1953 fund or the 1977 fund as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the 1953 fund or the 1977 fund.

(6) The ordinance must designate the merit system that shall apply to the law enforcement officers of the consolidated law enforcement department.

(7) The ordinance must designate who shall serve as a coapplicant for a warrant or an extension of a warrant under IC 35-33.5-2.

(8) The consolidated city may levy property taxes within the consolidated city's maximum permissible ad valorem property tax levy limit to provide for the payment of the expenses for the operation of the consolidated law enforcement department. The police special service district established under section 6 of this chapter may levy property taxes to provide for the payment of expenses for the operation of the consolidated law enforcement department within the territory of the police special service district. Property taxes to fund the pension obligation under IC 36-8-7.5 may be levied only by the police special service district within the police special service district. The consolidated city may not levy property taxes to fund the pension obligation under IC 36-8-7.5. Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were members of the police department of the consolidated city on the effective date of the consolidation may be levied only by the police special service district within the police special service district. Property

taxes to fund the pension obligation under IC 36-8-10 for members of the sheriff's pension trust and under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were not members of the police department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the consolidated city's maximum permissible ad valorem property tax levy. The assets of the consolidated city's 1953 fund and the assets of the sheriff's pension trust may not be pledged after the effective date of the consolidation as collateral for any loan.

(9) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year following the adoption of the consolidation ordinance and for the following two (2) years, to determine:

(A) the amount of any cost savings, operational efficiencies, or improved service levels; and

(B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the budget committee.

SECTION 350. IC 36-3-6-9, AS AMENDED BY P.L.146-2008, SECTION 705, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) **Except as provided in subsection (d),** the city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A public library operating under IC 36-12.

(3) A capital improvement board of managers operating under IC 36-10.

(4) A public transportation corporation operating under IC 36-9-4.

(5) A health and hospital corporation established under IC 16-22-8.

(6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** shall review the issuance of bonds of an entity listed in subsection (a). Approval of the city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** is required for the issuance of bonds. The city-county legislative body **or the fiscal body of an excluded city or town** may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

(1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or

(2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval **and not the city-county legislative body. Except as provided in subsection (c), the fiscal body of the excluded city or town may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.**

SECTION 351. IC 36-4-3-4, AS AMENDED BY P.L.111-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The legislative body of a municipality may, by ordinance, annex any of the following:

(1) Territory that is contiguous to the municipality.

(2) Territory that is not contiguous to the municipality and is occupied by a municipally owned or operated airport or landing field.

(3) Territory that is not contiguous to the municipality but is found by the legislative body to be occupied by a municipally owned or regulated sanitary landfill, golf course, or hospital. However, if territory annexed under this subsection ceases to be used as a municipally owned or regulated sanitary landfill, golf course, or hospital for at least one (1) year, the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation if the unit that had jurisdiction over the territory still exists. If the unit no longer exists, the territory reverts to the jurisdiction of the unit that would currently have jurisdiction over the territory if the annexation had not occurred. The clerk of the municipality shall notify the offices required to receive notice of a disannexation under section 19 of this chapter when the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation.

(b) This subsection applies to municipalities in a county having a population of:

(1) more than seventy-three thousand (73,000) but less than seventy-four thousand (74,000);

(2) more than seventy-one thousand four hundred (71,400) but less than seventy-three thousand (73,000);

(3) more than seventy thousand (70,000) but less than seventy-one thousand (71,000);

(4) more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

(5) more than forty thousand nine hundred (40,900) but less than forty-one thousand (41,000);

(6) more than thirty-eight thousand (38,000) but less than thirty-nine thousand (39,000);

(7) more than thirty thousand (30,000) but less than thirty thousand seven hundred (30,700);

(8) more than twenty-three thousand five hundred (23,500) but less than twenty-four thousand (24,000); ~~or~~

(9) more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than three hundred thousand (300,000); **or**

(10) more than thirty-four thousand nine hundred fifty (34,950) but less than thirty-six thousand (36,000).

Except as provided in subsection (c), the legislative body of a municipality to which this subsection applies may, by ordinance, annex territory that is not contiguous to the municipality, has its entire area not more than two (2) miles from the municipality's boundary, is to be used for an industrial park containing one (1) or more businesses, and is either owned by the municipality or by a property owner who consents to the annexation. However, if territory annexed under this subsection is not used as an industrial park within five (5) years after the date of passage of the annexation ordinance, or if the territory ceases to be used as an industrial park for at least one (1) year, the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation if the unit that had jurisdiction over the territory still exists. If the unit no longer exists, the territory reverts to the jurisdiction of the unit that would currently have jurisdiction over the territory if the annexation had not occurred. The clerk of the municipality shall notify the offices entitled to receive notice of a disannexation under section 19 of this chapter when the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation.

(c) A city in a county with a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000) may not annex territory as prescribed in subsection (b) until the territory is zoned by the county for industrial purposes.

(d) Notwithstanding any other law, territory that is annexed under subsection (b) or (h) is not considered a part of the municipality for the purposes of:

(1) annexing additional territory:

(A) in a county that is not described by clause (B); or

(B) in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), unless the boundaries of the noncontiguous territory become contiguous to the city, as allowed by Indiana law;

(2) expanding the municipality's extraterritorial jurisdictional area; or

(3) changing an assigned service area under IC 8-1-2.3-6(1).

(e) As used in this section, "airport" and "landing field" have the meanings prescribed by IC 8-22-1.

(f) As used in this section, "hospital" has the meaning prescribed by IC 16-18-2-179(b).

(g) An ordinance adopted under this section must assign the territory annexed by the ordinance to at least one (1) municipal legislative body district.

(h) This subsection applies to a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000). The legislative body of a city may, by ordinance, annex territory that:

(1) is not contiguous to the city;

(2) has its entire area not more than eight (8) miles from the city's boundary;

(3) does not extend more than:

(A) one and one-half (1 1/2) miles to the west;

(B) three-fourths (3/4) mile to the east;

(C) one-half (1/2) mile to the north; or

(D) one-half (1/2) mile to the south;

of an interchange of an interstate highway (as designated by the federal highway authorities) and a state highway (as designated by the state highway authorities); and

(4) is owned by the city or by a property owner that consents to the annexation.

SECTION 352. IC 36-4-8-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. (a) This section applies to:**

(1) a city in which a riverboat (as defined in IC 4-33-2-17) is docked or located or gambling games (as defined in IC 4-35-2-5) are located; and

(2) a school corporation that is located in any part in a city described in subdivision (1).

(b) A city may do any of the following:

(1) Enter into one (1) or more agreements or leases with the school corporation or another public or private entity to provide for the construction or renovation of a school building that will be used by the school corporation. The agreements and leases may provide for the financing of the construction or renovation of the school building.

(2) A school building constructed or renovated as provided in subdivision (1) may be donated, sold, or leased to the school corporation under the conditions determined by the school corporation and the city.

(3) The city may use any revenues (including any gaming revenues) to pay for the construction or renovation of the school building or to finance the construction or renovation of the school building.

SECTION 353. IC 36-7-12-27, AS AMENDED BY P.L.146-2008, SECTION 722, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 27. (a) Bonds issued by a unit under section 25 of this chapter may be issued as serial bonds, term bonds, or a combination of both types. The ordinance of the fiscal body authorizing bonds, notes, or warrants, or the financing agreement or the trust indenture approved by the ordinance, must provide:

(1) the manner of their execution, either by the manual or facsimile signatures of the executive

of the unit and the clerk of the fiscal body;
(2) their date;
(3) their term or terms, which may not exceed forty (40) years, except as otherwise provided by subsection (e);
(4) their maximum interest rate if fixed rates are used or the manner in which the interest rate will be determined if variable or adjustable rates are used;
(5) their denominations;
(6) their form, either coupon or registered;
(7) their registration privileges;
(8) the medium of their payment;
(9) the place or places of their payment;
(10) the terms of their redemption; and
(11) any other provisions not inconsistent with this chapter.

(b) Bonds, notes, or warrants issued under section 25 of this chapter may be sold at public or private sale for the price or prices, in the manner, and at the time or times determined by the unit. The unit may advance all expenses, premiums, and commissions that it considers necessary or advantageous in connection with their issuance.

(c) The bonds, notes, or warrants and their authorization, issuance, sale, and delivery are not subject to any general statute concerning bonds, notes, or warrants of units.

(d) An action to contest the validity of bonds, notes, or warrants issued under section 25 of this chapter may not be commenced more than thirty (30) days after the adoption of the ordinance approving them under section 25 of this chapter.

(e) This subsection applies only to bonds, notes, or warrants issued under this chapter after June 30, 2008, that are wholly or partially payable from tax increment revenues derived from property taxes. The maximum term or repayment period for the bonds, notes, or warrants may not exceed:

(1) twenty-five (25) years **after the date of the first principal payment,** unless the bonds, notes, or warrants were:
(A) issued or entered into before July 1, 2008;
(B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or
(C) issued or entered into after June 30, 2008, in order to fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of the bonds, notes, warrants, or other contractual obligations by or with developers, lenders, or units, or otherwise prevent an impairment of the rights or remedies of the holders of the bonds, notes, warrants, or other contractual obligations; or

(2) thirty (30) years **after the date of the first principal payment,** if the bonds, notes, or warrants were issued after June 30, 2008, to finance:
(A) an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);
(B) a part of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6); or
(C) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);
that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008.

(f) The general assembly makes the following findings of fact with respect to an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6) that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:

(1) The health, safety, general welfare, and economic and energy security of the people of the

state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.

(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.

(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.

(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant.

SECTION 354. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008, SECTION 732, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution and subject to subsection (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and

(4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17.

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, for bonds issued before July 1, 2008;

(B) thirty (30) years **after the date of the first principal payment,** for bonds issued after June 30, 2008, to finance:

(i) an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);

(ii) a part of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6); or

(iii) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);

that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008; or

(C) twenty-five (25) years, for bonds issued after June 30, 2008, that are not described in clause (B).

The resolution may also state that the bonds are redeemable before maturity with or without a

premium, as determined by the redevelopment commission.

(d) The redevelopment commission shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds, subject to subsection (p). The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds must be executed by the appropriate officer of the unit and attested by the municipal or county fiscal officer.

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

(g) The municipal or county fiscal officer shall give notice of the sale of the bonds by publication in accordance with IC 5-3-1. The municipal fiscal officer, or county fiscal officer or executive, shall sell the bonds to the highest bidder, but may not sell them for less than ninety-seven percent (97%) of their par value. However, bonds payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter, or other revenues of the district may be sold at a private negotiated sale.

(h) Except as provided in subsection (i), a redevelopment commission may not issue the bonds when the total issue, including bonds already issued and to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the special taxing district, as determined under IC 36-1-15.

(i) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the redevelopment commission:

(1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

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

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

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

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

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

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

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

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which

the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

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

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission adopted before July 1, 2008, is equal to or greater than three million dollars ($3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. Bonds authorized in any principal amount by a resolution of the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the legislative body of the unit.

SECTION 355. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008, SECTION 733, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25.2. (a) A redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years **after the date of the first lease rental payment,** for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the redevelopment commission only after a public hearing by the redevelopment commission at which all interested parties are provided the opportunity to be heard. After the public hearing, the redevelopment commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the redevelopment commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers

residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for a hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the redevelopment commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) A redevelopment commission entering into a lease payable from allocated taxes under section 39 of this chapter or other available funds of the redevelopment commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the redevelopment commission to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment commission enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department.

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 356. IC 36-7-14-39, AS AMENDED BY P.L.88-2009, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date

immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in

accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established.~~ **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following

STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

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

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

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

(i) in the allocation area; and

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

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed

value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in

subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 357. IC 36-7-15.1-17, AS AMENDED BY P.L.146-2008, SECTION 751, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, for bonds issued before July 1, 2008; or

(B) twenty-five (25) years **after the date of the first principal payment,** for bonds issued after June 30, 2008.

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

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

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

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

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

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

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

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

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

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

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

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

(j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against, or vote on, the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The

commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 358. IC 36-7-15.1-17.1, AS AMENDED BY P.L.146-2008, SECTION 752, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years **after the date of the first lease rental payment,** for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 19 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and
(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 359. IC 36-7-15.1-26, AS AMENDED BY P.L.88-2009, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the

declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established.~~ **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

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

(i) in the allocation area; and

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

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund,

based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 360. IC 36-7-15.1-45, AS AMENDED BY P.L.146-2008, SECTION 762, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting,

advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, for bonds issued before July 1, 2008; or

(B) twenty-five (25) years **after the date of the first principal payment,** for bonds issued after June 30, 2008.

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

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

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

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

(g) The excluded city fiscal officer shall sell the bonds according to law. Bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

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

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 50 of this chapter;

(2) from the tax proceeds allocated under section 53(b)(2) of this chapter;

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

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

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

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

(j) The laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against, or vote on, the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a

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

SECTION 361. IC 36-7-15.1-46, AS AMENDED BY P.L.146-2008, SECTION 763, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years **after the date of the first lease rental payment,** for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the excluded city.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 50 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of the petition, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must not be less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner

or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 53 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 362. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008, SECTION 765, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an

expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established.~~ **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules

of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund.

Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 363. IC 36-7-15.3-15, AS AMENDED BY P.L.146-2008, SECTION 768, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The authority may

issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:

(1) fifty (50) years, for bonds issued before July 1, 2008; or

(2) twenty-five (25) years **after the date of the first principal payment,** for bonds issued after June 30, 2008.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the facility and all buildings, facilities, structures, and improvements related to it;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements suitable for use and operations;

(4) architectural, engineering, consultant, and attorney fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

SECTION 364. IC 36-7-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. As used in this chapter, "covered taxes" means the following:

(1) With respect to the professional sports development area as it existed on December 31, 2008:

~~(1)~~ **(A)** The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

~~(2)~~ **(B)** An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.

~~(3)~~ **(C)** A county option income tax imposed under IC 6-3.5-6.

~~(4)~~ **(D)** A food and beverage tax imposed under IC 6-9.

(2) With respect to an addition to the professional sports development area after December 31, 2008:

(A) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

(B) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.

(C) A county option income tax imposed under IC 6-3.5-6.

SECTION 365. IC 36-7-31-10, AS AMENDED BY P.L.214-2005, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. **(a)** A commission may establish as part of a professional sports development area any facility **or complex of facilities:**

(1) that is used in the training of a team engaged in professional sporting events; ~~or~~

(2) that is:

(A) financed in whole or in part by:

(i) notes or bonds issued by a political subdivision or issued under IC 36-10-9 or IC 36-10-9.1; or

(ii) a lease or other agreement under IC 5-1-17; and

(B) used to hold a professional sporting event; **or**

(3) that consists of a hotel, motel, or a multibrand complex of hotels and motels, with significant meeting space:

(A) located in an area in Indianapolis, Indiana, bounded on the east by Illinois Street, on the south by Maryland Street, and on the west and north by Washington Street, as those streets were located on June 1, 2009;

(B) that provides:

(i) convenient accommodations for consideration to the general public for periods of less than thirty (30) days, especially for individuals attending professional sporting events, conventions, or similar events in the capital improvements that are operated by the capital improvement board; and

(ii) significant meeting and convention space that directly enhances events held in the capital improvements that are operated by the capital improvement board; and

(C) that enhances the convention opportunities for the capital improvement board to hold events that:

(i) would not otherwise be possible; and

(ii) directly affect the success of both the facilities and capital improvements that are operated by the capital improvement board.

The tax area may include a facility **or complex of facilities** described in this section and any parcel of land on which the facility **or complex of facilities** is located. An area may contain noncontiguous tracts of land within the county.

(b) With respect to the site or future site of a facility or complex of facilities described in subsection (a)(3), the general assembly finds the following:

(1) That the facility or complex of facilities in the tax area provides both convenient accommodations for professional sporting events, conventions, or similar events and significant meeting and convention space that directly enhance events held in the capital improvements that are operated by the capital improvement board.

(2) That the facility or complex of facilities in the tax area and the capital improvements that are operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(3) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(4) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

SECTION 366. IC 36-7-31-11, AS AMENDED BY P.L.214-2005, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A tax area must be initially established before July 1, 1999, according to the procedures set forth for the establishment of an economic development area under IC 36-7-15.1. A tax area may be changed (including to the exclusion or inclusion of a facility described in this chapter) or the terms governing the tax area may be revised in the same manner as the establishment of the initial tax area. However, **a tax area may be changed as follows:**

(1) After May 14, 2005, ~~(1)~~ a tax area may be changed ~~only~~ to include the site or future site of a facility that is or will be the subject of a lease or other agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26. ~~and~~

(2) After June 30, 2009, a tax area may be changed to include the site or future site of a facility or complex of facilities described in section 10(a)(3) of this chapter.

~~(2)~~ **(3)** The terms governing a tax area may be revised only with respect to a facility **or complex of facilities** described in subdivision (1) **or (2).**

(b) In establishing or changing the tax area or revising the terms governing the tax area, the commission must ~~make~~ **do** the following: ~~findings:~~

(1) With respect to a tax area change described in subsection (a)(1), the commission must make the following findings instead of the findings required for the establishment of economic development areas:

~~(1)~~ **(A)** That a project to be undertaken or that has been undertaken in the tax area is for a facility at which a professional sporting event or a convention or similar event will be held.

~~(2)~~ **(B)** That the project to be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

~~(3)~~ **(C)** That the project to be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(2) With respect to a tax area change described in subsection (a)(2), the commission must make the following findings instead of the findings required for the establishment of an economic development area:

(A) That the facility or complex of facilities in the tax area provides both convenient accommodations for professional sporting events, conventions, or similar events and significant meeting and convention space that directly enhance events held in the capital improvements that are operated by the capital improvement board.

(B) That the facility or complex of facilities in the tax area and the capital improvements that are operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(C) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(D) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 367. IC 36-7-31-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 14 **or 14.2 of this chapter.**

(b) When considering a resolution **with respect to a tax area change described in section**

11(a)(1) of this chapter, the budget committee and the budget agency must make the following findings:

(1) The cost of the facility and facility site specified under the resolution exceeds one hundred thousand dollars ($100,000).

(2) The project specified in the resolution is economically sound and will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the tax area established under this chapter.

(3) The political subdivisions ~~effected~~ **affected** by the project specified in the resolution have committed significant resources towards completion of the improvement.

(c) When considering a resolution with respect to a tax area change described in section 11(a)(2) of this chapter, the budget committee and the budget agency must make the following findings:

(1) That the facility or complex of facilities described in section 10(a)(3) of this chapter will provide accommodations and significant meeting and convention space that directly enhance events and that are located in convenient proximity to capital improvements that are operated by the capital improvement board.

(2) That the facility or complex of facilities in the tax area and the capital improvements that are operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(3) That the facility or complex of facilities specified in the resolution will benefit the people of Indiana by providing the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(4) That the facility or complex of facilities specified in the resolution will protect or increase state and local tax bases and tax revenues.

~~(c)~~ **(d)** Revenues from the tax area may not be allocated until the budget agency approves the resolution.

SECTION 368. IC 36-7-31-14, AS AMENDED BY P.L.214-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. **(a) This section does not apply to that part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located. A reference to "tax area" in this section does not include the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located.**

~~(a)~~ **(b)** A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports development area fund established for the county. The allocation provision must apply to the ~~entire~~ **part of the** tax area **covered by this section.** The resolution must provide that the tax area terminates not later than December 31, 2027.

~~(b)~~ **(c)** All of the salary, wages, bonuses, and other compensation that are:

(1) paid during a taxable year to a professional athlete for professional athletic services;

(2) taxable in Indiana; and

(3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

~~(c)~~ **(d)** Except as provided by section 14.1 of this chapter, the total amount of state revenue captured by the tax area may not exceed five million dollars ($5,000,000) per year for twenty (20) consecutive years.

~~(d)~~ **(e)** The resolution establishing the tax area must designate the facility and the facility site for

which the tax area is established and covered taxes will be used.

~~(e)~~ **(f)** The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 369. IC 36-7-31-14.1, AS AMENDED BY P.L.120-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14.1. (a) The budget director appointed under IC 4-12-1-3 may determine that, commencing July 1, 2007, there may be captured in the tax area up to eleven million dollars ($11,000,000) per year in addition to the up to five million dollars ($5,000,000) of state revenue to be captured by the tax area under section 14 of this chapter **for the professional sports development area fund and in addition to the state revenue to be captured by the part of the tax area covered by section 14.2 of this chapter for the sports and convention facilities operating fund,** for up to thirty-four (34) consecutive years. The budget director's determination must specify that the termination date of the tax area for purposes of the collection of the additional eleven million dollars ($11,000,000) per year **for the professional sports development area fund** is extended to not later than:

(1) January 1, 2041; or

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26.

Following the budget director's determination, and commencing July 1, 2007, the maximum total amount of revenue captured by the tax area for years ending before January 1, 2041, ~~shall be~~ **is** sixteen million dollars ($16,000,000) per year **for the professional sports development area fund.**

(b) The additional revenue captured pursuant to a determination under subsection (a) shall be distributed to the capital improvement board or its designee. So long as there are any current or future obligations owed by the capital improvement board to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board or its designee shall deposit the additional revenue received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(c) Notwithstanding the budget director's determination under subsection (a), after January 1, 2010, the capture of the additional eleven million dollars ($11,000,000) per year described in subsection (a) terminates on January 1 of the year following the first year in which no obligations of the capital improvement board described in subsection (b) remain outstanding.

SECTION 370. IC 36-7-31-14.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 14.2. (a) This section applies to the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located. A reference to "tax area addition" in this section includes only the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located.**

(b) A tax area change described in section 11(a)(2) of this chapter must be established by resolution. A resolution changing the tax area must provide for a request for the allocation of:

(1) covered taxes attributable to a taxable event in the tax area addition; or

(2) covered taxes from income earned in the tax area addition;

to the sports and convention facilities operating fund established by section 16(b) of this chapter. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities operating fund.

(c) The allocation provision must apply only to the tax area addition.

(d) The resolution changing the tax area must designate each facility and each facility site for which the money to be distributed from the sports and convention facilities operating fund will be used.

(e) The budget director shall make an annual determination of whether the additional tax rates adopted after June 30, 2009, and before September 1, 2009, for the following taxes were in effect on January 1 of that year:

(1) The supplemental auto rental excise tax under IC 6-6-9.7.

(2) The innkeeper's tax under IC 6-9-8.

(3) The admissions tax under IC 6-9-13.

If the budget director determines that these additional tax rates were in effect on January 1 of the year, covered taxes attributable to the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located shall then be deposited in the sports and convention facilities operating fund established by section 16(b) of this chapter. For 2009, the budget director may use September 1, 2009, instead of January 1, 2009, to make a determination of whether to make deposits in the sports and convention facilities operating fund in 2009. However, the maximum total amount of covered taxes that may be deposited in the sports and convention facilities operating fund is eight million dollars ($8,000,000) during each year. To the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to or deposited in the sports and convention facilities operating fund.

(f) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes from the tax area addition.

SECTION 371. IC 36-7-31-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. **(a)** A professional sports development area fund for the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) A sports and convention facilities operating fund for the county is established. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

SECTION 372. IC 36-7-31-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. Covered taxes attributable to a taxing area established under section 14 of this chapter shall be deposited in the professional sports development area fund **established by section 16(a) of this chapter** for the county.

SECTION 373. IC 36-7-31-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. On or before the twentieth day of each month, all amounts held in the professional sports development area fund **and in the sports and convention facilities operating fund** for the county **are appropriated for and** shall be distributed to the capital improvement board.

SECTION 374. IC 36-7-31-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 20. All distributions from the professional sports development area fund **or the sports and convention facilities operating fund** for the county shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the capital improvement board.

SECTION 375. IC 36-7-31-21, AS AMENDED BY P.L.214-2005, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. **(a)** Except as provided in section 14.1 of this chapter, the capital improvement board may use money distributed from the **professional sports development area** fund **established by section 16(a) of this chapter** only to construct and equip a capital improvement that is used for a professional sporting event, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(b) The capital improvement board or its designee shall deposit the revenue received from

the sports and convention facilities operating fund established by section 16(b) of this chapter in a special fund, which may be used only for paying usual and customary operating expenses with respect to the capital improvements that are operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the capital improvement board:

(1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or

(2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 376. IC 36-7-31-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. The capital improvement board shall repay to the professional sports development area fund **or the sports and convention facilities operating fund** any amount that is distributed to the capital improvement board and used for:

(1) a purpose that is not described in section 21 of this chapter; or

(2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 14 **or 14.2** of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund **or the sports and convention facilities operating fund** under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 377. IC 36-8-12-13, AS AMENDED BY P.L.107-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) A volunteer fire department may impose a charge on the owner of property, the owner of a vehicle, or a responsible party (as defined in IC 13-11-2-191(d)) that is involved in a hazardous material or fuel spill or chemical or hazardous material related fire (as defined in IC 13-11-2-96(b)):

(1) that is responded to by the volunteer fire department; and

(2) that members of that volunteer fire department assisted in extinguishing, containing, or cleaning up.

(b) The volunteer fire department shall bill the owner or responsible party of the vehicle for the total dollar value of the assistance that was provided, with that value determined by a method that the state fire marshal shall establish under IC 36-8-12-16. A copy of the fire incident report to the state fire marshal must accompany the bill. This billing must take place within thirty (30) days after the assistance was provided. The owner or responsible party shall remit payment directly to the governmental unit providing the service. Any money that is collected under this section may be:

(1) deposited in the township firefighting fund established in IC 36-8-13-4;

(2) used to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus; or

(3) used for the purchase of equipment, buildings, and property for firefighting, fire protection, and other emergency services.

(c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized

separately from any other charges.

~~(c)~~ **(f)** The volunteer fire department may maintain a civil action to recover an unpaid charge that is imposed under subsection (a).

SECTION 378. IC 36-8-12-16, AS AMENDED BY P.L.3-2008, SECTION 266, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A volunteer fire department that provides service within a jurisdiction served by the department may establish a schedule of charges for the services that the department provides not to exceed the state fire marshal's recommended schedule for services. The volunteer fire department or its agent may collect a service charge according to this schedule from the owner of property that receives service if the following conditions are met:

(1) At the following times, the department gives notice under IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the service charge for each service that the department provides:

(A) Before the schedule of service charges is initiated.

(B) When there is a change in the amount of a service charge.

(2) The property owner has not sent written notice to the department to refuse service by the department to the owner's property.

(3) The bill for payment of the service charge:

(A) is submitted to the property owner in writing within thirty (30) days after the services are provided; and

(B) includes a copy of a fire incident report in the form prescribed by the state fire marshal, if the service was provided for an event that requires a fire incident report.

