

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 352 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 public finance.
- 4 Page 1, delete lines 1 through 18, begin a new paragraph, and
- 5 insert:
- 6 "SECTION 1. IC 3-13-6-1, AS AMENDED BY P.L.18-1995,
- 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 1999]: Sec. 1. (a) A vacancy that occurs, other than by
- 9 resignation, in the office of judge of a circuit, superior, probate, or
- 10 county court shall be certified to the governor by the circuit court clerk
- 11 of the county in which the judge resided.
- 12 (b) A vacancy in the office of judge of a circuit court shall be filled
- 13 by the governor as provided by Article 5, Section 18 of the Constitution
- 14 of the State of Indiana. The person who is appointed holds the office
- 15 until:
- 16 (1) the end of the unexpired term; or
- 17 (2) a successor is elected at the next general election and
- 18 qualified;
- 19 whichever occurs first. The person elected at the general election
- 20 following an appointment to fill the vacancy, upon being qualified,
- 21 holds office for the six (6) year term prescribed by Article 7, Section 7
- 22 of the Constitution of the State of Indiana and until a successor is
- 23 elected and qualified.
- 24 (c) A vacancy in the office of judge of a superior, probate, or

1 county court shall be filled by the governor subject to the following:

2 (1) IC 33-5-5.1-37.1.

3 (2) IC 33-5-5.1-41.1.

4 ~~(3) IC 33-5-29.5-39.~~

5 ~~(4)~~ (3) IC 33-5-40-44.

6 **Subject to IC 33-5-29.5-41**, the person who is appointed holds office
7 for the remainder of the unexpired term.

8 SECTION 2. IC 4-4-8-9 IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 1999]: Sec. 9. Any qualified entity receiving a
10 loan under this chapter may levy an annual tax on personal and real
11 property located within its geographical limits for industrial
12 development purposes, in addition to any other tax authorized by
13 statute to be levied for such purposes, at such rate as will produce
14 sufficient revenue to pay the annual installment and interest on any
15 loan made under this chapter. Such a tax may be in addition to the
16 maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5,
17 ~~IC 6-1.1-19~~, and other statutes.

18 SECTION 3. IC 5-8-1-19, AS AMENDED BY P.L.19-1995,
19 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 1999]: Sec. 19. (a) Under Article 7, Section 13 of the
21 Constitution of the State of Indiana, whenever a circuit, superior,
22 probate, or county court judge or prosecuting attorney has been
23 convicted of corruption or any other high crime, the attorney general
24 shall bring proceedings in the supreme court, on information, in the
25 name of the state, for the removal from office of the judge or
26 prosecuting attorney.

27 (b) If the judgment is against the defendant, the defendant is
28 removed from office. The governor, the officer, or the entity required
29 to fill a vacancy under IC 3-13-6-2 shall, subject to:

30 (1) IC 33-5-5.1-37.1;

31 (2) IC 33-5-5.1-41.1;

32 ~~(3) IC 33-5-29.5-39~~; and

33 ~~(4)~~ (3) IC 33-5-40-44;

34 appoint or select a successor to fill the vacancy in office.

35 SECTION 4. IC 6-1.1-1-8.3 IS ADDED TO THE INDIANA
36 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2001]: **Sec. 8.3. For purposes of**
38 **IC 6-1.1-19, "general fund" means the fund that the governing**
39 **body of a school corporation is required to establish by**
40 **IC 21-2-11-2.**

41 SECTION 5. IC 6-1.1-1-16.5 IS ADDED TO THE INDIANA
42 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
43 [EFFECTIVE JANUARY 1, 2001]: **Sec. 16.5. For purposes of**
44 **IC 6-1.1-19, "school year" means the period from July 1 of each**
45 **year until June 30 of the following year.**

46 SECTION 6. IC 6-1.1-1-19.5 IS ADDED TO THE INDIANA

1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2001]: **Sec. 19.5. For purposes of**
 3 **IC 6-1.1-19, "tax control board" means the school property tax**
 4 **control board established by IC 6-1.1-19-4.1.**

5 SECTION 7. IC 6-1.1-17-1.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 1999]: **Sec. 1.5. (a) This section applies to a**
 8 **budget governing an expenditure from a school corporation's**
 9 **general fund after December 31, 2000.**

10 **(b) A budget for a school corporation's general fund is subject**
 11 **to the same budget and review procedures under this chapter as a**
 12 **fund for which a property tax is levied.**

13 SECTION 8. IC 6-1.1-17-3, AS AMENDED BY P.L.50-1996,
 14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2000]: **Sec. 3. (a) The proper officers of a political**
 16 **subdivision shall formulate its estimated budget and its proposed tax**
 17 **rate and tax levy on the form prescribed by the state board of tax**
 18 **commissioners and approved by the state board of accounts. The**
 19 **political subdivision shall give notice by publication to taxpayers of:**

- 20 (1) the estimated budget;
 21 (2) the estimated maximum permissible levy;
 22 (3) the current and proposed tax levies of each fund; ~~and~~
 23 (4) the amounts of excessive levy appeals to be requested; **and**
 24 **(5) after December 31, 1999, the current and proposed**
 25 **amount of revenue to be distributed by the state during the**
 26 **budget year to the general fund of a school corporation.**

27 In the notice, the political subdivision shall also state the time and
 28 place at which a public hearing will be held on these items. The notice
 29 shall be published twice in accordance with IC 5-3-1 with the first
 30 publication at least ten (10) days before the date fixed for the public
 31 hearing.

- 32 (b) The trustee of each township of the county shall:
 33 (1) estimate the amount necessary to meet the cost of poor relief
 34 in the township for the ensuing calendar year; and
 35 (2) publish with the township budget a tax rate sufficient to meet
 36 the estimated cost of poor relief.

37 The taxes collected as a result of this rate shall be credited to the
 38 county poor fund.

39 (c) The board of directors of a solid waste management district
 40 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 41 conduct the public hearing required under subsection (a):

- 42 (1) in any county of the solid waste management district; and
 43 (2) in accordance with the annual notice of meetings published
 44 under IC 13-21-5-2.

45 SECTION 9. IC 6-1.1-17-5.1, AS AMENDED BY P.L.2-1997,
 46 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 1999]: Sec. 5.1. (a) As used in this section, "school
2 corporation" has the meaning set forth in IC 20-10.1-1-1.

3 (b) Before February 1 of each year, the officers of a school
4 corporation shall meet to fix the budget for the school corporation for
5 the ensuing budget year, with notice given by the same officers.

6 (c) Not later than two (2) days after a school corporation fixes a
7 budget under subsection (b), the officers of the school corporation shall
8 file the budget adopted by the school corporation for the ensuing
9 budget year with the state board of tax commissioners.

10 (d) Each year at least two (2) days before the first meeting of the
11 county board of tax adjustment held under IC 6-1.1-29-4, a school
12 corporation shall file with the county auditor:

13 (1) a statement of the tax rate and tax levy fixed by the school
14 corporation for the ensuing budget year;

15 **(2) after December 31, 1999, the proposed amount of revenue
16 to be distributed by the state during the budget year to the
17 general fund of a school corporation;**

18 ~~(3)~~ **(3)** two (2) copies of the budget adopted by the school
19 corporation for the ensuing budget year; and

20 ~~(4)~~ **(4)** any written notification from the state board of tax
21 commissioners under section 16(i) of this chapter that specifies
22 a proposed revision, reduction, or increase in the budget adopted
23 by the school corporation for the ensuing budget year.

24 Each year the county auditor shall present these items to the county
25 board of tax adjustment at the board's first meeting.

26 (e) In a consolidated city, a county containing a consolidated city,
27 and a second class city, the clerk of the fiscal body shall,
28 notwithstanding subsection (d), file the adopted budget and tax
29 ordinances with the county board of tax adjustment not later than two
30 (2) days after the ordinances are signed by the executive or not later
31 than two (2) days after action is taken by the fiscal body to override a
32 veto of the ordinances, whichever is later.

33 SECTION 10. IC 6-1.1-17-8 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) If the county
35 board of tax adjustment determines that the maximum aggregate tax
36 rate permitted within a political subdivision under IC ~~1971~~; 6-1.1-18
37 is inadequate, the county board shall, subject to the limitations
38 prescribed in IC ~~1971~~; 6-1.1-19-2 (**repealed January 1, 2001**), file its
39 written recommendations in duplicate with the county auditor. The
40 board shall include with its recommendations:

41 (1) an analysis of the aggregate tax rate within the political
42 subdivision;

43 (2) a recommended breakdown of the aggregate tax rate among
44 the political subdivisions whose tax rates compose the aggregate
45 tax rate within the political subdivision; and

46 (3) any other information which the county board considers

1 relevant to the matter.

2 (b) The county auditor shall forward one (1) copy of the county
3 board's recommendations to the state board of tax commissioners and
4 shall retain the other copy in his office. The state board of tax
5 commissioners shall, in the manner prescribed in section 16 of this
6 chapter, review the budgets, tax rates, and tax levies of the political
7 subdivisions described in subsection (a)(2) of this section.

8 SECTION 11. IC 6-1.1-17-10 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) When the
10 aggregate tax rate within a political subdivision, as approved or
11 modified by the county board of tax adjustment, exceeds the maximum
12 aggregate tax rate prescribed in IC 1971, 6-1.1-18-3(a), the county
13 auditor shall certify the budgets, tax rates, and tax levies of the political
14 subdivisions whose tax rates compose the aggregate tax rate within the
15 political subdivision, as approved or modified by the county board, to
16 the state board of tax commissioners for final review. For purposes of
17 this section, the maximum aggregate tax rate limit exceptions provided
18 in IC ~~1971~~, 6-1.1-18-3(b) do not apply.

19 (b) **The county auditor shall certify the general fund budgets**
20 **of each school corporation, as modified by the county board of tax**
21 **adjustment, to the state board of tax commissioners for final**
22 **review.**

23 SECTION 12. IC 6-1.1-17-13 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. Ten (10) or more
25 taxpayers may initiate an appeal from the county board of tax
26 adjustment's action on a political subdivision's budget by filing a
27 statement of their objections with the county auditor. The statement
28 must be filed within ten (10) days after the publication of the notice
29 required by section 12 of this chapter. The statement shall specifically
30 identify the provisions of the budget and, **for funds for which a**
31 **property tax is imposed, the** tax levy to which the taxpayers object.
32 The county auditor shall forward the statement, with the budget, to the
33 state board of tax commissioners.

34 SECTION 13. IC 6-1.1-17-16, AS AMENDED BY P.L.50-1996,
35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 1999]: Sec. 16. (a) Subject to the limitations and requirements
37 prescribed in this section, the state board of tax commissioners may
38 revise, reduce, or increase a political subdivision's budget, tax rate, or
39 tax levy which the board reviews under section 8 or 10 of this chapter.

40 (b) Subject to the limitations and requirements prescribed in this
41 section, the state board of tax commissioners may review, revise,
42 reduce, or increase the budget, tax rate, or tax levy of any of the
43 political subdivisions whose tax rates compose the aggregate tax rate
44 within a political subdivision whose budget, tax rate, or tax levy is the
45 subject of an appeal initiated under this chapter.

46 (c) Except as provided in subsection (i), before the state board of

1 tax commissioners reviews, revises, reduces, or increases a political
 2 subdivision's budget, tax rate, or tax levy under this section, the board
 3 must hold a public hearing on the budget, tax rate, and tax levy. The
 4 board shall hold the hearing in the county in which the political
 5 subdivision is located. The board may consider the budgets, tax rates,
 6 and tax levies of several political subdivisions at the same public
 7 hearing. At least five (5) days before the date fixed for a public hearing,
 8 the board shall give notice of the time and place of the hearing and of
 9 the budgets, levies, and tax rates to be considered at the hearing. The
 10 board shall publish the notice in two (2) newspapers of general
 11 circulation published in the county. However, if only one (1)
 12 newspaper of general circulation is published in the county, the board
 13 shall publish the notice in that newspaper.

14 (d) Except as provided in:

15 (1) subsection (h);

16 (2) IC 6-1.1-19, **for ad valorem property taxes first due and**
 17 **payable before January 1, 2001;** or

18 (3) IC 6-1.1-18.5;

19 the state board of tax commissioners may not increase a political
 20 subdivision's budget, tax rate, or tax levy to an amount which exceeds
 21 the amount originally fixed by the political subdivision. The state board
 22 of tax commissioners shall give the political subdivision written
 23 notification specifying any revision, reduction, or increase the state
 24 board of tax commissioners proposes in a political subdivision's tax
 25 levy or tax rate. The political subdivision has one (1) week from the
 26 date the political subdivision receives the notice to provide a written
 27 response to the state board of tax commissioners' Indianapolis office
 28 specifying how to make the required reductions in the amount budgeted
 29 for each office or department. The state board of tax commissioners
 30 shall make reductions as specified in the political subdivision's
 31 response if the response is provided as required by this subsection and
 32 sufficiently specifies all necessary reductions. The state board of tax
 33 commissioners may make a revision, a reduction, or an increase in a
 34 political subdivision's budget only in the total amounts budgeted for
 35 each office or department within each of the major budget
 36 classifications prescribed by the state board of accounts.

37 (e) The state board of tax commissioners may not approve a levy
 38 for lease payments by a city, town, county, library, or school
 39 corporation if the lease payments are payable to a building corporation
 40 for use by the building corporation for debt service on bonds and if:

41 (1) no bonds of the building corporation are outstanding; or

42 (2) the building corporation has enough legally available funds
 43 on hand to redeem all outstanding bonds payable from the
 44 particular lease rental levy requested.

45 (f) The action of the state board of tax commissioners on a budget,
 46 tax rate, or tax levy is final. The board shall certify its action to:

- 1 (1) the county auditor; and
 2 (2) the political subdivision if the state board acts pursuant to an
 3 appeal initiated by the political subdivision.
- 4 (g) The state board of tax commissioners is expressly directed to
 5 complete the duties assigned to it under this section not later than
 6 February 15th of each year for taxes to be collected during that year.
- 7 (h) Subject to the provisions of all applicable statutes, the state
 8 board of tax commissioners may increase a political subdivision's tax
 9 levy to an amount that exceeds the amount originally fixed by the
 10 political subdivision if the increase is:
- 11 (1) requested in writing by the officers of the political
 12 subdivision;
 13 (2) either:
- 14 (A) based on information first obtained by the political
 15 subdivision after the public hearing under section 3 of this
 16 chapter; or
 17 (B) results from an inadvertent mathematical error made in
 18 determining the levy; and
- 19 (3) published by the political subdivision according to a notice
 20 provided by the state board of tax commissioners.
- 21 (i) The state board of tax commissioners shall annually review the
 22 budget of each school corporation not later than April 1. The state
 23 board of tax commissioners shall give the school corporation written
 24 notification specifying any revision, reduction, or increase the state
 25 board of tax commissioners proposes in the school corporation's
 26 budget. A public hearing is not required in connection with this review
 27 of the budget.
- 28 SECTION 14. IC 6-1.1-18-3, AS AMENDED BY P.L.25-1995,
 29 SECTION 27 (CURRENT VERSION), IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) Except as
 31 provided in subsection (b), the sum of all tax rates for all political
 32 subdivisions imposed on tangible property within a political
 33 subdivision may not exceed:
- 34 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
 35 dollars (\$100) of assessed valuation in territory outside the
 36 corporate limits of a city or town; or
 37 (2) two dollars (\$2) on each one hundred dollars (\$100) of
 38 assessed valuation in territory inside the corporate limits of a city
 39 or town.
- 40 (b) **Subject after December 31, 2000, to IC 6-1.1-19-1.9**, the
 41 proper officers of a political subdivision shall fix **property** tax rates
 42 which are sufficient to provide funds for the purposes itemized in this
 43 subsection. The portion of a tax rate fixed by a political subdivision **for**
 44 **a property tax levy** shall not be considered in computing the tax rate
 45 limits prescribed in subsection (a) if that portion is to be used for one
 46 (1) of the following purposes:

- 1 (1) To pay the principal or interest on a funding, refunding, or
 2 judgment funding obligation of the political subdivision.
 3 (2) To pay the principal or interest on an outstanding obligation
 4 issued by the political subdivision if notice of the sale of the
 5 obligation was published before March 9, 1937.
 6 (3) To pay the principal or interest upon:
 7 (A) an obligation issued by the political subdivision to meet
 8 an emergency which results from a flood, fire, pestilence,
 9 war, or any other major disaster; or
 10 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 11 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
 12 county to acquire necessary equipment or facilities for
 13 municipal or county government.
 14 (4) To pay the principal or interest upon an obligation issued in
 15 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 16 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
 17 (5) To pay a judgment rendered against the political subdivision.
 18 (6) To meet the requirements of the county welfare fund, the
 19 county welfare administration fund, for public welfare services,
 20 or the family and children's fund for child services (as defined in
 21 IC 12-19-7-1).
 22 (7) To meet the requirements of the county hospital care for the
 23 indigent fund.
 24 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5,
 25 a county board of tax adjustment, a county auditor, or the state board
 26 of tax commissioners may review the portion of a tax rate described in
 27 subsection (b) only to determine if it exceeds the portion actually
 28 needed to provide for one (1) of the purposes itemized in that
 29 subsection.
 30 SECTION 15. IC 6-1.1-18-3, AS AMENDED BY P.L.6-1997,
 31 SECTION 82 (DELAYED VERSION), IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as
 33 provided in subsection (b), the sum of all tax rates for all political
 34 subdivisions imposed on tangible property within a political
 35 subdivision may not exceed:
 36 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
 37 one hundred dollars (\$100) of assessed valuation in territory
 38 outside the corporate limits of a city or town; or
 39 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
 40 one hundred dollars (\$100) of assessed valuation in territory
 41 inside the corporate limits of a city or town.
 42 (b) **Subject after December 31, 2000, to IC 6-1.1-19-1.9**, the
 43 proper officers of a political subdivision shall fix **property** tax rates
 44 which are sufficient to provide funds for the purposes itemized in this
 45 subsection. The portion of a tax rate fixed by a political subdivision **for**
 46 **a property tax levy** shall not be considered in computing the tax rate

1 limits prescribed in subsection (a) if that portion is to be used for one
2 (1) of the following purposes:

3 (1) To pay the principal or interest on a funding, refunding, or
4 judgment funding obligation of the political subdivision.

5 (2) To pay the principal or interest on an outstanding obligation
6 issued by the political subdivision if notice of the sale of the
7 obligation was published before March 9, 1937.

8 (3) To pay the principal or interest upon:

9 (A) an obligation issued by the political subdivision to meet
10 an emergency which results from a flood, fire, pestilence,
11 war, or any other major disaster; or

12 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
13 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
14 county to acquire necessary equipment or facilities for
15 municipal or county government.

16 (4) To pay the principal or interest upon an obligation issued in
17 the manner provided in IC 6-1.1-20-3 (before its repeal) or
18 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

19 (5) To pay a judgment rendered against the political subdivision.

20 (6) To meet the requirements of the county welfare fund, the
21 county welfare administration fund, for public welfare services,
22 or the family and children's fund for child services (as defined in
23 IC 12-19-7-1).

24 (7) To meet the requirements of the county hospital care for the
25 indigent fund.

26 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5,
27 a county board of tax adjustment, a county auditor, or the state board
28 of tax commissioners may review the portion of a tax rate described in
29 subsection (b) only to determine if it exceeds the portion actually
30 needed to provide for one (1) of the purposes itemized in that
31 subsection.

32 SECTION 16. IC 6-1.1-18-5, AS AMENDED BY P.L.17-1995,
33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 1999]: Sec. 5. (a) If the proper officers of a political
35 subdivision desire to appropriate more money for a particular year than
36 the amount prescribed in the budget for that year as finally determined
37 under this article, they shall give notice of their proposed additional
38 appropriation. The notice shall state the time and place at which a
39 public hearing will be held on the proposal. The notice shall be given
40 once in accordance with IC 5-3-1-2(b).

41 (b) If the additional appropriation by the political subdivision is
42 **from the general fund of a school corporation or is made from a**
43 **fund that receives:**

44 (1) distributions from the motor vehicle highway account
45 established under IC 8-14-1-1 or the local road and street
46 account established under IC 8-14-2-4; or

1 (2) revenue from property taxes levied under IC 6-1.1;
2 the political subdivision must report the additional appropriation to the
3 state board of tax commissioners. If the additional appropriation is
4 made from a fund described under this subsection, subsections (f), (g),
5 (h), and (i) apply to the political subdivision.

6 (c) However, if the additional appropriation is not made from a
7 fund described under subsection (b), subsections (f), (g), (h), and (i) do
8 not apply to the political subdivision. Subsections (f), (g), (h), and (i)
9 do not apply to an additional appropriation made from the cumulative
10 bridge fund if the appropriation meets the requirements under
11 IC 8-16-3-3(c).

12 (d) A political subdivision may make an additional appropriation
13 without approval of the state board of tax commissioners if the
14 additional appropriation is made from a fund that is not described
15 under subsection (b). However, the fiscal officer of the political
16 subdivision shall report the additional appropriation to the state board
17 of tax commissioners.

18 (e) After the public hearing, the proper officers of the political
19 subdivision shall file a certified copy of their final proposal and any
20 other relevant information to the state board of tax commissioners.

21 (f) When the state board of tax commissioners receives a certified
22 copy of a proposal for an additional appropriation under subsection (e),
23 the board shall determine whether sufficient funds are available or will
24 be available for the proposal. The determination shall be made in
25 writing and sent to the political subdivision not more than fifteen (15)
26 days after the board receives the proposal.

27 (g) In making the determination under subsection (f), the board
28 shall limit the amount of the additional appropriation to revenues
29 available, or to be made available, which have not been previously
30 appropriated.

31 (h) If the state board of tax commissioners disapproves an
32 additional appropriation under subsection (f), the state board of tax
33 commissioners shall specify the reason for its disapproval on the
34 determination sent to the political subdivision.

35 (i) A political subdivision may request a reconsideration of a
36 determination of the state board of tax commissioners under this
37 section by filing a written request for reconsideration. A request for
38 reconsideration must:

- 39 (1) be filed with the state board of tax commissioners within
40 fifteen (15) days of the receipt of the determination by the
41 political subdivision; and
- 42 (2) state with reasonable specificity the reason for the request.

43 The state board of tax commissioners must act on a request for
44 reconsideration within fifteen (15) days of receiving the request.

45 SECTION 17. IC 6-1.1-19-1.9 IS ADDED TO THE INDIANA
46 CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 1999]: **Sec. 1.9. (a) This section applies to ad**
 2 **valorem property taxes first due and payable after December 31,**
 3 **2000.**

4 **(b) Except as provided in:**

5 **(1) IC 20-5-15-2 (public library in connection with school);**

6 **(2) IC 20-5-16-2 (nursery schools);**

7 **(3) IC 20-5-17-2 (Children's Museum in Marion County);**

8 **(4) IC 20-5-17.5-2 (historical societies);**

9 **(5) IC 20-5-17.5-3 (art associations);**

10 **(6) IC 20-5-17.5-4 (cultural institutions); and**

11 **(7) IC 20-5-37-4 (public playgrounds);**

12 **a school corporation may not levy an ad valorem property tax for**
 13 **the school corporation's general fund.**

14 SECTION 18. IC 6-1.1-19-4.4, AS ADDED BY P.L.2-1996,
 15 SECTION 216, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 1999]: Sec. 4.4. (a) With respect to every
 17 appeal petition **for property taxes first due and payable before**
 18 **January 1, 2001**, that is delivered to the tax control board by the state
 19 board of tax commissioners under section 4.1 of this chapter, and that
 20 does not include a request for emergency financial relief, **and with**
 21 **respect to every appeal petition for property taxes first due and**
 22 **payable after December 31, 2000, to a fund other than the general**
 23 **fund if another statute provides for an appeal under this section,**
 24 the tax control board shall, after the tax control board makes the study
 25 of the appeal petition and related materials that the tax control board
 26 considers necessary, recommend to the state board of tax
 27 commissioners, in respect of the particular appeal petition that:

28 (1) the order of the county board of tax adjustment or the county
 29 auditor in respect of the appellant school corporation's budget,
 30 **ad valorem property** tax levy, or **ad valorem property** tax rate
 31 for the ensuing calendar year be approved;

32 (2) the order of the county board of tax adjustment or the county
 33 auditor in respect of the appellant school corporation's budget,
 34 **ad valorem property** tax levy, or **ad valorem property** tax rate
 35 be disapproved and that the appellant school corporation's
 36 budget, **ad valorem property** tax levy, or **ad valorem property**
 37 tax rate be reduced as specified in the tax control board's
 38 recommendation;

39 (3) the order of the county board of tax adjustment or the county
 40 auditor in respect of the appellant school corporation's budget,
 41 **ad valorem property** tax levy, or **ad valorem property** tax rate
 42 be disapproved and that the appellant school corporation's
 43 budget, **ad valorem property** tax levy, or **ad valorem property**
 44 tax rate be increased as specified in the tax control board's
 45 recommendation; or

46 **(4) for property taxes first due and payable before January**

1 **1, 2001**, combined with a recommendation allowed under
2 subdivision (1), (2), or (3), the adjusted base tax levy for the
3 school corporation be increased if the school corporation can
4 show a need for the increased adjusted base levy due to:

5 (A) the opening after December 31, 1972, of a new school
6 facility; or

7 (B) the opening after July 1, 1988, of an existing facility
8 that has not been used for at least three (3) years and that is
9 being reopened to provide additional classroom space.

10 The adjusted base levy increase, if approved by the tax control
11 board, shall be an amount equal to the increase in costs resulting
12 to the school corporation from the opening and operation of the
13 new school facility or the reopening and operation of an existing
14 facility that has not been used for at least three (3) years and that
15 is being reopened to provide additional classroom space. In
16 determining those increased costs, the tax control board shall
17 consider the costs to the school corporation of complying with
18 safety, health, space, heat, or lighting standards required by state
19 or federal law or regulation, and the other physical operation
20 costs that in the opinion of the tax control board justify an
21 adjustment in the school corporation's adjusted base levy.

22 (b) With respect to an appeal petition described in this section, the
23 tax control board may not make a recommendation that, if followed by
24 the state board of tax commissioners, would authorize the appellant
25 school corporation for ~~the~~ **an** ensuing calendar year **before January 1,**
26 **2001:**

27 (1) to collect a general fund tax levy in excess of the general
28 fund tax levy initially adopted and advertised by the appellant
29 school corporation;

30 (2) to impose a general fund tax rate in excess of the general
31 fund tax rate initially adopted and advertised by the appellant
32 school corporation; or

33 (3) to collect an excessive tax levy.

34 **With respect to an appeal petition described in this section, the tax**
35 **control board may not make a recommendation that, if followed by**
36 **the state board of tax commissioners, would authorize the**
37 **appellant school corporation for an ensuing calendar year after**
38 **December 31, 2000, to levy an ad valorem property tax for the**
39 **school corporation's general fund.**

40 (c) **This subsection applies to a school budget for an**
41 **expenditure from the school general fund after December 31, 2000.**
42 **If the tax control board concludes, after studying an appeal**
43 **petition, that the appellant school corporation cannot, in the**
44 **ensuing calendar year, carry out the public educational duty**
45 **committed to the appellant school corporation by law if, for the**
46 **ensuing calendar year, the appellant school corporation does not**

1 receive emergency financial relief, the tax control board may
2 recommend to the state board of tax commissioners that the order
3 of the county board of tax adjustment or the county auditor in
4 respect to the budget of the appellant school corporation be
5 approved, or disapproved and modified, as specified in the tax
6 control board's recommendation, and that the appellant school
7 corporation receive emergency financial relief from the state, on
8 terms to be specified by the tax control board in the board's
9 recommendation, in the form of:

- 10 (1) a grant or grants from funds of the state that are
- 11 available for such a purpose;
- 12 (2) a loan or loans from funds of the state that are available
- 13 for such a purpose;
- 14 (3) permission to the appellant school corporation to borrow
- 15 funds from a source other than the state or assistance in
- 16 obtaining the loan;
- 17 (4) an advance or advances of funds that will become payable
- 18 to the appellant school corporation under a law providing for
- 19 the payment of state funds to school corporations;
- 20 (5) permission to use, for general fund purposes, an
- 21 unobligated balance in a construction fund, including
- 22 unobligated proceeds of a sale of the school corporation's
- 23 general obligation bonds; or
- 24 (6) a combination of the emergency financial relief described
- 25 in subdivisions (1) through (5).

26 The tax control board shall recommend the source of the
27 repayment of a loan recommended under this subsection. The tax
28 control board may not recommend the imposition of an ad valorem
29 property tax levy to repay the loan. The state board of tax
30 commissioners may accept, reject, or accept and modify a
31 recommendation made by the tax control board under this
32 subsection.

33 (d) A school corporation, with respect to which the tax control
34 board recommends and the state board of tax commissioners
35 authorizes emergency financial relief under subsection (c), is, if the
36 school corporation accepts the authorized relief, prohibited
37 throughout a calendar year in which or for which the school
38 corporation receives the emergency financial relief from taking the
39 prohibited actions described in this subsection until the action is
40 recommended by the tax control board to the state board of tax
41 commissioners and authorized by the state board of tax
42 commissioners. The prohibited actions are any of the following:

- 43 (1) The acquisition of real estate for school building
- 44 purposes, the construction of new school buildings, or the
- 45 remodeling or renovation of existing school buildings.
- 46 (2) The making of a lease of real or personal property for an

1 **annual rental or the incurring of any other contractual**
2 **obligation (except an employment contract for a new**
3 **employee, which contract is to supersede the contract of a**
4 **terminating employee) calling for an annual outlay by the**
5 **school corporation in excess of ten thousand dollars**
6 **(\$10,000).**

7 **(3) The purchase of personal property for a consideration in**
8 **excess of ten thousand dollars (\$10,000).**

9 **(4) The adoption or advertising of a budget, tax levy, or tax**
10 **rate for a calendar year.**

11 **(e) If a school corporation subject to the controls described in**
12 **subsection (d) takes any of the actions described in subsection (d)**
13 **without having first obtained the recommendation of the tax**
14 **control board and the state board of tax commissioners'**
15 **authorization for the action, the state board of tax commissioners**
16 **may take appropriate steps to reduce or terminate any emergency**
17 **financial relief that the school corporation may then be receiving**
18 **under subsection (c).**

19 SECTION 19. IC 6-1.1-19-5.3 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5.3. (a) **This**
21 **subsection applies only to an ad valorem property tax levy that is**
22 **first due and payable before January 1, 2001.** The tax control board
23 may recommend to the state board of tax commissioners a correction
24 of mathematical errors in data that affect the determination of:

- 25 (1) a school corporation's adjusted base levy;
- 26 (2) a school corporation's excessive tax levy; or
- 27 (3) a school corporation's normal tax levy.