(4) Payment is remitted directly to the governmental unit providing the service.

(b) A volunteer fire department shall use the revenue collected from the fire service charges under this section:

(1) for the purchase of equipment, buildings, and property for firefighting, fire protection, or other emergency services;

(2) for deposit in the township firefighting fund established under IC 36-8-13-4; or

(3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus.

(c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

~~(c)~~ **(f)** If at least twenty-five percent (25%) of the money received by a volunteer fire department for providing fire protection or emergency services is received under one (1) or more contracts with one (1) or more political subdivisions (as defined in IC 34-6-2-110), the legislative body of a contracting political subdivision must approve the schedule of service charges established under subsection (a) before the schedule of service charges is initiated in that political subdivision.

~~(d)~~ **(g)** A volunteer fire department that:

(1) has contracted with a political subdivision to provide fire protection or emergency services; and

(2) charges for services under this section;

must submit a report to the legislative body of the political subdivision before April 1 of each year indicating the amount of service charges collected during the previous calendar year and how those funds have been expended.

~~(e)~~ **(h)** The state fire marshal shall annually prepare and publish a recommended schedule of service charges for fire protection services.

~~(f)~~ **(i)** The volunteer fire department or its agent may maintain a civil action to recover an unpaid service charge under this section.

SECTION 379. IC 36-8-12.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. **(a)** A fire department may impose a charge on a person that is a responsible party with respect to a hazardous materials emergency that:

(1) the fire department responded to;

(2) members of that fire department assisted in containing, controlling, or cleaning up;

(3) with respect to the release or imminent release of hazardous materials at a facility, involves a quantity of hazardous materials that exceeds the spill quantities of hazardous materials that must be reported under 327 IAC 2-6.1-5, as in effect on January 1, 2001; and

(4) with respect to the release or imminent release of hazardous materials from a mode of transportation, involves a quantity of hazardous materials that exceeds the spill quantities of hazardous materials that must be reported under 327 IAC 2-6.1-6, as in effect on January 1, 2001.

(b) The owner or responsible party shall remit payment directly to the governmental unit providing the service.

(c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

SECTION 380. IC 36-8-12.2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. A fire department imposing a charge under this chapter may bill the responsible party for the total value of the assistance provided, as determined from the state fire marshal's schedule of service charges issued under ~~IC 36-8-12-16(e).~~ **IC 36-8-12-16(h).**

SECTION 381. IC 36-8-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The executive of a township, with the approval of the legislative body, may do the following:

(1) Purchase firefighting and emergency services apparatus and equipment for the township, provide for the housing, care, maintenance, operation, and use of the apparatus and equipment to provide services within the township but outside the corporate boundaries of municipalities, and employ full-time or part-time personnel to operate the apparatus and equipment and to provide services in that area. Preference in employment under this section shall be given according to the following priority:

(A) A war veteran who has been honorably discharged from the United States armed forces.

(B) A person whose mother or father was a:

(i) firefighter of a unit;

(ii) municipal police officer; or

(iii) county police officer;

who died in the line of duty (as defined in IC 5-10-10-2).

A person described in this subdivision may not receive a preference for employment unless the person applies for employment and meets all employment requirements prescribed by law, including physical and age requirements, and all employment requirements prescribed by the fire department.

(2) Contract with a municipality in the township or in a contiguous township that maintains adequate firefighting or emergency services apparatus and equipment to provide fire protection

or emergency services for the township in accordance with IC 36-1-7.

(3) Cooperate with a municipality in the township or in a contiguous township in the purchase, maintenance, and upkeep of firefighting or emergency services apparatus and equipment for use in the municipality and township in accordance with IC 36-1-7.

(4) Contract with a volunteer fire department that has been organized to fight fires in the township for the use and operation of firefighting apparatus and equipment that has been purchased by the township in order to save the private and public property of the township from destruction by fire, including use of the apparatus and equipment in an adjoining township by the department if the department has made a contract with the executive of the adjoining township for the furnishing of firefighting service within the township.

(5) Contract with a volunteer fire department that maintains adequate firefighting service in accordance with IC 36-8-12.

(b) This subsection applies only to townships that provide fire protection or emergency services or both under subsection (a)(1) and to municipalities that have ~~all~~ **some part of the** municipal territory ~~completely~~ within a township and do not have a full-time paid fire department. A township may provide fire protection or emergency services or both without contracts inside the corporate boundaries of the municipalities if before July 1 of a year the following occur:

(1) The legislative body of the municipality adopts an ordinance to have the township provide the services without a contract.

(2) The township legislative body passes a resolution approving the township's provision of the services without contracts to the municipality.

In a township providing services to a municipality under this section, the legislative body of either the township or a municipality in the township may opt out of participation under this subsection by adopting an ordinance or a resolution, respectively, before July 1 of a year.

(c) This subsection applies only to a township that:

(1) is located in a county containing a consolidated city;

(2) has at least three (3) included towns (as defined in IC 36-3-1-7) that have all municipal territory completely within the township on January 1, 1996; and

(3) provides fire protection or emergency services, or both, under subsection (a)(1);

and to included towns (as defined in IC 36-3-1-7) that have all the included town's municipal territory completely within the township. A township may provide fire protection or emergency services, or both, without contracts inside the corporate boundaries of the municipalities if before August 1 of the year preceding the first calendar year to which this subsection applies the township legislative body passes a resolution approving the township's provision of the services without contracts to the municipality. The resolution must identify the included towns to which the resolution applies. In a township providing services to a municipality under this section, the legislative body of the township may opt out of participation under this subsection by adopting a resolution before July 1 of a year. A copy of a resolution adopted under this subsection shall be submitted to the executive of each included town covered by the resolution, the county auditor, and the department of local government finance.

SECTION 382. IC 36-8-15-19, AS AMENDED BY P.L.146-2008, SECTION 784, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19. (a) This subsection applies to a county that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect

to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the ~~board,~~ **department of local government finance,** which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the ~~board,~~ **department of local government finance,** which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 383. IC 36-8-19-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.5. (a) The legislative bodies of all participating units in a territory may agree to change the provider unit of the territory from one (1) participating unit to another participating unit. To change the provider unit, the legislative body of each participating unit must adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that agrees to and specifies the new provider unit. The provider unit may not be changed unless all participating units agree on the participating unit that will become the new provider unit. The participating units may not change the provider unit more than one (1) time in any year.**

(b) The following apply to an ordinance or a resolution adopted under this section to change the provider unit of the territory:

(1) The ordinance or resolution must be adopted after January 1 but before April 1 of a year.

(2) The ordinance or resolution takes effect January 1 of the year following the year in which the ordinance or resolution is adopted.

SECTION 384. IC 36-8-19-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 7.5. (a) This section applies to:**

(1) county adjusted gross income tax, county option income tax, and county economic development income tax distributions; and

(2) excise tax distributions;

made after December 31, 2009.

(b) For purposes of allocating any county adjusted gross income tax, county option income tax, and county economic development income tax distributions or excise tax distributions that are distributed based on the amount of a taxing unit's property tax levies, each participating unit in a territory is considered to have imposed a part of the property tax levy imposed for the territory. The part of the property tax levy imposed for the territory for a particular year that shall be attributed to a participating unit is equal to the amount determined in the following STEPS:

STEP ONE: Determine the total amount of all property taxes imposed by the participating unit in the year before the year in which a property tax levy was first imposed for the territory.

STEP TWO: Determine the sum of the STEP ONE amounts for all participating units.

STEP THREE: Divide the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by the property tax levy imposed for the territory for the particular year.

SECTION 385. IC 36-8-19-8, AS AMENDED BY P.L.128-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. (a) Upon the adoption of identical ordinances or resolutions, or both, by the participating units under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

(1) All receipts from the tax imposed under this section.

(2) Any money transferred to the fund by the provider unit as authorized under subsection (d).

(3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.

(4) Any money transferred to the fund by a participating unit under section 8.6 of this chapter.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. **Except as provided in IC 6-1.1-18.5-10.5,** after estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the levy in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the levy in the following year shall be reduced by the amount of surplus money that is not transferred to the equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the levy for that fund for that year. Each participating unit must agree to the amount to be transferred by adopting an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies an identical amount to be transferred.

(f) The tax under this section is ~~not~~ subject to the tax levy limitations imposed ~~on civil taxing units under IC 6-1.1-18.5 for any unit that is a participating unit in a fire protection territory that was established before August 1, 2001.~~ **under IC 6-1.1-18.5-10.5.**

~~(g) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. For purposes of calculating a participating unit's maximum permissible ad valorem property tax levy for the three (3) calendar years in which the participating unit levies a tax to support the territory, the unit's maximum permissible ad valorem property tax levy for the preceding calendar year under IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount equal to the difference between the:~~

~~(1) amount the unit will have to levy for the ensuing calendar year in order to fund the unit's share of the fire protection territory budget for the operating costs as provided in the ordinance or resolution making the unit a participating unit in the fire protection territory; and~~

~~(2) unit's levy for fire protection services for the calendar year that immediately precedes the ensuing calendar year in which the participating unit levies a tax to support the territory.~~

SECTION 386. IC 36-9-41-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A political subdivision borrowing money under section 3 of this chapter shall execute and deliver to the financial institution the negotiable note of the political subdivision for the sum borrowed. The note must bear interest, with both principal and interest payable in equal or approximately equal installments on January 1 and July 1 each year over a period not exceeding ~~six (6)~~ **ten (10)** years.

SECTION 387. IC 36-10-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The board is composed of ~~nine (9)~~ **eleven (11)** members. Six (6) members shall be appointed by the executive of the consolidated city, ~~two (2) members~~ **one (1) member** shall be appointed by the board of commissioners of the county, ~~and~~ one (1) member shall be appointed by the legislative body of the consolidated city from among the members of the legislative body, **one (1) member shall be appointed by the president pro tempore of the senate, one (1) member shall be appointed by the speaker of the house of representatives, and one (1) member shall be appointed by the governor. The member appointed by the governor must reside in a county in which a food and beverage tax is in effect under IC 6-9-35 on January 1 of the year of the appointment.** One (1) of the members appointed by the executive must be engaged in the hotel or motel business in the county. Not more than four (4) of the members appointed by the executive may be affiliated with the same political party and not more than one (1) member appointed by the board of commissioners may be affiliated with the same political party.

(b) The terms of members are for two (2) years beginning on January 15 and until a successor is appointed and qualified. A member may be reappointed after the member's term has expired.

(c) If a vacancy occurs on the board, the appointing authority shall appoint a new member. That member serves for the remainder of the vacated term.

(d) A board member may be removed for cause by the appointing authority who appointed the member.

(e) Each member, before entering upon the duties of office, shall take and subscribe an oath of office in the usual form. The oath shall be endorsed upon the member's certificate of appointment, which shall be promptly filed with the records of the board.

(f) A member does not receive a salary, but is entitled to reimbursement for any expenses necessarily incurred in the performance of the member's duties.

SECTION 388. IC 36-10-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The board shall prepare a budget for each calendar year covering the projected operating expenses, **projected expenditures for capital improvements or land acquisition,** and estimated income to pay the operating expenses **and capital expenditures,** including amounts, if any, to be received from excise taxes and ad valorem property taxes. It shall submit the **operating and capital** budget for review, approval, or rejection to the city-county legislative body. The board may make expenditures only as provided in the budget as approved, unless additional expenditures are approved by the legislative body. However, payments to users of any capital improvement that constitute a contractual share of box office receipts are neither an operating expense nor an expenditure within the meaning of this section.

(b) If the board desires to finance a capital improvement in whole or in part by the issuance of bonds under section 12 or 15 of this chapter, the board shall submit the following information to the city-county legislative body at least ~~fifteen (15)~~ **thirty (30)** days before the adoption of a resolution authorizing the issuance of the bonds:

(1) A description of the project to be financed through the issuance of bonds.

(2) The total amount of the project anticipated to be funded through the issuance of bonds.

(3) The total amount of other anticipated revenue sources for the project.

(4) Any other terms upon which the bonds will be issued.

(c) The city-county legislative body must discuss the information provided in subsection (b) in a public hearing **held before the resolution may be adopted by the board.**

(d) The board shall post the board's proposed budget and adopted budget on the board's Internet web site.

SECTION 389. IC 36-10-9-8.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8.1. (a) During 2009, the board shall prepare a long range financial plan covering the period beginning with the year 2010 and ending with the year 2041. The long range financial plan must set forth the following:**

(1) The schedule for the retirement of all debt that is outstanding as of January 1, 2010.

(2) An estimated operating and capital budget for each calendar year that covers the projected operating expenses, debt obligations, expenditures for capital improvements and land acquisition, and estimated income to pay these items, including the source of each type of income.

(b) Before January 1, 2010, the board shall deliver a copy of the long range financial plan to each member of the city-county legislative body and to the legislative council in an electronic format under IC 5-14-6.

(c) The city-county legislative body shall discuss the long range financial plan in a public hearing.

SECTION 390. IC 36-10-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The treasurer of the board is the official custodian of all funds and assets of the board and is responsible for their safeguarding and accounting. ~~He~~ **The treasurer** shall give bond for the faithful performance and discharge of all duties required of ~~him~~ **the treasurer** by law in the amount and with surety and other conditions that may be prescribed and approved by the board. All

funds and assets in the capital improvement fund and the capital improvement bond fund created by this chapter and all other funds, assets, and tax revenues held, collected, or received by the treasurer of the county for the use of the board shall be promptly remitted and paid over by ~~him~~ **the county treasurer** to the treasurer of the board, who shall issue receipts for them.