28 (b) The state board of tax commissioners may correct
29 mathematical errors in data for any school corporation.

30 SECTION 20. IC 6-1.1-19-7, AS AMENDED BY P.L.2-1995,
31 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 1999]: Sec. 7. (a) **As used in this section, "excessive tax**
33 **levy" has the meaning set forth in IC 6-1.1-19-1 (repealed January**
34 **1, 2001).**

35 (b) Any recommendation that is to be made by the tax control
36 board to the state board of tax commissioners pursuant to any provision
37 of this chapter shall be made at such a time as is prescribed in this
38 chapter and, if no time for the making of such a recommendation is
39 prescribed in this chapter, then the recommendation shall be made at
40 such a time as will permit the state board of tax commissioners to
41 complete those duties of the board that are defined in IC ~~1971~~, 6-1.1-17
42 within the time allowed by law for the completion of those duties, or
43 such additional time as is reasonably necessary for the state board of
44 tax commissioners and the tax control board to complete the duties
45 provided by this chapter. **No ad valorem property tax levy shall be**
46 invalid because of the failure of either board to complete its duties

1 within the time or time limits provided by this chapter or any other law.
 2 Subject to the provisions of this chapter, the state board of tax
 3 commissioners may accept, reject, or accept in part and reject in part
 4 any recommendation of the tax control board that is made to it under
 5 this chapter and may make any order that is consistent with the
 6 provisions of IC ~~1971~~, 6-1.1-17. The state board of tax commissioners
 7 may not approve or authorize an excessive tax levy **that is first due**
 8 **and payable before January 1, 2001**, except in accordance with the
 9 provisions of this chapter. **The state board of tax commissioners may**
 10 **not approve or authorize an excessive tax levy that is first due and**
 11 **payable after December 31, 2000.**

12 SECTION 21. IC 6-1.1-19-12 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2001]: **Sec. 12. (a) As used in this**
 15 **section, "revenues" means excise tax distributions under IC 6-6-5**
 16 **and any other allocation of state tax collections or distributions**
 17 **that, by statute:**

- 18 (1) are distributed to school corporations; and
- 19 (2) are based on the property tax levies imposed by the
- 20 taxing units in a county.

21 **The term does not include homestead credits or property tax**
 22 **replacement credits.**

23 (b) A school corporation is entitled to receive for the school
 24 corporation's general fund a proportion of the revenues that are
 25 distributed within the county. The amount that the school
 26 corporation is entitled to receive during that calendar year equals
 27 the amount determined under STEP FIVE of the following
 28 formula:

29 **STEP ONE: Determine the amount of revenue that is**
 30 **available for distribution in the county in that calendar year.**

31 **STEP TWO: Determine fifty percent (50%) of the school**
 32 **general fund budget for that calendar year.**

33 **STEP THREE: Determine the sum of:**

34 (A) the property tax levies imposed by all taxing units in
 35 the county; and

36 (B) fifty percent (50%) of the school general fund
 37 budgets for all school corporations in the county;

38 for that calendar year.

39 **STEP FOUR: Determine the result of the STEP TWO**
 40 **amount divided by the STEP THREE sum.**

41 **STEP FIVE: Multiply the STEP ONE amount by the STEP**
 42 **FOUR result.**

43 (c) **The amount of revenues distributed to:**

- 44 (1) taxing units other than a school corporation; and
- 45 (2) funds of a school corporation for which a property tax
- 46 levy is imposed;

1 shall be changed for that same year by reducing the amount of
 2 revenue distributed by the amount of revenue allocated under this
 3 section for that same calendar year. The state board of tax
 4 commissioners shall make any adjustments required by this section
 5 and provide them to the appropriate county auditors.

6 (d) A school corporation shall be treated as a taxing unit for
 7 purposes of a distribution of financial institutions tax revenues
 8 under IC 6-5.5-8-2.

9 SECTION 22. IC 6-1.1-20-1.1, AS ADDED BY P.L.25-1995,
 10 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 1999]: Sec. 1.1. As used in this chapter, "controlled project"
 12 means any project financed by bonds or a lease, except for the
 13 following:

14 (1) A project for which the political subdivision reasonably
 15 expects to pay:

- 16 (A) debt service; or
- 17 (B) lease rentals;

18 from funds other than property taxes that are exempt from the
 19 levy limitations of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~: **IC 6-1.1-19-1.5**
 20 **(repealed January 1, 2001) or are levied by a school**
 21 **corporation for a fund other than the general fund.** A project
 22 is not a controlled project even though the political subdivision
 23 has pledged to levy property taxes to pay the debt service or
 24 lease rentals if those other funds are insufficient.

25 (2) A project that will not obligate the political subdivision to
 26 more than two million dollars (\$2,000,000) in debt service or
 27 lease rentals.

28 (3) A project that is being refinanced for the purpose of
 29 providing gross or net present value savings to taxpayers.

30 (4) A project for which bonds were issued or leases were entered
 31 into before January 1, 1996, or where the state board of tax
 32 commissioners has approved the issuance of bonds or the
 33 execution of leases before January 1, 1996.

34 (5) A project that is required by a court order holding that a
 35 federal law mandates the project.

36 SECTION 23. IC 6-1.1-20-1.3, AS ADDED BY P.L.25-1995,
 37 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1999]: Sec. 1.3. As used in this chapter, "lease" means a lease
 39 by a political subdivision of any controlled project with lease rentals
 40 payable from property taxes that are exempt from the levy limitations
 41 of IC 6-1.1-18.5 or ~~IC 6-1.1-19~~: **IC 6-1.1-19-1.5 (repealed January 1,**
 42 **2001) or are levied by a school corporation for a fund other than**
 43 **the general fund.**

44 SECTION 24. IC 6-1.1-21-2, AS AMENDED BY
 45 P.L.253-1997(ss), SECTION 4, IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. As used in this

1 chapter:

2 (a) "Taxpayer" means a person who is liable for taxes on property
3 assessed under this article.

4 (b) "Taxes" means taxes payable in respect to property assessed
5 under this article. The term does not include special assessments,
6 penalties, or interest, but does include any special charges which a
7 county treasurer combines with all other taxes in the preparation and
8 delivery of the tax statements required under IC 6-1.1-22-8(a).

9 (c) "Department" means the department of state revenue.

10 (d) "Auditor's abstract" means the annual report prepared by each
11 county auditor which under IC 6-1.1-22-5 is to be filed on or before
12 March 1 of each year with the auditor of state.

13 (e) "Mobile home assessments" means the assessments of mobile
14 homes made under IC 6-1.1-7.

15 (f) "Postabstract adjustments" means adjustments in taxes made
16 subsequent to the filing of an auditor's abstract which change
17 assessments therein or add assessments of omitted property affecting
18 taxes for such assessment year.

19 (g) "Total county tax levy" means the sum of:

20 (1) the remainder of:

21 (A) the aggregate levy of all taxes for all taxing units in a
22 county which are to be paid in the county for a stated
23 assessment year as reflected by the auditor's abstract for the
24 assessment year, adjusted, however, for any postabstract
25 adjustments which change the amount of the aggregate levy;
26 minus

27 (B) the sum of any increases in property tax levies of taxing
28 units of the county that result from appeals described in:

29 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed
30 after December 31, 1982; plus

31 (ii) the sum of any increases in property tax levies of
32 taxing units of the county that result from any other
33 appeals described in IC 6-1.1-18.5-13 filed after
34 December 31, 1983; plus

35 (iii) IC 6-1.1-18.6-3 (children in need of services and
36 delinquent children who are wards of the county);
37 minus

38 (C) the total amount of property taxes imposed for the stated
39 assessment year by the taxing units of the county under the
40 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
41 IC 12-19-5, or IC 12-20-24; minus

42 (D) the total amount of property taxes to be paid during the
43 stated assessment year that will be used to pay for interest
44 or principal due on debt that:

45 (i) is entered into after December 31, 1983;

46 (ii) is not debt that is issued under IC 5-1-5 to refund

- 1 debt incurred before January 1, 1984; and
- 2 (iii) does not constitute debt entered into for the
- 3 purpose of building, repairing, or altering school
- 4 buildings for which the requirements of IC 20-5-52
- 5 were satisfied prior to January 1, 1984; minus
- 6 (E) the amount of property taxes imposed in the county for
- 7 the stated assessment year under the authority of IC 21-2-6
- 8 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative
- 9 building fund whose property tax rate was initially
- 10 established or reestablished for a stated assessment year that
- 11 succeeds the 1983 stated assessment year; minus
- 12 (F) the remainder of:
 - 13 (i) the total property taxes imposed in the county for
 - 14 the stated assessment year under authority of IC 21-2-6
 - 15 or any citation listed in IC 6-1.1-18.5-9.8 for a
 - 16 cumulative building fund whose property tax rate was
 - 17 not initially established or reestablished for a stated
 - 18 assessment year that succeeds the 1983 stated
 - 19 assessment year; minus
 - 20 (ii) the total property taxes imposed in the county for
 - 21 the 1984 stated assessment year under the authority of
 - 22 IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for
 - 23 a cumulative building fund whose property tax rate
 - 24 was not initially established or reestablished for a
 - 25 stated assessment year that succeeds the 1983 stated
 - 26 assessment year; minus
- 27 (G) the amount of property taxes imposed in the county for
- 28 the stated assessment year under:
 - 29 (i) IC 21-2-15 for a capital projects fund; plus
 - 30 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 - 31 (iii) IC 20-14-13 for a library capital projects fund;
 - 32 plus
 - 33 (iv) IC 20-5-17.5-3 for an art association fund; plus
 - 34 (v) IC 21-2-17 for a special education preschool fund;
 - 35 plus
 - 36 (vi) **before January 1, 2001**, an appeal filed under
 - 37 IC 6-1.1-19-5.1 (**repealed January 1, 2001**) for an
 - 38 increase in a school corporation's maximum
 - 39 permissible general fund levy for certain transfer
 - 40 tuition costs; plus
 - 41 (vii) **before January 1, 2001**, an appeal filed under
 - 42 IC 6-1.1-19-5.4 for an increase in a school
 - 43 corporation's maximum permissible general fund levy
 - 44 for transportation operating costs; minus
- 45 (H) **before January 1, 2001**, the amount of property taxes
- 46 imposed by a school corporation that is attributable to the

- 1 passage, after 1983, of a referendum for an excessive tax
- 2 levy under IC 6-1.1-19, including any increases in these
- 3 property taxes that are attributable to the adjustment set
- 4 forth in IC 6-1.1-19-1.5(a) STEP ONE (**repealed January**
- 5 **1, 2001**) or any other law; minus
- 6 (I) for each township in the county, the lesser of:
 - 7 (i) the sum of the amount determined in
 - 8 IC 6-1.1-18.5-19(a) STEP THREE or
 - 9 IC 6-1.1-18.5-19(b) STEP THREE, whichever is
 - 10 applicable, plus the part, if any, of the township's ad
 - 11 valorem property tax levy for calendar year 1989 that
 - 12 represents increases in that levy that resulted from an
 - 13 appeal described in IC 6-1.1-18.5-13(5) filed after
 - 14 December 31, 1982; or
 - 15 (ii) the amount of property taxes imposed in the
 - 16 township for the stated assessment year under the
 - 17 authority of IC 36-8-13-4; minus
- 18 (J) for each participating unit in a fire protection territory
- 19 established under IC 36-8-19-1, the amount of property
- 20 taxes levied by each participating unit under IC 36-8-19-8
- 21 and IC 36-8-19-8.5 less the maximum levy limit for each of
- 22 the participating units that would have otherwise been
- 23 available for fire protection services under IC 6-1.1-18.5-3
- 24 and IC 6-1.1-18.5-19 for that same year; minus
- 25 (K) for each county, the sum of:
 - 26 (i) the amount of property taxes imposed in the county
 - 27 for the repayment of loans under IC 12-19-5-6 that is
 - 28 included in the amount determined under
 - 29 IC 12-19-7-4(a) STEP SEVEN for property taxes
 - 30 payable in 1995, or for property taxes payable in each
 - 31 year after 1995, the amount determined under
 - 32 IC 12-19-7-4(b); and
 - 33 (ii) the amount of property taxes imposed in the county
 - 34 attributable to appeals granted under IC 6-1.1-18.6-3
 - 35 that is included in the amount determined under
 - 36 IC 12-19-7-4(a) STEP SEVEN for property taxes
 - 37 payable in 1995, or the amount determined under
 - 38 IC 12-19-7-4(b) for property taxes payable in each year
 - 39 after 1995; plus
- 40 (2) all taxes to be paid in the county in respect to mobile home
- 41 assessments currently assessed for the year in which the taxes
- 42 stated in the abstract are to be paid; plus
- 43 (3) the amounts, if any, of county adjusted gross income taxes
- 44 that were applied by the taxing units in the county as property
- 45 tax replacement credits to reduce the individual levies of the
- 46 taxing units for the assessment year, as provided in IC 6-3.5-1.1;

- 1 plus
- 2 (4) the amounts, if any, by which the maximum permissible ad
- 3 valorem property tax levies of the taxing units of the county were
- 4 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
- 5 assessment year; plus
- 6 (5) the difference between:
- 7 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP
- 8 FOUR; minus
- 9 (B) the amount the civil taxing units' levies were increased
- 10 because of the reduction in the civil taxing units' base year
- 11 certified shares under IC 6-1.1-18.5-3(e).
- 12 (h) "December settlement sheet" means the certificate of
- 13 settlement filed by the county auditor with the auditor of state, as
- 14 required under IC 6-1.1-27-3.
- 15 (i) "Tax duplicate" means the roll of property taxes which each
- 16 county auditor is required to prepare on or before March 1 of each year
- 17 under IC 6-1.1-22-3.
- 18 SECTION 25. IC 6-1.1-21.5-6 IS AMENDED TO READ AS
- 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) Except as
- 20 specifically provided in subsection (c), the receipt by the qualified
- 21 taxing unit of either the loan proceeds or any payment of delinquent tax
- 22 owed by a taxpayer in bankruptcy, or both, is not considered to be part
- 23 of the ad valorem property tax levy actually collected by the qualified
- 24 taxing unit for taxes first due and payable during a particular calendar
- 25 year for the purpose of calculating the levy excess under
- 26 IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7 (**repealed January 1, 2001**).
- 27 (b) The loan proceeds and any payment of delinquent tax may be
- 28 expended by the qualified taxing unit only to pay debts of the qualified
- 29 taxing unit that have been incurred pursuant to duly adopted
- 30 appropriations approved by the state board of tax commissioners for
- 31 operating expenses.
- 32 (c) In the event the sum of the receipts of the qualified taxing unit
- 33 that are attributable to:
- 34 (1) the loan proceeds; and
- 35 (2) the payment of property taxes owed by a taxpayer in a
- 36 bankruptcy proceeding initially filed in 1986 and payable in
- 37 respect to the second installment of taxes due and payable in
- 38 November 1986, and in respect to taxes due and payable in
- 39 1987;
- 40 exceeds eleven million nine hundred thousand dollars (\$11,900,000),
- 41 the excess as received during any calendar year or years shall be set
- 42 aside and treated for the calendar year when received as a levy excess
- 43 subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 (**repealed January 1,**
- 44 **2001**). In calculating the payment of property taxes as provided in
- 45 subdivision (2), the amount of property tax credit ~~financially~~ **finally**
- 46 allowed under IC 6-1.1-21-5 in respect to such taxes is deemed to be

- 1 a payment of such property taxes.
- 2 (d) As used in this section, "delinquent tax" means any tax owed
3 by a taxpayer in a bankruptcy proceeding initially filed in 1986 and that
4 is not paid during the calendar year for which it was first due and
5 payable.
- 6 SECTION 26. IC 6-1.1-21.7-14, AS ADDED BY P.L.58-1997,
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 1999]: Sec. 14. Loan proceeds received under this chapter
9 may not be considered to be a levy excess under IC 6-1.1-18.5-17 and
10 IC 6-1.1-19-1.7 (**repealed January 1, 2001**).
- 11 SECTION 27. IC 6-1.1-29-9, AS AMENDED BY P.L.36-1994,
12 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 1999]: Sec. 9. (a) A county council may adopt an ordinance
14 to abolish the county board of tax adjustment. This ordinance must be
15 adopted by July 1 and may not be rescinded in the year it is adopted.
16 Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, IC 12-19-3,
17 IC 12-19-7, IC 21-2-14 (**repealed January 1, 2001**), IC 36-8-6,
18 IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and
19 IC 36-9-13, if such an ordinance is adopted, this section governs the
20 treatment of tax rates, tax levies, and budgets that would otherwise be
21 reviewed by a county board of tax adjustment under IC 6-1.1-17.
- 22 (b) The time requirements set forth in IC 6-1.1-17 govern all
23 filings and notices.
- 24 (c) A tax rate, tax levy, or budget that otherwise would be
25 reviewed by the county board of tax adjustment is considered and must
26 be treated for all purposes as if the county board of tax adjustment
27 approved the tax rate, tax levy, or budget. This includes the notice of
28 tax rates that is required under IC 6-1.1-17-12.
- 29 SECTION 28. IC 6-1.1-30-9 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) The state board
31 of tax commissioners shall select the following employees in the
32 manner prescribed in this section:
- 33 (1) field representatives;
34 (2) supervisors;
35 (3) employees who are selected to work in the board's division
36 of tax review; and
37 (4) **before January 1, 2001**, employees who are selected to
38 perform the duties assigned to the board under IC ~~1971~~
39 6-1.1-34.
- 40 (b) The state board of tax commissioners shall select each
41 employee described in subsection (a) of this section from a list of
42 applicants who have passed an open, competitive examination ~~which~~
43 **that tests his an individual's** qualifications for the position. The board
44 shall announce the time and place of the examination in the public
45 press before the examination is held and shall conduct the examination.
46 The examination must be practical, and it must be related to those

1 matters which fairly test an individual's qualifications for the position.

2 (c) The state board of tax commissioners shall:

3 (1) select field representatives and supervisors so that no more
4 than one-half (1/2) of all those employees belong to any one (1)
5 political party;

6 (2) select, as nearly as possible, the employees described in
7 subsection (a) (3) ~~of this section~~ so that no more than one-half
8 (1/2) of all those employees belong to any one (1) political party;
9 and

10 (3) **before January 1, 2001**, select, as nearly as possible, the
11 employees described in subsection (a)(4) ~~of this section~~ so that
12 no more than one-half (1/2) of those employees belong to any
13 one (1) political party.

14 SECTION 29. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
16 APRIL 1, 1998 (RETROACTIVE)]:

17 **Chapter 44. Replacement of Property Tax Levies in Allocation**
18 **Areas**

19 **Sec. 1. As used in this chapter, "allocation area" refers to an**
20 **area that is established under the authority of any of the following**
21 **statutes and in which property taxes levied by a taxing unit other**
22 **than the area are allocated to the use of the area:**

- 23 (1) IC 6-1.1-39-5.
24 (2) IC 8-22-3.5-9.
25 (3) IC 36-7-14-30.
26 (4) IC 36-7-14-32.
27 (5) IC 36-7-14-39.
28 (6) IC 36-7-14-41.
29 (7) IC 36-7-14-43.
30 (8) IC 36-7-14.5-12.5.
31 (9) IC 36-7-15.1-20.
32 (10) IC 36-7-15.1-22.
33 (11) IC 36-7-15.1-26.
34 (12) IC 36-7-15.1-29.
35 (13) IC 36-7-15.1-30.
36 (14) IC 36-7-30-25.
37 (15) Any other similar statute.

38 **Sec. 2. As used in this chapter, "obligation" means an**
39 **obligation entered into by the governing body of an allocation area**
40 **to repay:**

- 41 (1) the principal and interest on bonds; or
42 (2) any other contractual obligation;

43 **from revenues received from the levy of an ad valorem property**
44 **tax by a taxing unit. The term includes a guarantee of repayment**
45 **from ad valorem property tax levies if other revenues are**
46 **insufficient to make a payment.**

1 **Sec. 3. After April 1, 1998, the governing body of an allocation**
 2 **area may not pledge a school general fund property tax levy that**
 3 **is first due and payable after December 31, 2000, to the payment**
 4 **of an obligation.**

5 **Sec. 4. (a) This section applies to an allocation area in which:**

6 **(1) the holders of bonds or another contractual obligation**
 7 **received a pledge before April 2, 1998, of ad valorem**
 8 **property tax levies to repay any part of the bonds or other**
 9 **contractual obligation after December 31, 2000; and**

10 **(2) the elimination of a general fund property tax levy for a**
 11 **school corporation adversely affects the ability of the**
 12 **allocation area to repay the bonds or other contractual**
 13 **obligation described in subdivision (1).**

14 **(b) The governing body of an allocation area may, after a**
 15 **hearing, impose a special assessment on the owners of property**
 16 **that is located in an allocation area to repay an obligation that**
 17 **comes due after December 31, 2000. The total amount of the special**
 18 **assessment in a year may not exceed the amount by which the total**
 19 **due in the year on the obligations of the allocation area entered**
 20 **into before April 2, 1998, exceed the amount of other revenues**
 21 **available to the allocation area.**

22 **(c) A special assessment shall be imposed and collected in the**
 23 **same manner as ad valorem property taxes are imposed and**
 24 **collected.**

25 SECTION 30. IC 6-3-1-3.5, AS AMENDED BY P.L.57-1997,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2001]: Sec. 3.5. When used in IC 6-3, the term "adjusted
 28 gross income" shall mean the following:

29 (a) In the case of all individuals, "adjusted gross income" (as
 30 defined in Section 62 of the Internal Revenue Code), modified as
 31 follows:

32 (1) Subtract income that is exempt from taxation under IC 6-3 by
 33 the Constitution and statutes of the United States.

34 (2) Add an amount equal to any deduction or deductions allowed
 35 or allowable pursuant to Section 62 of the Internal Revenue
 36 Code for taxes based on or measured by income and levied at the
 37 state level by any state of the United States or for taxes on
 38 property levied by any subdivision of any state of the United
 39 States.

40 (3) Subtract ~~one two~~ thousand dollars (~~\$1,000~~); **(\$2,000)**, or in
 41 the case of a joint return filed by a husband and wife, subtract for
 42 each spouse ~~one two~~ thousand dollars (~~\$1,000~~); **(\$2,000)**.

43 (4) Subtract ~~one two~~ thousand dollars (~~\$1,000~~) **(\$2,000)** for:

44 (A) each of the exemptions provided by Section 151(c) of
 45 the Internal Revenue Code;

46 (B) each additional amount allowable under Section 63(f)

- 1 of the Internal Revenue Code; and
2 (C) the spouse of the taxpayer if a separate return is made
3 by the taxpayer, and if the spouse, for the calendar year in
4 which the taxable year of the taxpayer begins, has no gross
5 income and is not the dependent of another taxpayer.
- 6 (5) Subtract five hundred dollars (\$500) for each of the
7 exemptions allowed under Section 151(c)(1)(B) of the Internal
8 Revenue Code for taxable years beginning after December 31,
9 1996, and before January 1, 2001. This amount is in addition to
10 the amount subtracted under subdivision (4).
- 11 (6) Subtract an amount equal to the lesser of:
12 (A) that part of the individual's adjusted gross income (as
13 defined in Section 62 of the Internal Revenue Code) for that
14 taxable year that is subject to a tax that is imposed by a
15 political subdivision of another state and that is imposed on
16 or measured by income; or
17 (B) two thousand dollars (\$2,000).
- 18 (7) Add an amount equal to the total ordinary income portion of
19 a lump sum distribution (as defined in Section 402(e)(4)(A) of
20 the Internal Revenue Code), if the lump sum distribution is
21 received by the individual during the taxable year and if the
22 ordinary income portion of the distribution is taxed in the
23 manner provided in Section 402(e) of the Internal Revenue
24 Code.
- 25 (8) Subtract any amounts included in federal adjusted gross
26 income under Internal Revenue Code Section 111 as a recovery
27 of items previously deducted as an itemized deduction from
28 adjusted gross income.
- 29 (9) Subtract any amounts included in federal adjusted gross
30 income under the Internal Revenue Code which amounts were
31 received by the individual as supplemental railroad retirement
32 annuities under 45 U.S.C. 231 and which are not deductible
33 under subdivision (1).
- 34 (10) Add an amount equal to the deduction allowed under
35 Section 221 of the Internal Revenue Code for married couples
36 filing joint returns if the taxable year began before January 1,
37 1987.
- 38 (11) Add an amount equal to the interest excluded from federal
39 gross income by the individual for the taxable year under Section
40 128 of the Internal Revenue Code, if the taxable year began
41 before January 1, 1985.
- 42 (12) Subtract an amount equal to the amount of federal Social
43 Security and Railroad Retirement benefits included in a
44 taxpayer's federal gross income by Section 86 of the Internal
45 Revenue Code.
- 46 (13) In the case of a nonresident taxpayer or a resident taxpayer

1 residing in Indiana for a period of less than the taxpayer's entire
 2 taxable year, the total amount of the deductions allowed pursuant
 3 to subdivisions (3), (4), (5), and (6) shall be reduced to an
 4 amount which bears the same ratio to the total as the taxpayer's
 5 income taxable in Indiana bears to the taxpayer's total income.
 6 (14) In the case of an individual who is a recipient of assistance
 7 under IC 12-10-6-1, IC 12-10-6-2, IC 12-10-6-3, IC 12-15-2-2,
 8 or IC 12-15-7, subtract an amount equal to that portion of the
 9 individual's adjusted gross income with respect to which the
 10 individual is not allowed under federal law to retain an amount
 11 to pay state and local income taxes.

12 (b) In the case of corporations, the same as "taxable income" (as
 13 defined in Section 63 of the Internal Revenue Code) adjusted as
 14 follows:

15 (1) Subtract income that is exempt from taxation under IC 6-3 by
 16 the Constitution and statutes of the United States.

17 (2) Add an amount equal to any deduction or deductions allowed
 18 or allowable pursuant to Section 170 of the Internal Revenue
 19 Code.

20 (3) Add an amount equal to any deduction or deductions allowed
 21 or allowable pursuant to Section 63 of the Internal Revenue
 22 Code for taxes based on or measured by income and levied at the
 23 state level by any state of the United States or for taxes on
 24 property levied by any subdivision of any state of the United
 25 States.

26 (4) Subtract an amount equal to the amount included in the
 27 corporation's taxable income under Section 78 of the Internal
 28 Revenue Code.

29 (c) In the case of trusts and estates, "taxable income" (as defined
 30 for trusts and estates in Section 641(b) of the Internal Revenue Code)
 31 reduced by income that is exempt from taxation under IC 6-3 by the
 32 Constitution and statutes of the United States.

33 SECTION 31. IC 6-3-2-1 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) Each
 35 taxable year, a tax at the rate of ~~three four and four-tenths two-tenths~~
 36 percent (~~3.4%~~) (**4.2%**) of adjusted gross income is imposed upon the
 37 adjusted gross income of every resident person, and on that part of the
 38 adjusted gross income derived from sources within Indiana of every
 39 nonresident person.

40 (b) Each taxable year, a tax at the rate of three and four-tenths
 41 percent (3.4%) of adjusted gross income is imposed on that part of the
 42 adjusted gross income derived from sources within Indiana of every
 43 corporation.

44 SECTION 32. IC 6-3-2-6 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 6. (a) Each
 46 taxable year, an individual who rents a dwelling for use as his principal

1 place of residence may deduct from his adjusted gross income, as
2 defined in IC 6-3-1-3.5(a), the lesser of:

3 (1) the amount of rent paid by him with respect to the dwelling
4 during the taxable year; or

5 (2) ~~one three thousand five hundred~~ dollars ~~(\$1,500)~~: **(\$3,000)**.

6 (b) Notwithstanding subsection (a), a husband and wife filing a
7 joint adjusted gross income tax return for a particular taxable year may
8 not claim a deduction under this section of more than one thousand five
9 hundred dollars (\$1,500).

10 (c) The deduction provided by this section does not apply to an
11 individual who rents a dwelling that is exempt from Indiana property
12 tax.

13 (d) For purposes of this section, a "dwelling" includes a single
14 family dwelling and unit of a multi-family dwelling.

15 SECTION 33. IC 6-3-8-4.1 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4.1. The rate of
17 the supplemental net income tax is ~~four and five-tenths~~ **seven** percent
18 ~~(4.5%)~~: **(7%)**.

19 SECTION 34. IC 6-3.1-2-1 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this
21 chapter, the following terms have the following meanings:

22 (1) "Eligible teacher" means a teacher:

23 (A) certified in a shortage area by the professional standards
24 board established by IC 20-1-1.4; and

25 (B) employed under contract during the regular school term
26 by a school corporation in a shortage area.

27 (2) "Qualified position" means a position that:

28 (A) is relevant to the teacher's academic training in a
29 shortage area; and

30 (B) has been approved by the Indiana state board of
31 education under section 6 of this chapter.

32 (3) "Regular school term" means the period, other than the
33 school summer recess, during which a teacher is required to
34 perform duties assigned to him under a teaching contract.

35 (4) "School corporation" ~~means any corporation authorized by~~
36 ~~law to establish public schools and levy taxes for their~~
37 ~~maintenance:~~ **has the meaning set forth in IC 36-1-2-17.**

38 (5) "Shortage area" means the subject areas of mathematics and
39 science and any other subject area designated as a shortage area
40 by the Indiana state board of education.

41 (6) "State income tax liability" means a taxpayer's total income
42 tax liability incurred under IC 6-2.1 and IC 6-3, as computed
43 after application of credits that under IC 6-3.1-1-2 are to be
44 applied before the credit provided by this chapter."