(b) The treasurer of the board shall deposit all funds coming into ~~his~~ **the treasurer's** hands as required by this chapter and by IC 6-7-1-30.1, and in accordance with IC 5-13. Money so deposited may be invested and reinvested by the treasurer in accordance with general statutes relating to the investment of public funds and in securities that the board specifically directs. All interest and other income earned on investments becomes a part of the particular fund from which the money was invested, except as provided in a resolution, ordinance, or trust agreement providing for the issuance of bonds or notes. All funds invested in deposit accounts as provided in IC 5-13-9 must be insured under IC 5-13-12.

(c) The board shall appoint a controller to act as the auditor and assistant treasurer of the board. ~~He~~ **The controller** shall serve as the official custodian of all books of account and other financial records of the board and has the same powers and duties as the treasurer of the board or the lesser powers and duties that the board prescribes. The controller and any other employee or member of the board authorized to receive, collect, or expend money, shall give bond for the faithful performance and discharge of all duties required of ~~him~~ **the controller** in the amount and with surety and other conditions that may be prescribed and approved by the board. ~~He~~ **The controller** shall keep an accurate account of all money due the board and of all money received, invested, and disbursed in accordance with generally recognized governmental accounting principles and procedure. All accounting forms and records shall be prescribed or approved by the state board of accounts.

(d) The controller shall issue all warrants for the payment of money from the funds of the board in accordance with procedures prescribed by the board but a warrant may not be issued for the payment of a claim until an itemized and verified statement of the claim has been filed with the controller, who may require evidence that all amounts claimed are justly due. All warrants shall be countersigned by the treasurer of the board or by the executive manager. Warrants may be executed with facsimile signatures.

(e) If there are bonds or notes outstanding issued under this chapter, the controller shall deposit with the paying agent or other paying officer within a reasonable period before the date that any principal or interest becomes due sufficient money for the payment of the principal and interest on the due dates. The controller shall make the deposit with money from the sources provided in this chapter, and he shall make the deposit in an amount that, together with other money available for the payment of the principal and interest, is sufficient to make the payment. In addition, the controller shall make other deposits for the bonds and notes as is required by this chapter or by the resolutions, ordinances, or trust agreements under which the bonds or notes are issued.

(f) The controller shall submit to the board at least annually a report of ~~his~~ **the board's** accounts exhibiting the revenues, receipts, and disbursements and the sources from which the revenues and receipts were derived and the purpose and manner in which they were disbursed. The board may require that the report be prepared by an independent certified public accountant designated by the board. **The state board of accounts shall audit annually the accounts, books, and records of the board and prepare a financial report and a compliance audit report. The board shall submit to the city-county legislative body financial and compliance reports of the state board of accounts. The board shall post the reports of the state board of accounts on the board's Internet web site. The city-county legislative body shall discuss the financial and compliance reports of the state board of accounts in a public hearing.** The handling and expenditure of funds is subject to ~~audit and~~ supervision by the state board of accounts.

SECTION 391. IC 36-10-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

2009]: Sec. 12. (a) A capital improvement may be financed in whole or in part by the issuance of bonds payable, to the extent stated in the resolution or trust agreement providing for the issuance of the bonds, solely from one (1) or more of the following sources:

(1) Net income received from the operation of the capital improvement and not required to be deposited in the capital improvement bond fund under section 11 of this chapter.

(2) Net income received from the operation of any other capital improvement or improvements and not required to be deposited in the capital improvement bond fund under section 11 of this chapter.

(3) Money in the capital improvement bond fund available for that purpose.

(4) Money in the capital improvement fund available for that purpose.

(5) Any other funds made available for that purpose.

The resolution or trust agreement may pledge all or part of those amounts to the repayment of the bonds and may secure the bonds by a lien on the amounts pledged.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall adopt a resolution authorizing the issuance of revenue bonds. The resolution must state the date or dates on which the principal of the bonds will mature (not exceeding forty (40) years from the date of issuance), the maximum interest rate to be paid, and the other terms upon which the bonds will be issued.

(c) **If the city-county legislative body approves issuance of bonds under IC 36-3-6-9,** the board shall submit the resolution to the executive of the consolidated city, who shall review it. If the executive approves the resolution, the board shall take all actions necessary to issue bonds in accordance with the resolution. The board may, under section 13 of this chapter, enter into a trust agreement with a trust company as trustee for the bondholders. An action to contest the validity of bonds to be issued under this section may not be brought after the fifteenth day following:

(1) the receipt of bids for the bonds, if the bonds are sold at public sale; or

(2) the publication one (1) time in a newspaper of general circulation published in the county of notice of the execution and delivery of the contract of sale for the bonds;

whichever occurs first.

(d) Bonds issued under this section may be sold at public or private sale for the price or prices that are provided in the resolution authorizing the issuance of bonds. All bonds and interest are exempt from taxation in Indiana as provided in IC 6-8-5.

(e) When issuing revenue bonds, the board may covenant with the purchasers of the bonds that any funds in the capital improvement fund may be used to pay the principal on, or interest of, the bonds that cannot be paid from any other funds.

(f) The revenue bonds may be made redeemable before maturity at the price or prices and under the terms that are determined by the board in the authorizing resolution. The board shall determine the form of bonds, including any interest coupons to be attached, and shall fix the denomination or denominations of the bonds and the place or places of payment of the principal and interest, which may be at any bank or trust company within or outside Indiana. All bonds must have all the qualities and incidents of negotiable instruments under statute. Provision may be made for the registration of any of the bonds as to principal alone or to both principal and interest.

(g) The revenue bonds shall be issued in the name of the county and must recite on the face that the principal of and interest on the bonds is payable solely from the amounts pledged to their payment. The bonds shall be executed by the manual or facsimile signature of the president of the board, and the seal of the county shall be affixed or imprinted on the bonds. The seal shall be attested by the manual or facsimile signature of the auditor of the county. However, one (1) of the signatures must be manual, unless the bonds are authenticated by the manual signature of an authorized officer or a trustee for the bondholders. Any coupons attached must bear the facsimile signature of the president

of the board.

(h) This chapter constitutes full and complete authority for the issuance of revenue bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, acts, or things by the board or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to issue any revenue bonds except as prescribed in this chapter.

(i) Revenue bonds issued under this section are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under statute.

SECTION 392. IC 36-10-9-15, AS AMENDED BY P.L.146-2008, SECTION 797, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the ~~board of commissioners of the county,~~ **city-county legislative body for approval under IC 36-3-6-9,** together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) ~~Upon receipt of the resolution and certificate, the board of commissioners of the county may adopt them and~~ **If the city-county legislative body approves the issuance of bonds under IC 36-3-6-9, the board shall submit the resolution to the executive of the consolidated city, who shall review the resolution. If the executive approves the resolution, the board shall** take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

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

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

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

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

(7) the sale of bonds at public sale for not less than par value;

are applicable to the issuance of bonds under this section.

SECTION 393. IC 6-1.1-8-23 IS REPEALED [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)].

SECTION 394. IC 36-5-3-6 IS REPEALED [EFFECTIVE JANUARY 1, 2010].

SECTION 395. P.L.146-2008, SECTION 857 IS REPEALED [EFFECTIVE JANUARY 1, 2010].

SECTION 396. IC 6-2.5-5-41 IS REPEALED [EFFECTIVE JULY 1, 2009].

SECTION 397. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 6-1.1-34-3; IC 20-45-1-5.

SECTION 398. IC 20-43-11.5 IS REPEALED [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)].

SECTION 399. IC 6-1.1-20.6-3.5 IS REPEALED [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)].

SECTION 400. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2010]: IC 20-20-34; IC 20-40-4; IC 20-43-1-27; IC 20-43-6-5; IC 20-45-1-2; IC 20-45-1-6; IC 20-45-1-12; IC 20-45-1-21.3; IC 20-45-1-21.5; IC 20-45-1-21.7.

SECTION 401. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 6-1.1-18.5-11; IC 6-1.1-19-4.1; IC 20-18-2-21.5.

SECTION 402. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **Notwithstanding the effective date of IC 6-3-2-2, as amended by this act, the amendments made to IC 6-3-2-2 by this act apply to taxable years beginning after December 31, 2004, and are intended to be a clarification of the law and not a substantive change in the law.**

SECTION 403. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) A prepayment rate determined by the department under IC 6-2.5-7-14, as amended by this act, that took effect after December 31, 2008, is legalized and validated.**

(b) This SECTION expires December 31, 2009.

SECTION 404. [EFFECTIVE JANUARY 1, 2010] **IC 6-3-3-12, as amended by this act, applies to taxable years beginning after December 31, 2009.**

SECTION 405. [EFFECTIVE JANUARY 1, 2010] **IC 6-3.1-4-2, as amended by this act, applies to taxable years beginning after December 31, 2009.**

SECTION 406. [EFFECTIVE JULY 1, 2009] **(a) IC 36-1-8-17, as added by this act, applies only to a waiver of compensation for calendar years beginning after December 31, 2009.**

(b) This SECTION expires January 1, 2012.

SECTION 407. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) IC 6-1.1-4-42, as added by this act, does not apply to assessment dates before January 16, 2009. A rule or guideline of the department of local government finance adopted or issued before April 29, 2009, is void to the extent that the rule or guideline is in conflict with IC 6-1.1-4-42, as added by this act.**

(b) This SECTION expires January 1, 2011.

SECTION 408. [EFFECTIVE JULY 1, 2009] **(a) IC 6-1.1-20-1.9, as amended by this act, applies only to a petition requesting the application of the local public question process to bonds or a lease for which the preliminary determination to issue the bonds or enter into the lease is published under IC 6-1.1-20-3.5(b)(2) after June 30, 2009.**

(b) This SECTION expires July 1, 2011.

SECTION 409. [EFFECTIVE JULY 1, 2009] **(a) This SECTION applies to a county that had an amount transferred to the county's levy excess fund established under IC 6-1.1-18.5-17 from the county's:**

(1) family and children's fund under P.L.146-2008, SECTION 823(b); and

(2) children's psychiatric residential treatment services fund under P.L.146-2008, SECTION 824(b).

(b) A county fiscal body may adopt a resolution to transfer the amount referred to in subsection (a) from the county's levy excess fund to the county's rainy day fund established under IC 36-1-8-5.1.

(c) This SECTION expires December 31, 2009.

SECTION 410. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a county that had at least ten million dollars ($10,000,000) transferred to the county's levy excess fund established under IC 6-1.1-18.5-17 from the county's:**

(1) family and children's fund under P.L.146-2008, SECTION 823(b); and

(2) children's psychiatric residential treatment services fund under P.L.146-2008, SECTION 824(b).

(b) As used in this SECTION, "civil taxing unit" has the meaning set forth in:

(1) IC 6-3.5-1.1-1, if the county adjusted gross income tax is in effect in the county; or

(2) IC 6-3.5-6-1, if the county adjusted gross income tax is not in effect in the county.

(c) A county fiscal body may adopt a resolution to distribute an amount equal to those transfers referred to in subsection (a) from the county's levy excess fund to the county's rainy day fund established under IC 36-1-8-5.1 and for public safety as follows:

(1) One million dollars ($1,000,000) from those transfers referred to in subsection (a) shall be distributed to the county's rainy day fund established under IC 36-1-8-5.1.

(2) Two-thirds (2/3) of the amount from those transfers referred to in subsection (a) that remains after the distribution under subdivision (1) shall be distributed to civil taxing units in the county.

(d) Before August 1, 2009, the county auditor shall determine each civil taxing unit's share of the amount referred to in subsection (c)(2) in the same manner that local income tax distributions are determined under:

(1) IC 6-3.5-1.1-15, if the county adjusted gross income tax is in effect in the county; or

(2) IC 6-3.5-6-18(6), if the county adjusted gross income tax is not in effect in the county.

The county auditor shall make the distributions to the civil taxing units in August 2009.

(e) This SECTION expires December 31, 2011.

SECTION 411. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to an entity and to property that meet all of the following conditions:**

(1) The entity is a nonprofit religious affiliated school that has been in existence for more than forty-five (45) years in a county containing a consolidated city.

(2) The entity received a gift of real property and improvements that for the assessment date in 2005 was exempt from property taxes under IC 6-1.1-10.

(3) The entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property for the assessment date in 2006.

(4) For the assessment dates in 2006, 2007, and 2008:

(A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property; and

(B) the entity's property was subject to taxation.

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application or statement for property tax exemption must be filed to claim or continue an exemption for a particular assessment date, an entity described in subsection (a) may before September 1, 2009, file with the county assessor:

(1) an application for property tax exemption for the 2006 assessment date;

(2) a statement to continue the property tax exemption for the 2007 assessment date; and

(3) an application for property tax exemption for the 2008 assessment date.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application or statement for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the applications and statement to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment dates in

2006, 2007, and 2008 for property tax exemption if the board determines that:

(1) the entity's applications and statement for property tax exemption satisfy the requirements of this SECTION; and

(2) the entity's property was, except for the failure to timely file an application or statement for property tax exemption, otherwise eligible for the claimed exemption.

If an entity is granted an exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's property shall be canceled by the county treasurer.

(d) If an entity has previously paid the tax liability for property with respect to the 2006, 2007, or 2008 assessment date and the property is granted an exemption under this SECTION for the assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010.