45 Delete pages 2 through 3.

46 Page 4, delete lines 1 through 39.

1 Page 6, delete lines 21 through 42, begin a new paragraph and
2 insert:

3 "SECTION 35. IC 6-3.5-1.1-1, AS AMENDED BY P.L.96-1995,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 1999]: Sec. 1. As used in this chapter:

6 "Adjusted gross income" has the same definition that the term is
7 given in IC 6-3-1-3.5(a), except that in the case of a county taxpayer
8 who is not a resident of a county that has imposed the county adjusted
9 gross income tax, the term includes only adjusted gross income derived
10 from his principal place of business or employment.

11 "Civil taxing unit" means any entity having the power to impose
12 ad valorem property taxes except a school corporation. The term does
13 not include a solid waste management district that is not entitled to a
14 distribution under section 1.3 of this chapter. However, in the case of
15 a consolidated city, the term "civil taxing unit" includes the
16 consolidated city and all special taxing districts, all special service
17 districts, and all entities whose budgets and property tax levies are
18 subject to review under IC 36-3-6-9.

19 "County council" includes the city-county council of a
20 consolidated city.

21 "County taxpayer" as it relates to a county for a year means any
22 individual:

23 (1) who resides in that county on the date specified in section 16
24 of this chapter; or

25 (2) who maintains his principal place of business or employment
26 in that county on the date specified in section 16 of this chapter
27 and who does not on that same date reside in another county in
28 which the county adjusted gross income tax, the county option
29 income tax, or the county economic development income tax is
30 in effect.

31 "Department" refers to the ~~Indiana~~ department of state revenue.

32 "Nonresident county taxpayer" as it relates to a county for a year
33 means any county taxpayer for that county for that year who is not a
34 resident county taxpayer of that county for that year.

35 "Resident county taxpayer" as it relates to a county for a year
36 means any county taxpayer who resides in that county on the date
37 specified in section 16 of this chapter.

38 "School corporation" ~~means any public school corporation~~
39 ~~established under Indiana law. has the meaning set forth in~~
40 **IC 36-1-2-17.**

41 SECTION 36. IC 6-3.5-1.1-14, AS AMENDED BY P.L.25-1995,
42 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
43 JULY 1, 1999]: Sec. 14. (a) In determining the amount of property tax
44 replacement credits civil taxing units and school corporations of a
45 county are entitled to receive during a calendar year, the state board of
46 tax commissioners shall consider only property taxes imposed on

1 tangible property that was assessed in that county.
 2 (b) If a civil taxing unit or a school corporation is located in more
 3 than one (1) county and receives property tax replacement credits from
 4 one (1) or more of the counties, then the property tax replacement
 5 credits received from each county shall be used only to reduce the
 6 property tax rates that are imposed within the county that distributed
 7 the property tax replacement credits.

8 (c) A civil taxing unit shall treat any property tax replacement
 9 credits that it receives or is to receive during a particular calendar year
 10 as a part of its property tax levy for that same calendar year for
 11 purposes of fixing its budget and for purposes of the property tax levy
 12 limits imposed by IC 6-1.1-18.5.

13 (d) A school corporation shall treat any property tax replacement
 14 credits that the school corporation receives or is to receive during a
 15 particular calendar year as a part of its property tax levy for its general
 16 fund, debt service fund, capital projects fund, transportation fund, and
 17 special education preschool fund in proportion to the levy for each of
 18 these funds for that same calendar year for purposes of fixing its
 19 budget. ~~and for purposes of the property tax levy limits imposed by~~
 20 ~~IC 6-1.1-19.~~ A school corporation shall allocate the property tax
 21 replacement credits described in this subsection to all five (5) funds in
 22 proportion to the levy for each fund.

23 SECTION 37. IC 8-14-2-4.5 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 1998]: **Sec. 4.5. There is annually**
 26 **appropriated from the state general fund to the local road and**
 27 **street account established under section 4 of this chapter twenty**
 28 **million dollars (\$20,000,000).**

29 SECTION 38. IC 20-1-1.3-8, AS AMENDED BY P.L.1-1994,
 30 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 1999]: Sec. 8. (a) A public school that receives a monetary
 32 award under this chapter may expend that award for any educational
 33 purpose for that school, except:

- 34 (1) athletics;
- 35 (2) salaries for school personnel; or
- 36 (3) salary bonuses for school personnel.

37 (b) A monetary award may not be used, **before January 1, 2001,**
 38 to determine:
 39 (1) the maximum permissible general fund ad valorem property
 40 tax levy under IC 6-1.1-19-1.5 (**repealed January 1, 2001**); or
 41 (2) the tuition support under ~~IC 21-3-1.6;~~ **IC 21-3-1.7.**
 42 of the school corporation of which the school receiving the monetary
 43 award is a part.

44 SECTION 39. IC 20-1-6-1, AS AMENDED BY P.L.40-1994,
 45 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 1999]: Sec. 1. As used in this chapter, the following terms

- 1 have the following meanings:
- 2 (1) "Child with a disability" means any child who is at least three
- 3 (3) years of age but less than twenty-two (22) years of age and
- 4 who because of physical or mental disability is incapable of
- 5 being educated properly and efficiently through normal
- 6 classroom instruction, but who with the advantage of a special
- 7 educational program may be expected to benefit from instruction
- 8 in surroundings designed to further the educational, social, or
- 9 economic status of the child. Public schools may operate special
- 10 education programs for hearing impaired children as young as
- 11 six (6) months of age on an experimental basis upon the approval
- 12 of the superintendent of public instruction and the Indiana state
- 13 board of education.
- 14 (2) "Division" means the division of special education within the
- 15 department of education.
- 16 (3) "Director" means the director of the division of special
- 17 education.
- 18 (4) "School corporation" ~~means any corporation authorized by~~
- 19 ~~law to establish public schools and levy taxes for the~~
- 20 ~~maintenance of the schools. has the meaning set forth in~~
- 21 **IC 36-1-2-17.**
- 22 (5) "Individualized education program" means a written
- 23 statement developed by a group that includes:
- 24 (A) a representative of the school corporation or public
- 25 agency responsible for educating the child;
- 26 (B) the child's teacher;
- 27 (C) the child's parent, guardian, or custodian;
- 28 (D) if appropriate, the child; and
- 29 (E) if the provision of services for a seriously emotionally
- 30 disabled child is considered, a mental health professional
- 31 provided by the community mental health center (as
- 32 described under IC 12-29) or a managed care provider (as
- 33 defined in IC 12-7-2-127(b)) and serving the community in
- 34 which the child resides;
- 35 and that describes the special education to be provided to the
- 36 child.
- 37 (6) "Preschool child with a disability" refers to a disabled child
- 38 who is at least three (3) years of age by September 1 of the
- 39 1989-90 school year, August 1 of the 1990-91 school year, July
- 40 1 of the 1991-92 school year, or June 1 of the 1992-93 school
- 41 year and every subsequent school year.
- 42 (7) "Special education" means instruction specially designed to
- 43 meet the unique needs of a child with a disability. It includes
- 44 transportation, developmental, corrective, and other support
- 45 services and training only when required to assist a child with a
- 46 disability to benefit from the instruction itself.

1 (8) "School year" has the meaning set forth in IC 20-10.1-2-1.
2 SECTION 40. IC 20-2-2-3 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The township
4 trustees of each and every township of each county shall perform all the
5 civil functions performed before March 13, 1947, by such township
6 trustees and together with other township trustees of the county shall
7 constitute a county board of education for the purpose of managing the
8 affairs of the county school corporation hereby created in each such
9 county. School cities and school towns shall retain independent
10 organization and administration unless abandoned as provided by law,
11 and the county school corporation, also referred to in this chapter as the
12 county, shall include all areas not organized on March 13, 1947, under
13 the laws of this state into jurisdictions controlled and governed as
14 school cities or school towns. Said county board of education may be
15 referred to interchangeably as the county board of school trustees and
16 as the board. Said board shall meet at such time as the board shall
17 designate at the office of the county superintendent of schools and at
18 such other times and places as the county superintendent of schools
19 may deem necessary. At the first meeting of each year, to be held on
20 the first Wednesday after the first Monday in January, the board shall
21 organize by selecting a president, a vice president, a secretary, and a
22 treasurer from its membership. Provided, however, that no later than
23 April 12, 1947, it shall be the duty of the county superintendent of
24 schools to call said board into special session and unless the county
25 board of education shall elect to have the provisions of this section
26 remain inoperative, under provisions that may be included within this
27 section, said board shall so organize itself, except that the failure of the
28 county superintendent of schools to call the county board of education
29 into session within the prescribed limits of this section shall not be
30 construed to mean that a county school corporation as described in this
31 section shall be brought into existence in such county, and no such
32 county school corporation shall be brought into existence until the
33 board has met in special session subsequent to March 13, 1947, and has
34 taken action to organize itself into a county school corporation, after
35 consideration of the question whether it should elect to have the
36 provisions of this section remain inoperative under provisions that may
37 be included within this section. Such organization when and if effected
38 shall be filed with the county auditor and shall be published by said
39 auditor in two (2) newspapers of different political persuasions of
40 general circulation throughout the county within ten (10) days after
41 such filing, and such organization shall be deemed to fulfill all the
42 requirements of this section for the transacting of public business under
43 this section. The secretary of the board shall keep an accurate record of
44 the minutes of the board, which minutes shall be kept at the county
45 superintendent's office. The county superintendent shall act as
46 administrator of the board and shall carry out such acts and duties as

1 shall be designated by the board. A quorum shall consist of two-thirds
2 (2/3) of the members of the board.

3 (b) The board shall make decisions as to the general conduct of the
4 schools, which shall be enforced as entered upon the minutes recorded
5 by the secretary of the board, and shall exercise all powers exercised
6 before March 13, 1947, under the law, by or through township trustees
7 or meetings or petitions of the trustees of the county.

8 (c) The board shall appoint a county superintendent of schools
9 who shall serve for a term of four (4) years. The first such appointment
10 under this section shall be made in accordance with law in June 1949,
11 to become effective August 16, 1949, and thereafter the board shall fill
12 vacancies in this office by appointments which shall expire at the end
13 of the regular term. The county superintendent of schools and other
14 persons employed for administrative or supervisory duties shall be
15 deemed to be supervisors of instruction.

16 (d) The government of the common schools of the county shall be
17 vested in the board, and the board shall function with all the authority,
18 powers, privileges, duties, and obligations granted to or required of
19 school cities before March 13, 1947, and school towns and their
20 governing boards generally under the laws pertaining thereto with
21 reference to the purchase of supplies, purchase and sale of buildings,
22 grounds, and equipment, the erection of buildings, the employment and
23 dismissal of school personnel, the right and power to sue and be sued
24 in the name of the county, the insuring of property and employees, ~~the~~
25 ~~levying and collecting of taxes~~, the making and executing of a budget,
26 the borrowing of money, the paying of the salaries and expenses of the
27 county superintendent and employees as approved by the board and to
28 any act necessary to the proper administration of the common schools
29 of the county.

30 (e) Such school corporations shall be vested with all right, title,
31 and interest of their respective predecessor township school
32 corporations hereby terminated to and in all the real, personal, and
33 other property of any nature and from whatever source derived, and
34 shall assume, pay, and be liable for all the indebtedness and liabilities
35 of the same.

36 (f) The treasurer, before entering upon the duties of his office,
37 shall execute a bond to the acceptance of the county auditor in an
38 amount equal to the largest sum of money that will be in the possession
39 of the treasurer at any one (1) time conditioned as an ordinary official
40 bond, with a reliable surety company or at least two (2) sufficient
41 freehold sureties, who shall not be members of such board, as surety or
42 sureties on such bond. The president and secretary shall each give
43 bond, with like surety or sureties, to be approved by the county auditor,
44 in the sum of one-fourth (1/4) of said amount. Provided, that such
45 boards of school trustees may purchase said bonds from some reliable
46 surety company and pay for them out of the special school revenue of

1 their respective counties.

2 (g) The powers set forth in this section shall not be considered as
3 or construed to limit the power and authority of such boards to the
4 powers therein expressly conferred or to restrict or modify any powers
5 or authority granted by any other law not in conflict with the provisions
6 of this section.

7 (h) **This subsection applies only to property tax levies first due**
8 **and payable before January 1, 2001.** Every such board shall have, as
9 respects the levy of taxes by it, power annually to levy such amount of
10 taxes as in the judgment of such board, made matter of record in its
11 minutes, should be levied to produce income sufficient to conduct and
12 carry on the common schools committed to such board, and it is hereby
13 made the duty of such board annually to levy a sum sufficient to meet
14 all payments of principal and interest as they will mature in the year for
15 which such levy is made on the bonds, notes, or other obligations of
16 such board.

17 (i) The power of such board ~~in so making to make~~ tax levies shall
18 be exercised within statutory limits and said levies shall be subject to
19 the same review as school city and school town levies.

20 SECTION 41. IC 20-2-9-2 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. Said school trustees
22 shall maintain in each school corporation a term of school at least six
23 (6) months in duration and **before January 1, 2001**, shall authorize a
24 local tuition levy sufficient to conduct a six (6) months term of school
25 each year based on estimates and receipts from all sources for the
26 previous year, which may include that received from the state's tuition
27 revenue. ~~Provided, Such~~ **However, the** levy shall not exceed the limit
28 ~~now~~ provided by law.

29 SECTION 42. IC 20-3-11-20 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. (a) Each such board
31 of school commissioners may from time to time, whenever its general
32 fund shall be exhausted or in the board's judgment be in danger of
33 exhaustion, make temporary loans for the use of its general fund to be
34 paid out of ~~the proceeds of taxes theretofore levied by such school city~~
35 **for its money to be deposited in the** general fund. The amount so
36 borrowed in aid of said general fund shall be paid into said general
37 fund and may be used for any purpose for which the said general fund
38 lawfully may be used. Any such temporary loan shall be evidenced by
39 the promissory note or notes of said school city, shall bear interest at
40 not more than seven percent (7%) per annum, interest payable at the
41 maturity of the note or periodically, as the note may express, and shall
42 mature at such time or times as the board of school commissioners may
43 decide, but not later than one (1) year from the date of the note. No
44 such loan or loans made in any one (1) calendar year shall be for a sum
45 greater than the amount estimated by said board as the ~~proceeds money~~
46 to be ~~received by it from the levy of taxes theretofore made by said~~

1 ~~school city in behalf of its said~~ **deposited in the** general fund **before**
 2 **the due date of the note.** Successive loans may be made in aid of said
 3 general fund in any calendar year, but the aggregate amount thereof,
 4 outstanding at any one (1) time, shall not exceed such estimated
 5 ~~proceeds of taxes levied in behalf of the said general fund.~~ **amounts to**
 6 **be deposited in the general fund during the terms of the notes.**

7 (b) No such loan shall be made until notice asking for bids
 8 therefor shall have been given by newspaper publication, which
 9 publication shall be made one (1) time in a newspaper published in said
 10 city and said publication shall be at least seven (7) days before the time
 11 when bids for such loans will be opened. Bidders shall name the
 12 amount of interest they agree to accept not exceeding seven percent
 13 (7%) per annum, and the loan shall be made to the bidder or bidders
 14 bidding the lowest rate of interest. The note or notes or warrants shall
 15 not be delivered until the full price of the face thereof shall be paid to
 16 the treasurer of said school city, and no interest shall accrue thereon
 17 before such delivery.

18 (c) Any such school corporation wishing to make a temporary loan
 19 in aid of its general fund, finding that it has need to exercise the power
 20 in this section above given to make a temporary loan, which has in its
 21 treasury money derived from the sale of bonds, which money derived
 22 from the sale of bonds cannot or will not, in the due course of the
 23 business of said school city, be expended in the then near future, may,
 24 if it so elects, temporarily borrow, and without payment of interest,
 25 from such bond fund, for the use and aid of said general fund in the
 26 manner and to the extent hereinafter expressed, viz.: Such school city
 27 shall, by its board of school commissioners, take all the steps required
 28 by law to effect such temporary loan up to the point of advertising for
 29 bids or offers for such loans; it shall then present to the state board of
 30 tax commissioners of the state of Indiana, and to the state board of
 31 accounts of the state of Indiana, a copy of the corporate action of said
 32 school city concerning its desire to make such temporary loan and a
 33 petition showing the particular need for such temporary loan, and the
 34 amount and the date or dates when said general fund will need such
 35 temporary loan, or ~~instalments~~ **installments** of such loan, and the date
 36 at which such loan, and each ~~instalment~~ **installment** thereof, will be
 37 needed, and the estimated amounts ~~from taxes~~ to come into said
 38 general fund, and the dates when it is expected ~~such proceeds of taxes~~
 39 **that the amounts** will be received by such school city in behalf of said
 40 general fund, and showing what amount of money said school city has
 41 in any fund derived from the proceeds of the sale of bonds, which
 42 cannot or will not be expended in the then near future, and showing
 43 when and to what extent and why money in such bond fund, not soon
 44 to be expended, will not be expended in the then near future and
 45 requesting that said state board of tax commissioners, and said state
 46 board of accounts, respectively, authorize a temporary loan from said

1 bond fund in aid of said general fund.

2 (d) If said state board of tax commissioners shall find and order
3 that there is need for such temporary loan, and that it should be made,
4 and said state board of accounts shall find that the money proposed to
5 be borrowed will not be needed during the period of the temporary loan
6 by the fund from which it is to be borrowed, and said two (2) state
7 boards shall approve the loan, the business manager and treasurer of
8 said school city shall, upon such approval by said two (2) state boards,
9 take all steps necessary to transfer the amount of such loans, as a
10 temporary loan from the fund to be borrowed from, to said general fund
11 of such school city. The loan so effected shall, for all purposes, be a
12 debt of the school city chargeable against its constitutional debt limit.

13 (e) Such two (2) state boards may fix the aggregate amount so to
14 be borrowed on any one (1) petition and shall determine at what time
15 or times and in what ~~instalments~~ **installments** and for what periods it
16 shall be borrowed. The treasurer and business manager of such school
17 city, from time to time, as money shall be collected ~~from taxes levied~~
18 in behalf of said general fund, shall credit the same on such loan until
19 the amount borrowed is fully repaid to the lending fund, and they shall
20 at the end of each calendar month report to the board the several
21 amounts so applied ~~from taxes~~ to the payment of such loan.

22 (f) The school city shall, as often as once a month, report to both
23 of said state boards the amount of money then so borrowed and unpaid,
24 the anticipated like borrowings of the current month, the amount left in
25 the said general fund, and the anticipated drafts upon the lending bond
26 fund for the objects for which that fund was created.

27 (g) Said two (2) state boards, or either of them, may, if it shall
28 seem to said boards, or to either of them, that the fund from which the
29 loan was made requires the repayment of all or of part of such loan(s)
30 before its maturity or said general fund no longer requires all or some
31 part of the proceeds of such loan, require such school city to repay all
32 or any part of such loan, and, if necessary to perform the requirement,
33 such school city shall exercise its power of making a temporary loan
34 procured from others to raise the money so needed to repay the lending
35 bond fund the amount so ordered repaid.

36 SECTION 43. IC 20-3.1-15-1, AS ADDED BY P.L.340-1995,
37 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 1999]: Sec. 1. To provide the board with the necessary
39 flexibility and resources to carry out this article, the following apply:

40 (1) The board may eliminate or modify existing policies and
41 create new policies, and alter policies from time to time, subject
42 to this article and the plan developed under IC 20-3.1-7.

43 (2) IC 20-7.5 does not apply to matters set forth in this article.
44 The matters set forth in this article may not be the subject of
45 collective bargaining or discussion under IC 20-7.5.

46 (3) An exclusive representative certified under IC 20-7.5 to

- 1 represent certified employees of the school city, or any other
 2 entity voluntarily recognized by the board as a representative of
 3 employees providing educational services in the schools, may
 4 bargain collectively only concerning salary, wages, and salary
 5 and wage related fringe benefits. The exclusive representative
 6 may not bargain collectively or discuss performance awards
 7 under IC 20-3.1-12.
- 8 (4) The board of school commissioners may waive the following
 9 statutes and rules for any school in the school city without the
 10 need for administrative, regulatory, or legislative approval:
- 11 (A) The following rules concerning curriculum and
 12 instructional time:
 13 511 IAC 6.1-3-4
 14 511 IAC 6.1-5-0.5
 15 511 IAC 6.1-5-1
 16 511 IAC 6.1-5-2.5
 17 511 IAC 6.1-5-3.5
 18 511 IAC 6.1-5-4
- 19 (B) The following rules concerning pupil/teacher ratios:
 20 511 IAC 6-2-1(b)(2)
 21 511 IAC 6.1-4-1
- 22 (C) The following statutes and rules concerning textbooks,
 23 and rules adopted under the statutes:
 24 IC 20-10.1-9-1
 25 IC 20-10.1-9-18
 26 IC 20-10.1-9-21
 27 IC 20-10.1-9-23
 28 IC 20-10.1-9-27
 29 IC 20-10.1-10-1
 30 IC 20-10.1-10-2
 31 511 IAC 6.1-5-5
- 32 (D) The following rules concerning school principals:
 33 511 IAC 6-2-1(c)(4)
 34 511 IAC 6.1-4-2
- 35 (E) 511 IAC 2-2, concerning school construction and
 36 remodeling.
- 37 (5) Notwithstanding any other law, a school city may do the
 38 following:
- 39 (A) Lease school transportation equipment to others for
 40 nonschool use when the equipment is not in use for a school
 41 city purpose.
- 42 (B) Establish a professional development and technology
 43 fund to be used for:
 44 (i) professional development; or
 45 (ii) technology, including video distance learning.
- 46 (C) Transfer funds obtained from sources other than state or

1 local government taxation among any account of the school
2 corporation, including a professional development and
3 technology fund established under clause (B).

4 (6) Transfer funds obtained from property taxation ~~among~~
5 **between** the general fund (established under IC 21-2-11) and the
6 school transportation fund (established under IC 21-2-11.5)
7 subject to the following:

- 8 (A) **For property taxes first due and payable:**
 - 9 (i) **before January 1, 2001**, the sum of the property
 - 10 tax ~~rates~~ for the general fund and the school
 - 11 transportation fund after a transfer occurs under this
 - 12 subdivision may not exceed the sum of the property tax
 - 13 rates for the general fund and the school transportation
 - 14 fund before a transfer occurs under this ~~clause;~~
 - 15 **subdivision; and**
 - 16 (ii) **after December 31, 2000**, the property tax rate
 - 17 **for the school transportation fund after a transfer**
 - 18 **occurs under this subdivision may not exceed the**
 - 19 **property tax rate for the school transportation fund**
 - 20 **before a transfer occurs under this subdivision.**

21 (B) This ~~clause~~ **subdivision** does not allow a school
22 corporation to transfer to any other fund money from the
23 debt service fund (established under IC 21-2-4).

24 SECTION 44. IC 20-4-1-18 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) Whenever the
26 creation of a community school corporation out of an existing
27 corporation would involve no change in its territorial boundaries or in
28 its board of school trustees or other governing body, other than a
29 change, if any, in the time of election or appointment or the time the
30 board members take office, and such creation is consistent with the
31 standards set up pursuant to the provisions of this chapter as modified,
32 if any, by the standards set out in this section, the state board may upon
33 its own motion or upon petition of the governing body of the existing
34 school corporation at any time with hearing in the county where such
35 school corporation is located, after notice by publication at least once
36 in one (1) newspaper of general circulation published in the county
37 where such school corporation is located, at least ten (10) but not more
38 than thirty (30) days prior to the date of such hearing and without
39 action of the county committee declare such existing school
40 corporation to be a community school corporation by adopting a
41 resolution to this effect. Such existing school corporation shall qualify
42 as to size and financial resources if it has an average daily attendance
43 of two hundred seventy (270) or more, in grades nine (9) through
44 twelve (12), or of one thousand (1000) or more, in grades one (1)
45 through twelve (12), and has an assessed valuation per pupil of five
46 thousand dollars (\$5,000) or more. For the purposes of this provision

1 the following terms shall have the following meanings:

2 (1) "County tax" shall be a property tax which is levied at an
3 equal rate in the entire county in which any school corporation
4 is located, other than a tax qualifying as a county-wide tax within
5 the meaning of Acts 1959, c.328, s.2, or any similar statute, and
6 the net proceeds of which are distributed to school corporations
7 in the county.

8 (2) "Assessed valuation" of any school corporation shall mean
9 the net assessed value of its real and personal property as of
10 March 1, 1964, adjusted in the same manner as such assessed
11 valuation is adjusted for each county by the state board of tax
12 commissioners under Acts 1949, c.247, s.5, as now or hereafter
13 amended, unless such statute has been repealed or no longer
14 provides for such adjustment. In the event a county has a county
15 tax, then the assessed valuation of each school corporation in the
16 county shall be increased by the amount of assessed valuation,
17 if any, which would be required to raise an amount of money,
18 equal to the excess of the amount distributed to any school
19 corporation from the county tax over the amount collected from
20 such county tax in such school corporation, using total taxes
21 levied by such school corporation in terms of rate excluding the
22 countywide tax under Acts 1959, c.328, s.2, or any similar
23 statute, and including all other taxes levied by or for such school
24 corporation, including but not limited to the county tax, bond
25 fund levy, lease rental levy, library fund levy, special school
26 fund levy, tuition fund levy (**before January 1, 2001**), capital
27 projects fund levy, and special funds levies. Such increased
28 valuation shall be based on the excess distributed to the school
29 corporation from the county tax levied for the year 1964 and the
30 total taxes levied for such year, or if the county tax is first
31 applied or is raised for years after 1964, then the excess
32 distributions and total taxes levied for the year in which such tax
33 is first applied or raised. In the event such excess distribution
34 and total taxes levied cannot be determined accurately on or
35 prior to the adoption of the resolution provided in this section,
36 excess distribution and taxes levied shall be estimated by the
37 state board of tax commissioners using the last preceding
38 assessed valuations and tax rates or such other information as
39 they shall see fit, certifying such increased assessment to the
40 state board prior to such time. In all cases, the excess distribution
41 shall be determined upon the assumption that the county tax is
42 one hundred percent (100%) collected and all collections are
43 distributed.

44 (3) "Assessed valuation per pupil" of any school corporation
45 means the assessed valuation of any such school corporation
46 divided by its average daily attendance in grades one (1) through

1 twelve (12).
 2 (4) "Average daily attendance" in any school corporation shall
 3 mean the average daily attendance of pupils who are residents in
 4 such school corporation and in the particular grades to which
 5 such term refers for the school year 1964-1965 in accordance
 6 with the applicable regulations of the state superintendent of
 7 public instruction, used in determining such average daily
 8 attendance in the distribution of the tuition funds by the state to
 9 its various school corporations where such funds are distributed
 10 on such basis and irrespective of whether such figures are the
 11 actual resident daily attendance of such school for the school
 12 year.

13 (b) Such community school corporation shall automatically come
 14 into being on either July 1 or January 1 following the date of such
 15 approval, whichever is earlier. The state board shall mail by certified
 16 United States mail, return receipt requested, a copy of such resolution
 17 certified by its director or its secretary to the recorder of the county
 18 from which the county committee having jurisdiction of such existing
 19 school corporation was appointed and to such county committee. Such
 20 resolution may change the time of election or appointment of the board
 21 members of such school corporation or the time such board members
 22 take office. The recorder shall without cost record such certified
 23 resolution in the miscellaneous records of the county. Such recording
 24 shall constitute a permanent record of the action of the state board and
 25 may be relied on by any person. Unless the resolution otherwise
 26 provides no interim board member shall be appointed, the board
 27 members in office on the date of such action shall continue to
 28 constitute the board of trustees of such school corporation until their
 29 successors are qualified, and the terms of their respective office and
 30 board membership shall remain unchanged except to the extent that
 31 such resolution otherwise provides. For all purposes under this chapter,
 32 community school corporation shall be regarded as a school
 33 corporation created under the provisions of section 22 of this chapter.

34 SECTION 45. IC 20-4-5-9 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) Except as
 36 otherwise provided with respect to the power to issue bonds in section
 37 10 of this chapter, said school board shall perform the duties and shall
 38 have all the powers vested in the school board or board of trustees of
 39 a school city of the class in which the consolidated school corporation
 40 would fall on the basis of its population according to the last preceding
 41 United States census under the statutes of this state, if it were organized
 42 as a school city. In the event, however, such consolidated school
 43 corporation has a population determined in such manner of less than
 44 two thousand (2,000), such school board shall perform the duties and
 45 shall have all the powers vested in the school board of a school town.
 46 The cost of maintaining such consolidated schools shall be borne by the

1 consolidated school corporation as a ~~single tax~~ unit.

2 **(b) This subsection applies only for property taxes first due**
3 **and payable before January 1, 2000.** Taxes to meet such cost
4 **described in subsection (a)** shall be levied by said consolidated school
5 board at a uniform and equal rate on all the taxable property located
6 within the limits of said consolidated school corporation, and collected
7 in the city or cities, town or towns, township or townships in the same
8 manner as other taxes are levied and collected.

9 SECTION 46. IC 20-4-8-11 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) The board as
11 above referred to shall make decisions pertaining to the general
12 conduct of the schools which shall be enforced as entered upon the
13 minutes recorded by the secretary of the board, and subject to
14 provisions in this chapter otherwise, shall exercise all powers
15 previously exercised under the law, by or through township trustees or
16 meetings or petitions of the township trustees of the county, or county
17 boards of education previously existing and such offices, namely,
18 township trustee, county board or county boards of education insofar
19 as the conduct of public schools is concerned are abolished as of noon
20 on the day and date the county school corporation is created and comes
21 into existence under this chapter.

22 (b) The county superintendent of schools and other persons
23 employed for administrative or supervisory duties may be deemed to
24 be supervisors of instruction.

25 (c) The government of the common schools of the county shall be
26 vested in the board, and the board shall function with all the authority,
27 powers, privileges, duties, and obligations previously granted to or
28 required of school cities and their governing boards generally under the
29 laws pertaining thereto with reference to the purchase of supplies,
30 purchase and sale of buildings, grounds, and equipment, the erection
31 of buildings, the employment and dismissal of school personnel, the
32 insuring of property and employees, the levying and collecting of taxes;
33 the making and executing of a budget, the borrowing of money, the
34 paying of the salaries and expenses of the county superintendent and
35 employees as approved by the board, shall be a body corporate and
36 politic by the name and style of "The County School Corporation of
37 _____ County, Indiana" with the right to prosecute and defend suits;
38 and shall act in any manner necessary to the proper administration of
39 the common schools of the county.