SECTION 412. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to:**

(1) an entity that failed, for an assessment date after March 1, 2000, to:

(A) file a timely application under IC 6-1.1-11 for an exemption under IC 6-1.1-10-16; or

(B) accompany a timely filed application for an exemption under IC 6-1.1-10-16 with sufficient information for the county property tax assessment board of appeals to determine whether the applicant was eligible for an exemption under IC 6-1.1-10-16, as specified on a response from the county assessor or property tax assessment board of appeals; and

(2) any part of the entity's property that would have qualified for an exemption under IC 6-1.1-10-16 as property owned, occupied, and predominately used for a charitable purpose, if the omissions described in subdivision (1) had not occurred.

(b) Notwithstanding IC 6-1.1-11 or any other law, an entity described in subsection (a) may, before September 1, 2009, file or refile with the county assessor an application for a property tax exemption under IC 6-1.1-10-16 for an assessment date occurring after March 1, 2000, and before March 1, 2010.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application for a property tax exemption that is filed under subsection (b) is considered to be timely filed for the assessment date for which it is filed, and the county assessor shall forward the application to the county property tax assessment board of appeals for review or reconsideration. The board shall grant an exemption claimed under this SECTION for the assessment date covered by the application if, after reviewing all of the information submitted by the applicant, the board determines that:

(1) the entity's application for a property tax exemption satisfies the requirements of this SECTION; and

(2) except for the omissions described in subsection (a), part or all of the entity's property would otherwise have qualified for an exemption under IC 6-1.1-10-16 for the assessment date covered by the application.

IC 6-1.1-11-7 and IC 6-1.1-15-3 apply to a determination under this SECTION.

(d) Notwithstanding IC 6-1.1-22-9 or any other law, if an exemption application is filed or refiled under this SECTION and an exemption under IC 6-1.1-10 had been granted for the property for property taxes first due and payable for any year after 1999, any unpaid taxes imposed on property and for a year covered by an exemption application are not due until thirty (30) days after the date the applicant's eligibility for the exemption under this SECTION is

finally adjudicated and determined and a revised tax statement under IC 6-1.1-22-8.1 that reflects the final determination concerning the exemption application is delivered to the owner. During the pendency of the proceedings concerning an exemption application under this SECTION, no action under IC 6-1.1-24 or another law may be taken to collect the unpaid taxes for a year covered by the exemption application, including any action to sell the property at a tax sale. If an entity is granted an exemption or a partial exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's property shall be canceled by the county auditor and the county treasurer to the extent of the exemption, and, notwithstanding IC 6-1.1-26-1, if the entity has previously paid the tax liability for property with respect to the assessment date covered by the application, the county auditor shall issue a refund of the property tax paid by the entity to the extent of the exemption. No interest or penalty shall be imposed on any tax liability remaining after the application of the exemption for any period before the taxes are due as provided in this subsection. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010.

SECTION 413. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to a church and to land that meets all of the following conditions:**

(1) The church owns real property and improvements located in a county containing a consolidated city that was exempt from property taxation under IC 6-1.1-10 for the assessment dates in 2007 and 2008.

(2) The church purchased land that is located adjacent to the real property described in subdivision (1) after the 2007 assessment date but before the final tax statements for taxes first due and payable in 2007 were mailed.

(3) The church failed to timely file an application under IC 6-1.1-11 for a property tax exemption for the land described in subdivision (2) for the 2008 assessment date but filed in 2008 an exemption application that will first apply to the 2009 assessment date under IC 6-1.1-11.

(4) For the assessment date in 2008:

(A) the land owned by the church would have been eligible for exemption from property taxes if the church had timely filed an application under IC 6-1.1-11 for a property tax exemption for the land; and

(B) the church's property will be subject to assessment and taxation.

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for the 2008 assessment date, a church described in subsection (a) may before September 1, 2009, file with the county assessor an application for property tax exemption for the 2008 assessment date.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application for a property tax exemption that is filed under subsection (b) is considered to be timely filed for the 2008 assessment date, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the 2008 assessment date if the board determines that:

(1) the church's application for property tax exemption satisfies the requirements of this SECTION; and

(2) the church's land was, except for the failure to timely file an application for a property tax exemption, otherwise eligible for the claimed exemption on the 2008 assessment date.

(d) This SECTION expires January 1, 2010.

SECTION 414. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-20 apply to this SECTION.**

(b) This SECTION applies to a controlled project for which notice of a special election was given before July 1, 2009, to the election division of the office of the secretary of state as provided in IC 3-10-8-4.

(c) Notwithstanding the form of the question required by IC 6-1.1-20-3.6, as amended by this act, the following question shall be submitted to the voters at a special election described in subsection (b):

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

(d) This SECTION expires January 1, 2010.

SECTION 415. [EFFECTIVE JULY 1, 2009] **(a) Notwithstanding any provision in IC 6-3.5-1.1 (including the August 1 deadlines applicable under IC 6-3.5-1.1-24(a), IC 6-3.5-1.1-24(b), IC 6-3.5-1.1-25(i), and IC 6-3.5-1.1-26(e)), a county council may in 2009 adopt an additional county adjusted gross income tax rate under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 at any time before November 1, 2009.**

(b) Notwithstanding any provision in IC 6-3.5-6 (including the August 1 deadlines applicable under IC 6-3.5-6-30(a), IC 6-3.5-6-30(b), IC 6-3.5-6-31(i), and IC 6-3.5-6-32(e)), a county income tax council or county council, as applicable, may in 2009 adopt an additional county option income tax rate under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 at any time before November 1, 2009.

(c) Notwithstanding any provision of IC 6-3.5-1.1 or IC 6-3.5-6, any additional county adjusted gross income tax rate adopted in 2009 under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 and any additional county option income tax rate adopted in 2009 under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 takes effect as follows:

(1) In the case of an ordinance adopted before October 1, 2009, the tax rate takes effect October 1, 2009.

(2) In the case of an ordinance adopted after September 30, 2009, and before October 16, 2009, the tax rate takes effect November 1, 2009.

(3) In the case of an ordinance adopted after October 15, 2009, and before November 1, 2009, the tax rate takes effect December 1, 2009.

SECTION 416. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) The department of education shall, on the schedule determined by the department of education, adjust the special education grant distributed to a school corporation under IC 20-43-7-6, as amended by this act, in 2009 to reflect any special education preschool grant distributions made to the school corporation under IC 20-20-34-3 before the effective date of this SECTION. The amount of any reduction in a special education grant under this SECTION shall not be considered for purposes of applying IC 20-43-2-3. The unencumbered balance of a school corporation's special education preschool fund shall be transferred to the school corporation's general fund for purposes of the school corporation's general fund as soon as practicable after the effective date of this SECTION.**

(b) This SECTION expires January 1, 2010.

SECTION 417. [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)] **(a) Appeals under IC 6-1.1-8.5-11 or IC 6-1.1-8.7-8 of assessments by the department of local government finance for assessment dates before March 1, 2009, that are currently pending before the Indiana board of tax review shall be treated as follows:**

(1) Appeals involving the March 1, 2006, assessment date shall proceed as if the amendments to IC 6-1.1-8.5-11 and IC 6-1.1-8.7-8 made by this act had not been made.

(2) Notwithstanding any provision to the contrary, an appeal of the department of local government finance's assessment of an industrial facility (as defined in IC 6-1.1-8.5-2 or IC 6-1.1-8.7-2) involving the March 1, 2007, or March 1, 2008, assessment date shall be stayed, if an appeal involving the March 1, 2006, assessment of that same industrial facility is currently pending before the Indiana board of tax review. The stay remains in effect until the March 1, 2006, assessment of that same industrial facility has been finally determined by the Indiana tax court or the Indiana supreme court.

(b) Notwithstanding any provision to the contrary, the assessed value of an industrial facility (as defined in IC 6-1.1-8.5-2 or IC 6-1.1-8.7-2) that has been assessed by the department of local government finance under IC 6-1.1-8.5 or IC 6-1.1-8.7 for the March 1, 2007, and March 1, 2008, assessment dates may not exceed the assessed value that is or was:

(1) finally determined on appeal; or

(2) agreed to by the owner of the industrial facility and:

(A) the appropriate township assessor or township assessors; or

(B) the appropriate county assessor;

for that same industrial facility for the March 1, 2006, assessment date, subject to any applicable annual adjustment percentage determined under IC 6-1.1-4-4.5, plus any additions to and less any deletions from the industrial facility's land and improvements as of the March 1, 2007, and March 1, 2008, assessment dates, since the March 1, 2006, assessment date.

(c) This SECTION expires January 1, 2014.

SECTION 418. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a fire protection district that:**

(1) was initially established in 2006;

(2) has experienced significant revenue shortfalls due to cumulative mathematical errors in the calculation of its maximum permissible property tax levies in 2007 and 2008; and

(3) may experience a significant revenue shortfall in 2009 and 2010, requiring the district to seek funds in addition to the amounts certified for the district's current budget to provide fire protection to district residents.

(b) A fire protection district described in this SECTION may borrow a specified amount of money if:

(1) the board of fire trustees of the district finds that:

(A) an emergency exists requiring the expenditure of money not included in the district's budget estimates and levy; and

(B) the emergency requiring the expenditure of money is related to paying the operating expenses of the district; and

(2) the fiscal body of the county approves the expenditure of the money.

(c) A fire protection district shall comply with IC 36-8-11-17 with respect to a borrowing under this SECTION.

(d) The county fiscal body shall levy property taxes in an amount sufficient to cover payments due under the borrowing authorized under this SECTION.

(e) This SECTION expires December 31, 2011.

SECTION 419. P.L.3-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE OCTOBER 1, 2008 (RETROACTIVE)]: SECTION 1. **(a) As used in this SECTION, "continuing care retirement community" means a health care facility that:**

(1) provides independent living services and health facility services in a campus setting with common areas;

(2) holds continuing care agreements with at least twenty-five percent (25%) of its residents (as defined in IC 23-2-4-1);

(3) uses the money from the agreements described in subdivision (2) to provide services to the resident before the resident may be eligible for Medicaid under IC 12-15; and

(4) meets the requirements of IC 23-2-4.

~~(a)~~ **(b)** As used in this SECTION, "health facility" refers to a health facility that is licensed under IC 16-28 as a comprehensive care facility.

~~(b)~~ **(c)** As used in this SECTION, "nursing facility" means a health facility that is certified for participation in the federal Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.).

~~(c)~~ **(d)** As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

~~(d) As used in this SECTION, "total annual revenue" does not include revenue from Medicare services provided under Title XVIII of the federal Social Security Act (42 U.S.C. 1395 et seq.).~~

(e) Effective August 1, ~~2003,~~ **2009,** the office shall collect a quality assessment from each ~~nursing~~ **health** facility. ~~that has:~~

~~(1) a Medicaid utilization rate of at least twenty-five percent (25%); and~~

~~(2) at least seven hundred thousand dollars ($700,000) in annual Medicaid revenue, adjusted annually by the average annual percentage increase in Medicaid rates.~~

The office shall offset the collection of the assessment for a health facility:

(1) against a Medicaid payment to the health facility by the office; or

(2) in another manner determined by the office.

(f) ~~If~~ **The office shall implement the waiver approved by** the United States Centers for Medicare and Medicaid Services ~~determines not to approve payments under this SECTION using the methodology described in subsection (e), the office shall revise the state plan amendment and waiver request submitted under subsection (l) as soon as possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii). The revised state plan amendment and waiver request must provide~~ **that provides** for ~~the following:~~

~~(1) Effective August 1, 2003, collection of a quality assessment by the office from each nursing facility.~~

~~(2) Effective August 1, 2003, collection of a quality assessment by the department of state revenue from each health facility that is not a nursing facility.~~

~~(3) An~~ **an** exemption from collection of a quality assessment from the following:

~~(A)~~

(1) A continuing care retirement community **as follows:**

(A) A continuing care retirement community that was registered with the securities commissioner as a continuing care retirement community on January 1, 2007, is not required to meet the definition of a continuing care retirement community in subsection (a).

(B) A continuing care retirement community that, for the period January 1, 2007, through June 30, 2009, operates independent living units, at least twenty-five percent (25%) of which are provided under contracts that require the payment of a minimum entrance fee of at least twenty-five thousand dollars ($25,000).

(C) An organization registered under IC 23-2-4 before July 1, 2009, that provides housing in an independent living unit for a religious order.

(D) A continuing care retirement community that meets the definition set forth in subsection (a).

~~(B) A health facility that only receives revenue from Medicare services provided under 42 U.S.C. 1395 et seq.~~

~~(C)~~

(2) A **hospital based** health facility. ~~that has less than seven hundred fifty thousand dollars ($750,000) in total annual revenue, adjusted annually by the average annual percentage increase in Medicaid rates.~~

~~(D)~~

(3) The Indiana Veterans' Home.

Any revision to the state plan amendment or waiver request under this subsection is subject to and must comply with the provisions of this SECTION.

(g) If the United States Centers for Medicare and Medicaid Services determines not to approve payments under this SECTION using the methodology described in subsections **(d) and** (e), ~~and (f),~~ the office shall revise the state plan amendment and waiver request submitted under ~~subsection (l)~~ **this SECTION** as soon as possible to demonstrate compliance with 42 CFR 433.68(e)(2)(ii) and to provide for collection of a quality assessment from health facilities effective August 1, ~~2003. In amending the state plan amendment and waiver request under this subsection, the office may modify the parameters described in subsection (f)(3). However, if the office determines a need to modify the parameters described in subsection (f)(3), the office shall modify the parameters in order to achieve a methodology and result as similar as possible to the methodology and result described in subsection (f). Any revision of the state plan amendment and waiver request under this subsection is subject to and must comply with the provisions of this SECTION.~~ **2009.**

(h) The money collected from the quality assessment may be used only to pay the state's share of the costs for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.) as follows:

(1) **At the following percentages when the state's regular federal medical assistance percentage (FMAP) applies, excluding the time frame in which the adjusted FMAP is provided to the state by the federal American Recovery and Reinvestment Act of 2009:**

(A) Twenty percent (20%) as determined by the office.