40 (d) School corporations shall be vested with all rights, titles, and
41 interests of their respective predecessor township and town school
42 corporations terminated; and in all the real, personal, and other
43 property of any nature and from whatever source derived, and shall
44 assume, pay, and be liable for all the indebtedness, obligations, and
45 liabilities and duties of the predecessor corporations from whatever
46 source derived and however arising, and shall institute and defend suits

1 arising out of aforesaid liabilities, obligations, duties, and rights
2 assumed as a county school corporation.

3 (e) The treasurer, before entering upon the duties of his office,
4 shall execute a bond to the acceptance of the county auditor in an
5 amount equal to the largest sum of money that will be in the possession
6 of the treasurer at any one (1) time, conditioned as an ordinary official
7 bond, with a reliable surety company or at least two (2) sufficient
8 freehold sureties, who shall not be members of such board, as surety or
9 sureties on such bond. The president and the secretary shall each give
10 bond, with like surety or sureties, to be approved by the county auditor,
11 in the sum of one-fourth (1/4) of said amount. Boards of school trustees
12 may purchase bonds from some reliable surety company and pay for
13 them out of the special school revenue of their respective counties.

14 (f) The powers set forth in this section shall not be considered as
15 or construed to limit the power and authority of such boards to the
16 powers therein expressly conferred or to restrict or modify any powers
17 or authority granted by any other law not in conflict with the provisions
18 of this section.

19 (g) **This subsection applies only to property taxes first due and**
20 **payable before January 1, 2000.** Every such board shall have the
21 power annually to levy such amount of taxes as in the judgment of such
22 board, made matter of record in its minutes, should be levied to
23 produce income sufficient to conduct and carry on the common schools
24 committed to such board, and it is made the duty of such board
25 annually to levy a rate and levy that will produce a sum sufficient to
26 meet all payments of principal and interest as they will mature in the
27 year for which such levy is made on the bonds, notes, or other
28 obligations of such board.

29 (h) The power of such board ~~in so making to make~~ tax levies shall
30 be exercised within existing statutory limits and said levies shall be
31 subject to the same review as school city levies.

32 SECTION 47. IC 20-4-8-21 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 21. (a) The board as
34 referred to in this chapter shall make decisions pertaining to the general
35 conduct of the schools which shall be enforced as entered upon the
36 minutes recorded by the secretary of the board, and, subject to this
37 chapter, shall exercise all powers previously exercised under the law,
38 by or through township trustees or meetings or petitions of the
39 township trustees of the county, ~~and/or or~~ county boards of education
40 previously existing, and such offices, namely township trustee, county
41 board ~~and/or or~~ county boards of education insofar as the conduct of
42 public schools is concerned are hereby abolished as of noon on the day
43 and date the metropolitan school district is created and comes into
44 existence.

45 (b) The metropolitan superintendent of schools and other persons
46 employed for administrative or supervisory duties may be deemed to

1 be supervisors of instruction and as such eligible, subject to the rules
2 that have been or shall be adopted by the **Indiana** state board of
3 education, to qualify for teaching units in accordance with law.

4 (c) The government of the common schools of said district shall
5 be vested in the board, and the board shall function with all the
6 authority, powers, privileges, duties, and obligations previously granted
7 to or required of school cities and their governing boards generally
8 under the laws pertaining thereto with reference to the purchase of
9 supplies, purchase and sale of buildings, grounds, and equipment, the
10 erection of buildings, the employment and dismissal of school
11 personnel, the insuring of property and employees, the levying and
12 collecting of taxes; the making and executing of a budget, the
13 borrowing of money, the paying of the salaries and expenses of the
14 county superintendent and employees as approved by the board; shall
15 be a body corporate and politic by the name and style of "The
16 Metropolitan School District of _____, Indiana" with the right to
17 prosecute and defend suits and shall act in any manner necessary to the
18 proper administration of the common schools of the county.

19 (d) Such school districts shall be vested with all rights, titles, and
20 interests of their respective predecessor township and town school
21 corporations hereby terminated and in all the real, personal, and other
22 property of any nature and from whatever source derived, and shall
23 assume, pay, and be liable for all the indebtedness, obligations, and
24 liabilities and duties of said predecessor corporations from whatever
25 source derived and however arising and shall institute and defend suits
26 arising out of aforesaid liabilities, obligations, duties, and rights
27 assumed as a metropolitan school district.

28 (e) The treasurer, before entering upon the duties of his office,
29 shall execute a bond to the acceptance of the county auditor which shall
30 in no event be greater than the largest sum of money that will be in the
31 possession of the treasurer at any one (1) time. The board of education
32 may purchase said bond from a reliable surety company and pay for it
33 out of the special school revenue of the metropolitan district.

34 (f) The powers set forth in this section shall not be considered as
35 or construed to limit the power and authority of such boards to the
36 powers therein expressly conferred or to restrict or modify any powers
37 or authority granted by any other law not in conflict with the provisions
38 of this section.

39 (g) **This subsection applies only for property taxes first due**
40 **and payable before January 1, 2001.** Every such board shall have the
41 power annually to levy such amount of taxes as in the judgment of such
42 board, made matter of record in its minutes, should be levied to
43 produce income sufficient to conduct and carry on the common schools
44 committed to such board, and it is hereby made the duty of such board
45 annually to levy a rate and levy that will produce a sum sufficient to
46 meet all payments of principal and interest as they will mature in the

1 year for which such levy is made on the bonds, notes, or other
2 obligations of such board.

3 (h) The power of such board ~~in so making to make~~ tax levies shall
4 be exercised within statutory limits and said levies shall be subject to
5 the same review as school city levies.

6 SECTION 48. IC 20-4-16-1 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this
8 chapter, the following terms shall have the following meanings:

9 (a) "City" or "town" shall be a city or town which conducts its
10 school as school city or school town or as part of a consolidated or
11 metropolitan school corporation.

12 (b) "Annexing school corporation" shall be the school corporation
13 of any city or town which annexes territory.

14 (c) "Original school corporation" shall be a school corporation
15 from whom territory is annexed.

16 (d) "Annexed territory" shall be the territory annexed from an
17 original school corporation by such city or town.

18 (e) "Tax receipts" shall be the amounts received from the tax levy
19 for the ~~tuition and~~ special school funds **and, before January 1, 2000,**
20 **tuition support** by the original school corporation from the annexed
21 territory.

22 SECTION 49. IC 20-5-4-6 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. If the governing
24 board shall find, by written resolution, that an emergency exists which
25 requires the expenditure of any money for any lawful corporate purpose
26 which was not included in its existing budget, ~~and tax levy,~~ it may
27 authorize the making of an emergency loan, **to be repaid before the**
28 **end of the following budget year,** which may be evidenced by the
29 issuance of its note or notes in the same manner and subject to the
30 same procedure and restrictions as provided for the issuance of its
31 bonds, except as to purpose. **Subject, for property taxes first due and**
32 **payable after December 31, 2000, to IC 6-1.1-19-1.9,** at the time for
33 making the next annual budget and tax levy for such school
34 corporation, the governing body shall make a levy to the credit of the
35 fund for which such expenditure is made sufficient to pay such debt
36 and the interest thereon; however, the interest on the loan may be paid
37 from the debt service fund.

38 SECTION 50. IC 20-5-4-8 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) Whenever the
40 governing board of a school corporation finds and declares that an
41 emergency exists for the borrowing of money with which to pay current
42 expenses from a particular fund before the receipt of ~~revenues from~~
43 ~~taxes levied or state tuition support distributions~~ **money** for such fund,
44 the governing board may issue warrants in anticipation of the receipt
45 of said ~~revenues:~~ **money.**

46 (b) The principal of these warrants shall be payable solely from the

1 fund for which the taxes are levied that receives the loan proceeds or
 2 from the general fund in the case of anticipated state tuition support
 3 distributions. ~~However,~~ The interest on these warrants may be paid
 4 from the debt service fund, from the fund for which the taxes are
 5 levied, that receives the loan proceeds, or from the general fund in
 6 the case of anticipated state tuition support distributions.

7 (c) The amount of principal of temporary loans maturing on or
 8 before June 30 for any fund shall not exceed eighty percent (80%) of
 9 the amount of ~~taxes and state tuition support distributions money~~
 10 estimated to be ~~collected or~~ received for and distributed to the fund at
 11 **not later than** the June settlement.

12 (d) The amount of principal of temporary loans maturing after
 13 June 30, and on or before December 31, shall not exceed eighty percent
 14 (80%) of the amount of ~~taxes and state tuition support distributions~~
 15 **money** estimated to be ~~collected or~~ received for ~~and distributed to in~~
 16 the fund at **not later than** the December settlement.

17 (e) At each settlement, the amount of ~~taxes and state tuition~~
 18 **support distributions money** estimated to be ~~collected or~~ received for
 19 ~~and distributed to in~~ the fund includes any allocations to the fund from
 20 the property tax replacement fund.

21 (f) The estimated amount of ~~taxes and state tuition support~~
 22 **distributions money** to be ~~collected or~~ received and ~~distributed~~ shall be
 23 made by the county auditor or the auditor's deputy. The warrants
 24 evidencing any loan in anticipation of ~~tax revenue or state tuition~~
 25 **support distributions** shall not be delivered to the purchaser of the
 26 warrant nor payment made on the warrant before January 1 of the year
 27 the loan is to be repaid. However, the proceedings necessary to the loan
 28 may be held and carried out before January 1 and before the approval.
 29 The loan may be made even though a part of the last preceding June or
 30 December settlement has not yet been received.

31 (g) Proceedings for the issuance and sale of warrants for more than
 32 one (1) fund may be combined, but separate warrants for each fund
 33 shall be issued and each warrant shall state on its face the fund from
 34 which its principal is payable. No action to contest the validity of such
 35 warrants shall be brought later than fifteen (15) days from the first
 36 publication of notice of sale.

37 (h) No issue of ~~tax or state tuition support~~ anticipation warrants
 38 shall be made if the aggregate of all these warrants ~~exceed~~ **exceeds**
 39 twenty thousand dollars (\$20,000) until the issuance is advertised for
 40 sale, bids received, and an award made by the governing board as
 41 required for the sale of bonds, except that the sale notice need not be
 42 published outside of the county nor more than ten (10) days before the
 43 date of sale.

44 SECTION 51. IC 20-5-13-9 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) All school cities,
 46 school townships, school towns, and joint districts are hereby

1 authorized to establish, equip, operate, and maintain school kitchens
 2 and school lunch rooms, for the improvement of the health of the
 3 school children attending school therein, and for the advancement of
 4 the educational work of their respective schools; to employ all
 5 necessary directors, assistants, and agents; and appropriate funds of
 6 such school corporations for such purpose. Such participation in a
 7 school lunch program pursuant to the provisions of this chapter shall
 8 be discretionary with the governing board of any school corporation.

9 (b) In the event that federal funds are not available for the purpose
 10 of carrying on a school lunch program, the state of Indiana shall not
 11 participate in such school lunch program and any money appropriated
 12 by the state of Indiana for such purpose, and not expended, shall
 13 immediately revert to the state general fund. Failure on the part of the
 14 state of Indiana to participate in the school lunch program shall not
 15 invalidate any appropriation made or school lunch program carried on
 16 by any school corporation by means of gifts or **other** money ~~raised by~~
 17 ~~tax levy pursuant to the provisions of this chapter~~ **available** for the
 18 purpose of such school lunch program.

19 SECTION 52. IC 20-5-17.5-2 (CURRENT VERSION) IS
 20 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:
 21 Sec. 2. (a) This subsection does not apply to a school corporation in a
 22 county having a population of more than two hundred thousand
 23 (200,000) but less than three hundred thousand (300,000). The
 24 governing body of a school corporation may annually **levy and**
 25 appropriate, from its general fund, a sum ~~of that does not more than~~
 26 **exceed the amount that would be raised by a property tax rate of**
 27 one and one-half cents (\$0.015) on each one hundred dollars (\$100) of
 28 assessed valuation in the school corporation to be paid to a historical
 29 society, subject to subsection (c).

30 (b) This subsection applies only to a school corporation in a
 31 county having a population of more than two hundred thousand
 32 (200,000) but less than three hundred thousand (300,000). To provide
 33 funding for a historical society under this section, the governing body
 34 of a school corporation may impose a **property tax rate** of not more
 35 than one and one-half cents (\$0.015) on each one hundred dollars
 36 (\$100) of assessed valuation in the school corporation. This tax is not
 37 subject to the tax levy limitations imposed on the school corporation by
 38 IC 6-1.1-19-1.5 (**repealed January 1, 2001**) or the provisions of
 39 IC 21-2-11-8 (**repealed January 1, 2001**). The school corporation
 40 shall deposit the proceeds of the tax in a fund to be known as the
 41 historical society fund. The historical society fund is separate and
 42 distinct from the school corporation's general fund and may be used
 43 only for the purpose of providing funds for a historical society under
 44 this section. Subject to subsection (c), the governing body of the school
 45 corporation may annually appropriate the money in the fund to be paid
 46 in semiannual installments to a historical society having facilities in the

1 county.

2 (c) Before a historical society may receive payments under this

3 section, its governing board must adopt a resolution that entitles:

4 (1) the governing body of the school corporation to appoint its

5 superintendent and one (1) of its history teachers as visitors, with

6 the privilege of attending all meetings of the society's governing

7 board;

8 (2) the governing body of the school corporation to nominate two

9 (2) persons for membership on the society's governing board;

10 (3) the school corporation to use any of the society's facilities

11 and equipment for educational purposes consistent with the

12 society's purposes;

13 (4) the students and teachers of the school corporation to tour the

14 society's museum, if any, free of charge; and

15 (5) the school corporation to borrow artifacts from the society's

16 collection, if any, for temporary exhibit in the schools.

17 SECTION 53. IC 20-5-17.5-2, AS AMENDED BY P.L.6-1997,

18 SECTION 180 (DELAYED VERSION), IS AMENDED TO READ AS

19 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 2. (a) This

20 subsection does not apply to a school corporation in a county having a

21 population of more than two hundred thousand (200,000) but less than

22 three hundred thousand (300,000). The governing body of a school

23 corporation may annually **levy and** appropriate, from its general fund,

24 a sum ~~of that~~ **does not exceed the amount that would be raised by**

25 **a property tax rate of** more than five-tenths of one cent (\$.005) on

26 each one hundred dollars (\$100) of assessed valuation in the school

27 corporation to be paid to a historical society, subject to subsection (c).

28 (b) This subsection applies only to a school corporation in a

29 county having a population of more than two hundred thousand

30 (200,000) but less than three hundred thousand (300,000). To provide

31 funding for a historical society under this section, the governing body

32 of a school corporation may impose a **property tax rate** of not more

33 than five-tenths of one cent (\$.005) on each one hundred dollars

34 (\$100) of assessed valuation in the school corporation. This tax is not

35 subject to the tax levy limitations imposed on the school corporation by

36 IC 6-1.1-19-1.5 (**repealed January 1, 2001**) or the provisions of

37 IC 21-2-11-8 (**repealed January 1, 2001**). The school corporation

38 shall deposit the proceeds of the tax in a fund to be known as the

39 historical society fund. The historical society fund is separate and

40 distinct from the school corporation's general fund and may be used

41 only for the purpose of providing funds for a historical society under

42 this section. Subject to subsection (c), the governing body of the school

43 corporation may annually appropriate the money in the fund to be paid

44 in semiannual installments to a historical society having facilities in the

45 county.