~~(2)~~ **(B)** Eighty percent (80%) to nursing facilities.

(2) At the following percentages when the state's federal medical assistance percentage (FMAP) is adjusted by the federal American Recovery and Reinvestment Act of 2009:

(A) Forty percent (40%) as determined by the office.

(B) Sixty percent (60%) to nursing facilities.

(i) After:

(1) the amendment to the state plan and waiver request submitted under this SECTION is approved by the United States Centers for Medicare and Medicaid Services; and

(2) the office calculates and begins paying enhanced reimbursement rates set forth in this SECTION;

the office ~~and the department of state revenue~~ shall begin the collection of the quality assessment set under this SECTION. The office ~~and the department of state revenue shall~~ **may** establish a method to allow a facility to enter into an agreement to pay the quality assessment collected under this SECTION subject to an installment plan.

(j) If federal financial participation becomes unavailable to match money collected from the quality assessments for the purpose of enhancing reimbursement to nursing facilities for Medicaid services provided under Title XIX of the federal Social Security Act (42 U.S.C. 1396 et seq.), the office ~~and department of state revenue~~ shall cease collection of the quality assessment under this SECTION.

(k) To implement this SECTION, the

~~(1)~~ office shall adopt rules under IC 4-22-2. ~~and~~

~~(2) office and department of state revenue shall adopt joint rules under IC 4-22-2.~~

(l) Not later than ~~July 1, 2003,~~ **August 1, 2009,** the office shall do the following:

(1) Request the United States Department of Health and Human Services under 42 CFR 433.72

to approve waivers of 42 CFR 433.68(c) and 42 CFR 433.68(d) by demonstrating compliance with 42 CFR 433.68(e)(2)(ii).

(2) Submit any state Medicaid plan amendments to the United States Department of Health and Human Services that are necessary to implement this SECTION.

(m) After approval of the waivers and state Medicaid plan amendment applied for under ~~subsection (l),~~ **this SECTION,** the office ~~and the department of state revenue~~ shall implement this SECTION effective ~~July 1, 2003.~~ **August 1, 2009.**

(n) The select joint commission on Medicaid oversight, established by IC 2-5-26-3, shall review the implementation of this SECTION. The office may not make any change to the reimbursement for nursing facilities unless the select joint commission on Medicaid oversight recommends the reimbursement change.

(o) A nursing facility or a health facility may not charge the facility's residents for the amount of the quality assessment that the facility pays under this SECTION.

(p) The office may withdraw a state plan amendment **submitted** under ~~subsection (c), (f), or (g)~~ **this SECTION** only if the office determines that failure to withdraw the state plan amendment will result in the expenditure of state funds not funded by the quality assessment.

(q) If a health facility fails to pay the quality assessment under this SECTION not later than ten (10) days after the date the payment is due, the health facility shall pay interest on the quality assessment at the same rate as determined under IC 12-15-21-3(6)(A).

(r) The ~~following shall be provided to the state department of health:~~

~~(1) The~~ office shall report **to the state department of health** each nursing **facility and each health** facility that fails to pay the quality assessment under this SECTION not later than one hundred twenty (120) days after payment of the quality assessment is due.

~~(2) The department of state revenue shall report each health facility that is not a nursing facility that fails to pay the quality assessment under this SECTION not later than one hundred twenty (120) days after payment of the quality assessment is due.~~

(s) The state department of health shall do the following:

(1) Notify each nursing facility and each health facility reported under subsection (r) that the nursing facility's or health facility's license under IC 16-28 will be revoked if the quality assessment is not paid.

(2) Revoke the nursing facility's or health facility's license under IC 16-28 if the nursing facility or the health facility fails to pay the quality assessment.

(t) An action taken under subsection (s)(2) is governed by:

(1) IC 4-21.5-3-8; or

(2) IC 4-21.5-4.

(u) The office shall report the following information to the select joint commission on Medicaid oversight established by IC 2-5-26-3 at every meeting of the commission:

(1) Before the quality assessment is approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the progress in receiving approval for the quality assessment; and

(B) a summary of any discussions with the United States Centers for Medicare and Medicaid Services.

(2) After the quality assessment has been approved by the United States Centers for Medicare and Medicaid Services:

(A) an update on the collection of the quality assessment;

(B) a summary of the quality assessment payments owed by a nursing facility or a health facility; and

(C) any other relevant information related to the implementation of the quality assessment.

(v) This SECTION expires August 1, ~~2009.~~ **2011.**

SECTION 420. [EFFECTIVE UPON PASSAGE] **(a) The department of education and the state department of revenue may adopt temporary rules in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules to implement IC 20-51, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:**

(1) The date another temporary rule is adopted under this SECTION that supersedes or repeals the previously adopted temporary rule.

(2) The date that a permanent rule adopted under IC 4-22-2 supersedes or repeals a temporary rule adopted under this SECTION.

(3) The date specified in the temporary rule.

(4) June 30, 2011.

(b) This SECTION expires July 1, 2011.

SECTION 421. [EFFECTIVE UPON PASSAGE] **IC 6-3.1-30.5, as added by this act, applies to contributions made in taxable years beginning after December 31, 2009.**

SECTION 422. [EFFECTIVE UPON PASSAGE] **Notwithstanding IC 21-12-4, the state student assistance commission may transfer funds among freedom of choice awards, higher education awards, and twenty-first century scholars awards to ensure maximum use of the funds and the awards.**

SECTION 423. [EFFECTIVE JULY 1, 2009] **(a) The commission for higher education with the assistance of the state student assistance commission shall study the funding of college scholarship programs provided by the state student assistance commission and the state's public universities. The study must examine the following issues:**

(1) The limits established for awards and the differences between the limits established for private and public universities.

(2) The extent to which criteria for establishing the eligibility of an applicant should consider receipt of Pell Grants, other wrap-around assistance provided by a university, tax credits, and other assistance.

(3) The relative amounts of assistance provided on the basis of merit and on the basis of need.

(4) Whether means tests should be required for students participating in the twenty-first century scholars program as those students enter college.

(5) Scholarships and awards provided for members of the military and national guard.

(6) Scholarships and awards provided to individuals being held in state correctional facilities.

(b) The state's public universities shall provide the commission for higher education with the data necessary to complete the study. The commission shall before June 30, 2010, provide a report and recommendations to the budget committee for modernizing and improving scholarship programs.

(c) This SECTION expires January 1, 2011.

SECTION 424. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the gaming study committee established under subsection (b).**

(b) The gaming study committee is established.

(c) The committee shall during the 2009 legislative interim prepare a market analysis of gaming in Indiana to determine viability and profitability in light of gaming in Michigan and Illinois and the potential of gaming in Ohio and Kentucky.

(d) The committee shall during the 2009 legislative interim conduct a comprehensive study of issues related to gaming in Indiana, including a review of the following issues:

(1) Admission taxes for riverboats.

(2) Competition from out of state gaming entities.
(3) Waivers for gaming tournaments.
(4) Land-based gaming.
(5) Non-smoking accommodations.
(6) Restrictions on alcohol prizes.
(7) Authority to regulate type 2 gaming in for-profit ventures.
(8) A referendum concerning gaming in the city of Fort Wayne.
(9) Competition from tribal-operated casinos.
(10) Issues related to the riverboat in French Lick, including modification of trust payments, subsidies paid by other gaming facilities, and land-based gaming.
(11) The movement of riverboats in the city of Gary to new locations.
(12) The need to retain United States Coast Guard compliant marine navigation systems.
(13) Whether permit holders holding a gambling game license issued under IC 4-35-5 (racinos) are properly promoting and supporting the horse racing activities at the site.
(14) Issues related to permit holders holding a gambling game license issued under IC 4-35-5 (racinos), including table games, double taxation, amounts paid to horsemen's associations, bonds, slot machines, and satellite locations.
(15) Gaming license fees and suppliers' license fees.
(16) Parity of confidentiality rules for riverboat gaming licensees and permit holders holding a gambling game license issued under IC 4-35-5 (racinos).
(17) Campaign contribution ban for riverboat gaming licensees.

(e) The committee consists of the following voting members:
(1) The chairperson of the senate committee on appropriations.
(2) The ranking minority member of the senate committee on appropriations.
(3) The chairperson of the house committee on ways and means.
(4) The ranking minority member of the house committee on ways and means.

(f) The following persons are nonvoting advisory members of the committee:
(1) The chairperson of the senate committee on commerce.
(2) The ranking minority member of the senate committee on commerce.
(3) The chairperson of the house committee on commerce, energy, technology, and utilities.
(4) The ranking minority member of the house committee on commerce, energy, technology, and utilities.
(5) Two (2) individuals who are not members of the general assembly, one (1) appointed by the speaker of the house of representatives and one (1) appointed by the president pro tempore of the senate.

(g) The chairperson of the senate committee on appropriations and the chairperson of the house committee on ways and means are the co-chairpersons of the committee.

(h) Except as provided in this SECTION, the committee shall operate under the policies governing study committees adopted by the legislative council.

(i) The committee shall before December 1, 2009, submit a report of its findings and any recommendations to the legislative council.

(j) This SECTION expires July 1, 2010.

SECTION 425. [EFFECTIVE UPON PASSAGE] **(a) The Indiana finance authority shall study the mission, organization, and management structure of the I-Light fiber optic network. The study must include the following issues:**
(1) Whether the capabilities of the network are being used in a manner that maximizes benefits to the state, public and private universities, and other existing and potential consortium members.

(2) Whether an alternate provider could provide comparable service levels at a lower cost to the state.

(3) Whether there are opportunities for increased use of the network to support electronic learning, worker training, and workforce development.

(b) A public university that uses or benefits from the I-Light fiber optic network shall provide to the Indiana finance authority any information concerning the network that is requested by the Indiana finance authority.

(c) The Indiana finance authority shall before November 1, 2009, submit a report of its findings and any recommendations to the governor and (in an electronic format under IC 5-14-6) to the legislative council.

(d) This SECTION expires July 1, 2010.

SECTION 426. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall do the following during the interim in 2009 between sessions of the general assembly:**

(1) Study the allocation and distribution of county adjusted gross income taxes (IC 6-3.5-1.1), county option income taxes (IC 6-3.5-6), and county economic development income taxes (IC 6-3.5-7) to civil taxing units within a county.

(2) Study whether taxpayers are permitted an appropriate opportunity to participate in the process for determining the levies, tax rates, special assessments, special benefits taxes, and budgets imposed by political subdivisions.

(3) Receive a report from the attorney general concerning the guidelines the attorney general used to determine whether a political subdivision may use private outside legal counsel in an appeal of a tax case. The attorney general shall, as requested by the commission on state tax and financing policy make a presentation to the commission concerning the matters described in this subdivision.

(4) Study the advisability of eliminating the general reassessment of real property under the current schedule and requiring counties to develop plans for the annual assessment of a fixed percentage of the parcels within each class of real property in the county.

(5) Review recommendations from the department of local government finance concerning the actions necessary to restore timelines to the process of local budgeting and the imposition of property taxes.

(b) Before November 1, 2009, the commission on state tax and financing policy shall report its findings and any recommendations concerning the study topic described in subsection (a) in a final report to the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires January 1, 2010.

SECTION 427. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commission" refers to the criminal code evaluation commission established by subsection (b).**

(b) The criminal code evaluation commission is established to evaluate the criminal laws of Indiana. If, based on the commission's evaluation, the commission determines that changes are necessary or appropriate, the commission shall make recommendations to the general assembly for the modification of the criminal laws.

(c) The commission may study other topics assigned by the legislative council or as directed by the commission chair.

(d) The commission may meet during the months of:

(1) July, August, and September of 2009;

(2) April, May, June, July, August, and September of 2010; and

(3) June, July, August, and September of 2011.

(e) The commission consists of seventeen (17) members appointed as follows:

(1) Four (4) members of the senate, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the president pro tempore of the senate.

(2) Four (4) members of the house of representatives, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the speaker of the house of representatives.

(3) The attorney general or the attorney general's designee.

(4) The commissioner of the department of correction or the commissioner's designee.

(5) The executive director of the prosecuting attorneys council of Indiana or the executive director's designee.

(6) The executive director of the public defender council of Indiana or the executive director's designee.

(7) The chief justice of the supreme court or the chief justice's designee.

(8) Two (2) judges who exercise criminal jurisdiction, who may not be affiliated with the same political party, to be appointed by the governor.

(9) Two (2) professors employed by a law school in Indiana whose expertise includes criminal law, to be appointed by the governor.

(f) The chairman of the legislative council shall appoint a legislative member of the commission to serve as chair of the commission. Whenever there is a new chairman of the legislative council, the new chairman may remove the chair of the commission and appoint another chair.

(g) If a legislative member of the commission ceases to be a member of the chamber from which the member was appointed, the member also ceases to be a member of the commission.

(h) A legislative member of the commission may be removed at any time by the appointing authority who appointed the legislative member.

(i) If a vacancy exists on the commission, the appointing authority who appointed the former member whose position is vacant shall appoint an individual to fill the vacancy.

(j) The commission shall submit a final report of the results of its study to the legislative council before November 1, 2011. The report must be in an electronic format under IC 5-14-6.

(k) The Indiana criminal justice institute shall provide staff support to the commission to prepare:

(1) minutes of each meeting; and

(2) the final report.

(l) The legislative services agency shall provide staff support to the commission to:

(1) advise the commission on legal matters, criminal procedures, and legal research; and

(2) draft potential legislation.

(m) Each member of the commission is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

(n) The affirmative votes of a majority of all the members who serve on the commission are required for the commission to take action on any measure, including the final report.

(o) Except as otherwise specifically provided by this SECTION, the commission shall operate under the rules of the legislative council. All funds necessary to carry out this SECTION shall be paid from appropriations to the legislative council and the legislative services agency.

(p) This SECTION expires December 31, 2011.

SECTION 428. [EFFECTIVE JULY 1, 2009] **(a) The budget agency shall review the costs of providing employee health, vision, and dental insurance for state employees and employees of school corporations and public universities. In conducting the review the budget agency shall collect data on the cost of existing plans offered by the state, school corporations, and public**

universities. School corporations and public universities shall provide the data needed to complete the review as requested by the budget agency. The budget agency shall review the following:

(1) Comparative costs of providing health insurance among the employer groups.

(2) Comparative benefits among the employee groups.

(3) Differences in amounts paid by employees and amounts paid by the employers.

(4) Opportunities to modernize health plans and take advantage of employee tax incentives in the delivery of health insurance plans.

(5) Opportunities for efficiencies and cost savings for employers and employees by creating additional or larger employee pools.

(6) Any impact on the competitive market for health insurance.

(7) Other factors the budget agency considers relevant to the review.

(b) The budget agency may use a part of the departmental and institutional contingency fund to hire professionals to assist in gathering and examining data. The budget agency shall report findings of the review to the budget committee before July 1, 2010.

(c) This SECTION expires January 1, 2011.

SECTION 429. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding any other law and except as provided in subsection (b), the terms of all members of the Marion County capital improvement board under IC 36-10-9-4, before its amendment by this act, terminate on January 15, 2010. Each appointing authority shall make it's respective appointments under IC 36-10-9-4, as amended by this act, before January 15, 2010, and the term of each of these appointed members begins January 15, 2010.**

(b) The term of one (1) of the members appointed by the Marion County board of commissioners to the Marion County capital improvement board under IC 36-10-9-4, before its amendment by this act, terminates on July 1, 2009. The Marion County board of commissioners shall specify which one (1) of the members appointed by the Marion County board of commissioners under IC 36-10-9-4, before its amendment by this act, to the Marion County capital improvement board shall have the member's term terminated on July 1, 2009. After June 30, 2009, the Marion County board of commissioners has only one (1) appointment to the Marion County capital improvement board.

(c) This SECTION expires July 1, 2010.

SECTION 430. P.L.146-2008, SECTION 840 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 840. **(a)** For property taxes first due and payable after December 31, 2008, the department of local government finance shall reduce the maximum permissible ad valorem property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the state of Indiana under IC 5-10.3-11, as amended by this act, for benefits to members (and survivors and beneficiaries of members) of the 1925 police pension fund, the 1937 firefighters' **pension** fund, or the 1953 police pension fund.

(b) It is the intent of the general assembly that this SECTION be applied in the manner specified by the department of local government finance in its memorandum "Pre-1977 Police and Firefighters' Pension" dated July 23, 2008. An action taken in conformity with the memorandum is legalized and validated.

(c) This SECTION expires January 1, 2011.

SECTION 431. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding any other law or agreement, Brown County School Corporation is not required to make principal or interest payments during the state fiscal years beginning:**

(1) July 1, 2009; and

(2) July 1, 2010;

on any loan received by the school corporation from the counter-cyclical revenue and economic stabilization fund (rainy day fund).

(b) The repayment term of the loan shall be extended as necessary to take into account the waiver described in subsection (a).

(c) This SECTION expires January 1, 2012.

SECTION 432. [EFFECTIVE UPON PASSAGE] **(a) For purposes of IC 1-1-3.5, the population of the town of Fairland in Shelby County is considered to be 325.**

(b) This SECTION expires April 1, 2011.

SECTION 433. P.L.146-2008, SECTION 849 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: SECTION 849. (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2008, and January 15, 2009, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of one hundred forty million dollars ($140,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total property tax liability of all homestead properties in the county for the most recent calendar year before the application of any credits.

STEP TWO: For each county, determine the total property tax liability of all homestead properties resulting from property tax levies that are eliminated or replaced by this act for the most recent calendar year, before the application of any credits.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of the amounts determined under STEP THREE.

STEP FIVE: Divide the amount determined in STEP THREE by the amount determined in STEP FOUR.

STEP SIX: Multiply the result of STEP THREE by one hundred forty million dollars ($140,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county ~~not more than~~ **in** two (2) ~~weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.~~ **equal installments. The first installment shall be distributed not later than the first due date for property taxes payable in the county. The second installment shall be distributed not later than the second due date for property taxes payable in the county.**

(h) In addition to any other appropriations, there is appropriated one hundred forty million dollars ($140,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 434. P.L.146-2008, SECTION 850 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: SECTION 850. (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2009, and January 15, 2010, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of eighty million dollars ($80,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by eighty million dollars ($80,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county ~~not more than~~ **in** two (2) ~~weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.~~ **equal installments. The first installment shall be distributed not later than the first due date for property taxes payable in the county. The second installment shall be distributed not later than the second due date for property taxes payable in the county.**

(h) In addition to any other appropriations, there is appropriated eighty million dollars ($80,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 435. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] **(a) The definitions in IC 6-1.1-1 apply throughout this SECTION.**

(b) This SECTION applies to a homestead (as defined in IC 6-1.1-20.9-1, before its repeal) that:

(1) was owned by a trust and occupied by an individual as described in IC 6-1.1-12-17.9 with respect to:

(A) the assessment dates in 2007 and 2008 if the homestead is real property; or

(B) the assessment dates in 2008 and 2009 if the homestead is:

(i) a mobile home; or

(ii) a manufactured home;

that is not assessed as real property; and

(2) received a homestead credit under IC 6-1.1-20.9 (before its repeal) for property taxes first due and payable in 2008.

(c) For property taxes first due and payable in 2010, a homestead is entitled to a credit under this SECTION in the amount of the remainder of:

(1) the amount of property taxes the trust paid with respect to the homestead for taxes first due and payable in 2009; minus

(2) the amount of property taxes for which the trust would have been liable with respect to the homestead for taxes first due and payable in 2009 if for that year the following had applied:

(A) The standard deduction under IC 6-1.1-12-37 in effect on July 1, 2009.

(B) All other deductions and credits that would have applied if the standard deduction under IC 6-1.1-12-37 in effect on July 1, 2009, had applied.

(d) The credit under subsection (c) applies proportionately to all installments of property taxes first due and payable in 2010.

(e) Interest does not apply in the determination of the amount of the credit under this SECTION.

(f) A trust is not required to apply for the credit under this SECTION. The department of local government finance shall prescribe the method of determining the amount of the credit.

The county auditor and the county treasurer shall identify the homesteads eligible for the credit and apply the credit.

(g) Subject to IC 6-1.1-17-0.5(e), the county auditor may reduce a taxing unit's assessed value in the manner permitted under IC 6-1.1-17-0.5(d) to enable the taxing unit to absorb the effects of reduced property tax collections for taxes first due and payable in 2010 that are expected to result from credits applied under this SECTION.

(h) This SECTION expires January 1, 2012.

SECTION 436. [EFFECTIVE JULY 1, 2009] **(a) This SECTION applies to towns (as defined in IC 36-1-2-21).**

(b) The definitions set forth in IC 6-2.3-1 apply to this SECTION.

(c) This SECTION applies only to a taxable year ending in 2003 or 2004.

(d) A town may claim a refund for gross income taxes erroneously paid under IC 6-2.1 (before its repeal), if the town paid both:

(1) the gross income tax imposed by IC 6-2.1 (before its repeal); and

(2) the utilities receipts tax imposed by IC 6-2.3;

for the same taxable year.

(e) The department shall prescribe the form and procedure that a town must use to claim its refund.

(f) This SECTION expires December 31, 2009.

SECTION 437. **An emergency is declared for this act.**

NOTE:

For the text of the House Committee Report for HB 1001(ss) passed June 15, 2009, see www.in.gov./legislative/.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 123, line 26, after "(c)," insert "**the interest rate on a loan under this subsection may be less than the variable interest rate required under subsection (c),**".

Page 123, line 28, delete "corporation." and insert "**corporation, and the school corporation may repay the outstanding balance of the loan before the term of the loan without penalty.**".

(Reference is to HB 1001(ss) as printed June 15, 2009.)

GRUBB

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 345, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 369. IC 21-34-10-7, AS ADDED BY P.L.2-2007, SECTION 275, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ~~ten~~ **twenty** million dollars ~~($10,000,000)~~ **($20,000,000) for each campus of the state educational institution.**".

Page 395, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 435. IC 33-26-7-1, AS AMENDED BY P.L.154-2006, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. Subject to IC 4-6-2-11, ~~IC 4-6-5-3, and the written approval of the attorney general,~~ a township assessor, a county assessor, a county auditor, a member of a county property tax

assessment board of appeals, or a county property tax assessment board of appeals that:

(1) made an original determination that is the subject of a judicial proceeding in the tax court; and

(2) is a defendant in a judicial proceeding in the tax court;

may elect to be represented in the judicial proceeding by an attorney selected and paid by the defendant, the township, or the county.".

Page 455, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 527. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-16-1, as amended by this act, applies only to assessment dates after 2004.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

WELCH

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 51, line 14, delete "400,000" and insert "**2,700,000**".

(Reference is to HB 1001(ss) as printed June 15, 2009.)

BARDON

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 346, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 370. IC 22-4-25-1, AS AMENDED BY P.L.175-2009, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The money in this fund shall be used by the board

for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) Whenever the balance in the special employment and training services fund exceeds eight million five hundred thousand dollars ($8,500,000), the board shall order payment of the amount that exceeds eight million five hundred thousand dollars ($8,500,000) into the unemployment insurance benefit fund.

(c) Subject to the approval of the board and the availability of funds, on July 1, 2008, and each subsequent July 1, the commissioner shall release:

(1) one million dollars ($1,000,000) to the state educational institution established under IC 21-25-2-1 for training provided to participants in apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training;

(2) four million dollars ($4,000,000) to the state educational institution instituted and incorporated under IC 21-22-2-1 for training provided to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training; ~~and~~

(3) two hundred fifty thousand dollars ($250,000) for journeyman upgrade training to each of the state educational institutions described in subdivisions (1) and (2);

(4) four hundred thousand dollars ($400,000) annually for training and counseling assistance:

(A) provided by Hometown Plans under 41 CFR 60-4.5; and

(B) approved by the United States Department of Labor, Bureau of Apprenticeship and Training;

to individuals who have been unemployed for at least four (4) weeks or whose annual income is less than twenty thousand dollars ($20,000); and

(5) three hundred thousand dollars ($300,000) annually for training and counseling assistance provided by the state institution established under IC 21-25-2-1 to individuals who have been unemployed for at least four (4) weeks or whose annual income is less than twenty thousand dollars ($20,000) for the purpose of enabling those individuals to apply for admission to apprenticeship programs offered by providers approved by the United States Department of Labor, Bureau of Apprenticeship and Training.

(d) The funds released under subsection (c)(4) through (c)(5):

(1) shall be considered part of the amount allocated under section 2.5 of this chapter; and

(2) do not limit the amount that an entity may receive under section 2.5 of this chapter.

(e) Each state educational institution described in ~~this~~ subsection **(c)** is entitled to keep ten percent (10%) of the funds released under ~~this~~ subsection **(c)** for the payment of costs of administering the funds. On each June 30 following the release of the funds, any funds released under ~~this~~ subsection **(c)** not used by the state educational institutions under ~~this~~ subsection **(c)** shall be returned to the special employment and training services fund.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

STILWELL

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 305, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 286. IC 8-22-3.5-1, AS AMENDED BY P.L.124-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This chapter applies to the following:

(1) Each county having a consolidated city.

(2) Each city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(3) Each county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000).

(4) Each county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(5) Each county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

(6) Each county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000).

(7) Each city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

SECTION 287. IC 8-22-3.5-2, AS AMENDED BY P.L.124-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. As used in this chapter, "commission" refers to the following:

(1) With respect to a county having a consolidated city, the metropolitan development commission acting as the redevelopment commission of the consolidated city, subject to IC 36-3-4-23.

(2) With respect to a city described in section 1(2) of this chapter, the board of the airport authority for the city.

(3) With respect to a county described in section 1(3) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.

(4) With respect to a county described in section 1(4) or 1(5) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.

(5) With respect to a county described in section 1(6) of this chapter, the board of an airport authority that is established by the county.

(6) With respect to a city described in section 1(7) of this chapter, the airport board for the city.

SECTION 288. IC 8-22-3.5-2.5, AS AMENDED BY P.L.124-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2.5. Notwithstanding IC 8-22-1-6, as used in this chapter, "eligible entity" refers to any of the following:

(1) A consolidated city.

(2) A city described in section 1(2) of this chapter.

(3) A city in a county described in section 1(3) of this chapter.

(4) A county described in section 1(4) of this chapter.

(5) A city located in a county described in section 1(4) of this chapter.

(6) A county described in section 1(5) of this chapter.

(7) A city located in a county described in section 1(5) of this chapter.

(8) A county described in section 1(6) of this chapter.

(9) A city described in section 1(7) of this chapter.

SECTION 289. IC 8-22-3.5-3, AS AMENDED BY P.L.124-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) As used in this chapter, "qualified airport development project" means an airport development project that has a cost of the project (as defined in IC 4-4-10.9-5) greater than:

(1) five hundred million dollars ($500,000,000), if the project is to be located in a county having a consolidated city; or

(2) two hundred fifty thousand dollars ($250,000), if the project is to be located in:

(A) a city described in section 1(2) **or 1(7)** of this chapter; or

(B) in a county described in section 1(3), 1(4), 1(5), or 1(6) of this chapter.

Except as provided by subsection (b), the term includes any portion or expansion of the original qualified airport development project used by one (1) or more successor tenants.

(b) For purposes of section 9 of this chapter, the definition of "qualified airport development project" does not include any portion of, or expansion of, the original qualified airport development project used by a successor tenant unless the commission adopts a resolution to amend the definition to include that portion or expansion.

SECTION 290. IC 8-22-3.5-5, AS AMENDED BY P.L.124-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The commission may designate an area within the jurisdiction of an airport authority under IC 8-22-3 as an airport development zone if the commission finds by resolution the following:

(1) In order to promote opportunities for the gainful employment of the citizens of the eligible entity and the attraction of a qualified airport development project to the eligible entity, an area under the jurisdiction of the airport authority should be declared an airport development zone.

(2) The public health and welfare of the eligible entity will be benefited by designating the area as an airport development zone.

(b) If the airport development zone will be located in a consolidated city or in a county described in section 1(3), 1(4), 1(5), or 1(6) of this chapter, the resolution adopted under subsection (a) must also include a finding that there has been proposed a qualified airport development project to be located in the airport development zone, with the proposal supported by:

(1) financial and economic data; and

(2) preliminary commitments by business enterprises that evidence a reasonable likelihood that the proposed qualified airport development project will be initiated and accomplished.

(c) If the airport development zone will be located in a city described in:

(1) section 1(2) of this chapter, the resolution adopted under subsection (a) must also include findings stating that the most recent federal decennial census for the city indicates ~~that:~~ **the following:**

~~(1)~~ **(A)** The unemployment rate for the city is at least thirteen percent (13%).

~~(2)~~ **(B)** The population of the city has decreased by at least ten percent (10%) as compared to the population reported in the preceding federal decennial census for the city.

~~(3)~~ **(C)** The median per capita income for city residents does not exceed eighty percent (80%) of the median per capita income for all residents of the United States. ~~and~~

~~(4)~~ **(D)** At least twenty-five percent (25%) of the population of the city is below the federal income poverty level (as defined in IC 12-15-2-1); **or**

(2) section 1(7) of this chapter, the resolution adopted under subsection (a) must also include findings stating the following:

(A) There has been proposed a qualified airport development project to be located in the airport development zone, with the proposal supported by:

(i) financial and economic data; and

(ii) preliminary commitments by business enterprises that evidence a reasonable likelihood that the proposed qualified airport development project will be initiated and accomplished.

(B) The city has Interstate Highway 69 serving the airport and the city's residents and facilitating commerce and free travel within and through the Midwestern United States.

(d) The resolution adopted under subsection (a) must describe the boundaries of the area. The description may be by reference to the area's location in relation to public ways or streams, or otherwise, as determined by the commission.

(e) If the airport development zone will be located in a county described in section 1(4), 1(5), or 1(6) of this chapter, the resolution adopted under subsection (a) and any qualified airport development project to be located in the airport development zone, must be approved by the executive of:

(1) the county, if the entire airport development zone or qualified airport development project will be located outside the boundaries of any municipality located in the county;

(2) a municipality located in the county, if the entire airport development zone or qualified airport development project will be located within the boundary of the municipality; or

(3) the county and a municipality located in the county, if the airport development zone or qualified airport development project will be located within the boundary of the county and in part within the boundary of the municipality.

SECTION 291. IC 8-22-3.5-14, AS AMENDED BY P.L.146-2008, SECTION 366, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2009]: Sec. 14. (a) This section applies only to an airport development zone that is in a:

(1) city described in section 1(2) **or 1(7)** of this chapter; or

(2) county described in section 1(3), 1(4), or 1(6) of this chapter.

(b) Notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits provided by the following statutes, as if the business were located in an enterprise zone:

(1) IC 6-3-2-8.

(2) IC 6-3-3-10.

(3) IC 6-3.1-7.

(4) IC 6-3.1-9.

(5) IC 6-3.1-10-6.

(c) Before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 5-28-15-5(a)(4)(A). However, notwithstanding IC 5-28-15-5(a)(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county auditor.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

AUSTIN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 117, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 47. [EFFECTIVE JULY 1, 2009] **(a) The general assembly finds that the state needs the construction and equipping of a building for a trauma care center in Gary.**

(b) The general assembly finds that the state will have a continuing need for use and occupancy of the building described in subsection (a).

(c) The general assembly authorizes the Indiana finance authority to provide the building described in subsection (a) under IC 4-13.5-1 and IC 4-13.5-4.

(d) There is appropriated three million dollars ($3,000,000) to the Indiana finance authority from the tobacco master settlement agreement fund (IC 4-12-1-14.3) to carry out architectural and engineering work for the building described in subsection (a), beginning July 1, 2009, and ending June 30, 2010. Any unencumbered amount remaining from this appropriation at the end of a state fiscal year remains available in subsequent state fiscal years for the purposes for which it is appropriated.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

BROWN C

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 305, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 288. IC 9-18-15-1, AS AMENDED BY P.L.30-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A person who is the registered owner or lessee of a:

(1) passenger motor vehicle;

(2) motorcycle;

(3) recreational vehicle; or

(4) vehicle registered as a truck with a declared gross weight of not more than:

(A) eleven thousand (11,000) pounds;

(B) nine thousand (9,000) pounds; or

(C) seven thousand (7,000) pounds;

registered with the bureau or who makes an application for an original registration or renewal registration of a vehicle may apply to the bureau for a personalized license plate to be affixed to the vehicle for which registration is sought instead of the regular license plate.

(b) A person who:

(1) is the registered owner or lessee of a vehicle described in subsection (a); and

(2) is eligible to receive a license plate for the vehicle under:

(A) IC 9-18-17 (prisoner of war license plates);

(B) IC 9-18-18 (disabled veteran license plates);

(C) IC 9-18-19 (Purple Heart license plates);

(D) IC 9-18-20 (Indiana National Guard license plates);
(E) IC 9-18-21 (Indiana Guard Reserve license plates);
(F) IC 9-18-22 (license plates for persons with disabilities);
(G) IC 9-18-23 (amateur radio operator license plates);
(H) IC 9-18-24 (civic event license plates);
(I) IC 9-18-24.5 (In God We Trust license plates);
(J) IC 9-18-25 (special group recognition license plates);
(K) IC 9-18-29 (environmental license plates);
(L) IC 9-18-30 (kids first trust license plates);
(M) IC 9-18-31 (education license plates);
(N) IC 9-18-32.2 (drug free Indiana trust license plates);
(O) IC 9-18-33 (Indiana FFA trust license plates);
(P) IC 9-18-34 (Indiana firefighter license plates);
(Q) IC 9-18-35 (Indiana food bank trust license plates);
(R) IC 9-18-36 (Indiana girl scouts trust license plates);
(S) IC 9-18-37 (Indiana boy scouts trust license plates);
(T) IC 9-18-38 (Indiana retired armed forces member license plates);
(U) IC 9-18-39 (Indiana antique car museum trust license plates);
(V) IC 9-18-40 (D.A.R.E. Indiana trust license plates);
(W) IC 9-18-41 (Indiana arts trust license plates);
(X) IC 9-18-42 (Indiana health trust license plates);
(Y) IC 9-18-43 (Indiana mental health trust license plates);
(Z) IC 9-18-44 (Indiana Native American trust license plates);
(AA) IC 9-18-45.8 (Pearl Harbor survivor license plates);
(BB) IC 9-18-46.2 (Indiana state educational institution trust license plates);
(CC) IC 9-18-47 (Lewis and Clark bicentennial license plates);
(DD) IC 9-18-48 (Riley Children's Foundation license plates);
(EE) IC 9-18-49 (National Football League franchised professional football team license plates);
(FF) IC 9-18-50 (Hoosier veteran license plates);
(GG) IC 9-18-51 (support our troops license plates); ~~or~~
(HH) IC 9-18-52 (Abraham Lincoln bicentennial license plates); **or**
(II) IC 9-18-53 Earlham College Trust license plates;

may apply to the bureau for a personalized license plate to be affixed to the vehicle for which registration is sought instead of the regular special recognition license plate.".

Page 305, between lines 42 and 43, begin a new paragraph and insert:

"SECTION 290. IC 9-18-53 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TOR READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 53. Earlham College Trust License Plates

Sec. 1. The bureau shall design and issue an Earlham College trust license plate. The Earlham College trust license plate shall be designed and issued as a special group recognition license plate under IC 9-18-25.

Sec. 2. After January 1, 2010, a person who is eligible to register a vehicle under this title is eligible to receive an Earlham College trust license plate under this chapter upon doing the following:

(1) Completing an application for an Earlham College trust license plate.

(2) Paying the fees under section 3 of this chapter.

Sec. 3. (a) The fees for an Earlham College trust license plate are as follows:

(1) The appropriate fee under IC 9-29-5-38(a).

(2) An annual fee of twenty-five dollars ($25).

(b) The bureau shall collect the annual fee described in subsection (a)(2).

(c) The annual fee described in subsection (a)(2) shall be deposited in the Earlham College trust fund established by section 4 of this chapter.

Sec. 4. (a) The Earlham College trust fund is established.

(b) The treasurer of state shall invest the money in the Earlham College trust fund not currently needed to meet the obligations of the Earlham College trust fund in the same manner as other public trust funds are invested. Interest that accrues from these investments shall be deposited in the Earlham College trust fund. Money in the fund is continuously appropriated for the purposes of this section.

(c) The commissioner shall administer the Earlham College trust fund. Expenses of administering the Earlham College trust fund shall be paid from money in the Earlham College trust fund.

(d) On June 30 of each year, the commissioner shall distribute the money from the Earlham College trust fund to Earlham College.

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

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

PORTER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 114, between lines 34 and 35, begin a new line block indented and insert:

"**Indiana University**
East Regional Campus
Wellness Center **$17,500,000**".

(Reference is to HB 1001(ss) as printed June 15, 2009.)

PFLUM

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001(ss) be amended to read as follows:

Page 301, after line 49, begin a new paragraph and insert:

"SECTION 277. IC 8-14-14-5, AS AMENDED BY P.L.203-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The major moves construction fund is established for the purpose of:

(1) funding projects, other than passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4), under IC 8-15.7 or IC 8-15-3;

(2) funding other projects in the department's transportation plan; and

(3) funding distributions under sections 6 and 7 of this chapter.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, 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 money is invested by the public employees' retirement fund under IC 5-10.3-5. However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund. **The treasurer of state shall, not later than thirty (30) days after the end of each calendar quarter, submit to the governor and (in an electronic format under IC 5-14-6) the general assembly a report specifying:**

(1) the performance of investments of money in the fund; and

(2) the amount of state expenses incurred under any contracts with investment management professionals, investment advisors, and legal counsel regarding investment of money in the fund.

The quarterly report may not include the information described in subdivisions (1) and (2) for any fund other than the major moves construction fund. The treasurer of state shall post each quarterly report submitted under this subsection on the treasurer of state's Internet web site.

(d) The fund consists of the following:

(1) Distributions to the fund from the toll road fund under IC 8-15.5-11.

(2) Distributions to the fund from the next generation trust fund under IC 8-14-15.

(3) Appropriations to the fund.

(4) Gifts, grants, loans, bond proceeds, and other money received for deposit in the fund.

(5) Revenues arising from:

(A) a tollway under IC 8-15-3 or IC 8-23-7-22; or

(B) a toll road under IC 8-15-2 or IC 8-23-7-23;

that the department designates as part of, and deposits in, the fund.

(6) Payments, other than payments for passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4), made to the authority or the department from operators under IC 8-15.7.

(7) Interest, premiums, or other earnings on the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

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

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.".

Page 302, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 280. IC 8-14-15-8, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The trustee shall:

(1) administer and manage the trust;

(2) invest the money in the trust; and

(3) deposit in the trust 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 public employees' retirement fund 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. **The treasurer of state shall, not later than thirty (30) days after the end of each calendar quarter, submit to the governor and (in an electronic format under IC 5-14-6) the general assembly a report specifying:**

(1) the performance of investments of money in the next generation trust fund; and

(2) the amount of state expenses incurred under any contracts with investment management professionals, investment advisors, and legal counsel regarding investment of money in the next generation trust fund.

The quarterly report may not include the information described in subdivisions (1) and (2) for any fund other than the next generation trust fund. The treasurer of state shall post each quarterly report submitted under this subsection on the treasurer of state's Internet web site.

(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.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

AUSTIN

COMMITTEE REPORT

Madam President: Your Senate Committee on Appropriations, to which was referred House Bill No. 1001(ss), has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1001(ss) as printed June 18, 2009.)

KENLEY, Chairperson

Committee Vote: Yeas 8 , Nays 4.