46 (c) Before a historical society may receive payments under this

- 1 section, its governing board must adopt a resolution that entitles:
 2 (1) the governing body of the school corporation to appoint its
 3 superintendent and one (1) of its history teachers as visitors, with
 4 the privilege of attending all meetings of the society's governing
 5 board;
 6 (2) the governing body of the school corporation to nominate two
 7 (2) persons for membership on the society's governing board;
 8 (3) the school corporation to use any of the society's facilities
 9 and equipment for educational purposes consistent with the
 10 society's purposes;
 11 (4) the students and teachers of the school corporation to tour the
 12 society's museum, if any, free of charge; and
 13 (5) the school corporation to borrow artifacts from the society's
 14 collection, if any, for temporary exhibit in the schools.
- 15 SECTION 54. IC 20-5-17.5-3 (CURRENT VERSION) IS
 16 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:
 17 Sec. 3. (a) This section applies to school corporations in a county
 18 containing a city having a population of:
 19 (1) more than one hundred fifty thousand (150,000) but less than
 20 five hundred thousand (500,000);
 21 (2) more than one hundred twenty thousand (120,000) but less
 22 than one hundred fifty thousand (150,000);
 23 (3) more than one hundred ten thousand (110,000) but less than
 24 one hundred twenty thousand (120,000);
 25 (4) more than ninety thousand (90,000) but less than one
 26 hundred ten thousand (110,000); or
 27 (5) more than seventy-five thousand (75,000) but less than
 28 ninety thousand (90,000).
 29 (b) In order to provide funding for an art association under this
 30 section, the governing body of a school corporation may impose a tax
 31 of not more than one and one-half cents (\$0.015) on each one hundred
 32 dollars (\$100) of assessed valuation in the school corporation. This tax
 33 is not subject to the tax levy limitations imposed on the school
 34 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2001**) or the
 35 provisions of IC 21-2-11-8 (**repealed January 1, 2001**).
 36 (c) The school corporation shall deposit the proceeds of the tax
 37 imposed under subsection (b) in a fund to be known as the art
 38 association fund. The art association fund is separate and distinct from
 39 the school corporation's general fund and may be used only for the
 40 purpose of providing funds for an art association under this section.
 41 The governing body of the school corporation may annually
 42 appropriate the money in the fund to be paid in semiannual installments
 43 to an art association having facilities in a city that is listed in subsection
 44 (a), subject to subsection (d).
 45 (d) Before an art association may receive payments under this
 46 section, its governing board must adopt a resolution that entitles:

- 1 (1) the governing body of the school corporation to appoint its
 2 superintendent and its director of art instruction as visitors, with
 3 the privilege of attending all meetings of the association's
 4 governing board;
- 5 (2) the governing body of the school corporation to nominate
 6 persons for membership on the association's governing board,
 7 with at least two (2) of the nominees to be elected;
- 8 (3) the school corporation to use any of the association's facilities
 9 and equipment for educational purposes consistent with the
 10 association's purposes;
- 11 (4) the students and teachers of the school corporation to tour the
 12 association's museum and galleries free of charge;
- 13 (5) the school corporation to borrow materials from the
 14 association for temporary exhibit in the schools;
- 15 (6) the teachers of the school corporation to receive normal
 16 instruction in the fine and applied arts at half the regular rates
 17 charged by the association; and
- 18 (7) the school corporation to expect such exhibits in the
 19 association's museum as will supplement the work of the
 20 students and teachers of the corporation.

21 A copy of the resolution, certified by the president and secretary of the
 22 association, must be filed in the office of the school corporation before
 23 payments may be received.

24 (e) A resolution filed under subsection (d) need not be renewed
 25 from year to year but continues in effect until rescinded. An art
 26 association that complies with this section is entitled to continue to
 27 receive payments under this section as long as it so complies.

28 (f) Whenever more than one (1) art association in a city that is
 29 listed in subsection (a) qualifies to receive payments under this section,
 30 the governing body of the school corporation shall select the one (1) art
 31 association best qualified to perform the services described by
 32 subsection (c). A school corporation may select only one (1) art
 33 association to receive payments under this section.

34 SECTION 55. IC 20-5-17.5-3, AS AMENDED BY P.L.6-1997,
 35 SECTION 181 (DELAYED VERSION), IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) This section
 37 applies to school corporations in a county containing a city having a
 38 population of:

- 39 (1) more than one hundred fifty thousand (150,000) but less than
 40 five hundred thousand (500,000);
- 41 (2) more than one hundred twenty thousand (120,000) but less
 42 than one hundred fifty thousand (150,000);
- 43 (3) more than one hundred ten thousand (110,000) but less than
 44 one hundred twenty thousand (120,000);
- 45 (4) more than ninety thousand (90,000) but less than one
 46 hundred ten thousand (110,000); or

1 (5) more than seventy-five thousand (75,000) but less than
2 ninety thousand (90,000).

3 (b) In order to provide funding for an art association under this
4 section, the governing body of a school corporation may impose a tax
5 of not more than five-tenths of one cent (\$.005) on each one hundred
6 dollars (\$100) of assessed valuation in the school corporation. This tax
7 is not subject to the tax levy limitations imposed on the school
8 corporation by IC 6-1.1-19-1.5 (**repealed January 1, 2001**) or the
9 provisions of IC 21-2-11-8 (**repealed January 1, 2001**).

10 (c) The school corporation shall deposit the proceeds of the tax
11 imposed under subsection (b) in a fund to be known as the art
12 association fund. The art association fund is separate and distinct from
13 the school corporation's general fund and may be used only for the
14 purpose of providing funds for an art association under this section.
15 The governing body of the school corporation may annually
16 appropriate the money in the fund to be paid in semiannual installments
17 to an art association having facilities in a city that is listed in subsection
18 (a), subject to subsection (d).

19 (d) Before an art association may receive payments under this
20 section, its governing board must adopt a resolution that entitles:

21 (1) the governing body of the school corporation to appoint its
22 superintendent and its director of art instruction as visitors, with
23 the privilege of attending all meetings of the association's
24 governing board;

25 (2) the governing body of the school corporation to nominate
26 persons for membership on the association's governing board,
27 with at least two (2) of the nominees to be elected;

28 (3) the school corporation to use any of the association's facilities
29 and equipment for educational purposes consistent with the
30 association's purposes;

31 (4) the students and teachers of the school corporation to tour the
32 association's museum and galleries free of charge;

33 (5) the school corporation to borrow materials from the
34 association for temporary exhibit in the schools;

35 (6) the teachers of the school corporation to receive normal
36 instruction in the fine and applied arts at half the regular rates
37 charged by the association; and

38 (7) the school corporation to expect such exhibits in the
39 association's museum as will supplement the work of the
40 students and teachers of the corporation.

41 A copy of the resolution, certified by the president and secretary of the
42 association, must be filed in the office of the school corporation before
43 payments may be received.

44 (e) A resolution filed under subsection (d) need not be renewed
45 from year to year but continues in effect until rescinded. An art
46 association that complies with this section is entitled to continue to

1 receive payments under this section as long as it so complies.

2 (f) Whenever more than one (1) art association in a city that is
3 listed in subsection (a) qualifies to receive payments under this section,
4 the governing body of the school corporation shall select the one (1) art
5 association best qualified to perform the services described by
6 subsection (c). A school corporation may select only one (1) art
7 association to receive payments under this section.

8 SECTION 56. IC 20-5-62-6, AS AMENDED BY P.L.34-1996,
9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 1999]: Sec. 6. Except as provided in this chapter and
11 notwithstanding any other law, a freeway school corporation or a
12 freeway school may do the following during the contract period:

13 (1) Disregard the observance of any statute or rule that is listed
14 in the contract.

15 (2) Lease school transportation equipment to others for
16 nonschool use when the equipment is not in use for a school
17 corporation purpose, if the lessee has not received a bid from a
18 private entity to provide transportation equipment or services for
19 the same purpose.

20 (3) Replace the budget and accounting system that is required by
21 law with a budget or accounting system that is frequently used
22 in the private business community. The state board of accounts
23 may not go beyond the requirements imposed upon the state
24 board of accounts by statute in reviewing the budget and
25 accounting system used by a freeway school corporation or a
26 freeway school.

27 (4) Establish a professional development and technology fund to
28 be used for:

29 (A) professional development; or

30 (B) technology, including video distance learning.

31 (5) Transfer funds obtained from sources other than state or local
32 government taxation among any accounts of the school
33 corporation, including a professional development and
34 technology fund established under subdivision (4).

35 (6) Transfer funds obtained from property taxation and from
36 state distributions ~~among~~ **between** the general fund (established
37 under IC 21-2-11) and the school transportation fund
38 (established under IC 21-2-11.5), subject to the following:

39 (A) **For property taxes first due and payable:**

40 (i) **before January 1, 2001**, the sum of the property
41 tax rates for the general fund and the school
42 transportation fund after a transfer occurs under this
43 subdivision may not exceed the sum of the property tax
44 rates for the general fund and the school transportation
45 fund before a transfer occurs under this subdivision;
46 **and**

1 (ii) after December 31, 2000, the property tax rate
2 for the school transportation fund after a transfer
3 occurs under this subdivision may not exceed the
4 property tax rate for the school transportation fund
5 before a transfer occurs under this subdivision.

6 (B) This subdivision does not allow a school corporation to
7 transfer to any other fund money from the:

8 (i) capital projects fund (established under
9 IC 21-2-15); or

10 (ii) debt service fund (established under IC 21-2-4).

11 (7) Establish a locally adopted assessment program to replace
12 the assessment of students under the ISTEP program established
13 under IC 20-10.1-16-8, subject to the following:

14 (A) A locally adopted assessment program must be
15 established by the governing body and approved by the
16 department.

17 (B) A locally adopted assessment program may use a locally
18 developed test or a nationally developed test.

19 (C) Results of assessments under a locally adopted
20 assessment program are subject to the same reporting
21 requirements as results under the ISTEP program.

22 (D) Each student who completes a locally adopted
23 assessment program and the student's parent or guardian has
24 the same rights to inspection and rescoring as are set forth
25 in IC 20-10.1-16-7(d).

26 SECTION 57. IC 20-8.1-6.1-8, AS AMENDED BY
27 P.L.260-1997(SS), SECTION 58, IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) As used in this
29 section, the following terms have the following meanings:

30 (1) "Class of school" refers to a classification of each school or
31 program in the transferee corporation by the grades or special
32 programs taught at the school. Generally, these classifications
33 are denominated as kindergarten, elementary school, middle
34 school or junior high school, high school, and special schools or
35 classes, such as schools or classes for special education,
36 vocational training, or career education.

37 (2) "ADM" means the following:

38 (A) For purposes of allocating to a transfer student state
39 distributions under IC 21-1-30 (primetime), "ADM" as
40 computed under IC 21-1-30-2.

41 (B) For all other purposes, "ADM" as set forth in
42 IC 21-3-1.6-1.1.

43 (3) "Pupil enrollment" means the following:

44 (A) The total number of students in kindergarten through
45 grade 12 who are enrolled in a transferee school corporation
46 on a date determined by the Indiana state board of

- 1 education.
- 2 (B) The total number of students enrolled in a class of
- 3 school in a transferee school corporation on a date
- 4 determined by the Indiana state board of education.
- 5 However, a kindergarten student shall be counted under clauses
- 6 (A) and (B) as one-half (1/2) a student.
- 7 (4) "Special equipment" means equipment that during a school
- 8 year:
- 9 (A) is used only when a child with disabilities is attending
- 10 school;
- 11 (B) is not used to transport a child to or from a place where
- 12 the child is attending school;
- 13 (C) is necessary for the education of each child with
- 14 disabilities that uses the equipment, as determined under the
- 15 individualized instruction program for the child; and
- 16 (D) is not used for or by any child who is not a child with
- 17 disabilities.
- 18 The Indiana state board of education may select a different date for
- 19 counts under subdivision (3). However, the same date shall be used for
- 20 all school corporations making a count for the same class of school.
- 21 (b) Each transferee corporation is entitled to receive for each
- 22 school year on account of each transferred student, except a student
- 23 transferred under section 3 of this chapter, transfer tuition from the
- 24 transferor corporation or the state as provided in this chapter. Transfer
- 25 tuition equals the amount determined under STEP THREE of the
- 26 following formula:
- 27 STEP ONE: Allocate to each transfer student the capital
- 28 expenditures for any special equipment used by the transfer
- 29 student and a proportionate share of the operating costs incurred
- 30 by the transferee school for the class of school where the transfer
- 31 student is enrolled.
- 32 STEP TWO: If the transferee school included the transfer
- 33 student in the transferee school's ADM for a school year, allocate
- 34 to the transfer student a proportionate share of the following
- 35 general fund revenues of the transferee school for, except as
- 36 provided in clause (C), the calendar year in which the school
- 37 year ends:
- 38 (A) The following state distributions that are computed in
- 39 any part using ADM or other pupil count in which the
- 40 student is included:
- 41 (i) Primetime grant under IC 21-1-30.
- 42 (ii) Tuition support for basic programs and at-risk
- 43 weights under IC 21-3-1.7-8 (before January 1, 1996)
- 44 and only for basic programs (after December 31,
- 45 1995).
- 46 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.

- 1 (iv) At-risk grant under IC 21-3-1.7-9.7.
 2 (v) Academic honors diploma award under
 3 IC 21-3-1.7-9.8.
 4 (vi) Vocational education grant under IC 21-3-1.8-3.
 5 (vii) Special education grant under IC 21-3-1.8
 6 (repealed January 1, 1996) or IC 21-3-10.
 7 (viii) The portion of the ADA flat grant that is
 8 available for the payment of general operating
 9 expenses under IC 21-3-4.5-2(b)(1).
 10 (B) For school years beginning after June 30, 1997,
 11 property tax levies.
 12 (C) For school years beginning after June 30, 1997, excise
 13 tax revenue (as defined in IC 21-3-1.7-2) received for
 14 deposit in the calendar year in which the school year begins.
 15 (D) For school years beginning after June 30, 1997,
 16 allocations to the transferee school under IC 6-3.5.
 17 STEP THREE: Determine the greater of:
 18 (A) zero (0); or
 19 (B) the result of subtracting the STEP TWO amount from
 20 the STEP ONE amount.
 21 If a child is placed in an institution or facility in Indiana under a court
 22 order, the institution or facility shall charge the county office of the
 23 county of the student's legal settlement under IC 12-19-7 for the use of
 24 the space within the institution or facility (commonly called capital
 25 costs) that is used to provide educational services to the child based
 26 upon a prorated per student cost.
 27 (c) Operating costs shall be determined for each class of school
 28 where a transfer student is enrolled. The operating cost for each class
 29 of school is based on the total expenditures of the transferee
 30 corporation for the class of school from its general fund expenditures
 31 as specified in the classified budget forms prescribed by the state board
 32 of accounts. This calculation excludes:
 33 (1) capital outlay;
 34 (2) debt service;
 35 (3) costs of transportation;
 36 (4) salaries of board members;
 37 (5) contracted service for legal expenses; and
 38 (6) any expenditure which is made out of the general fund from
 39 extracurricular account receipts;
 40 for the school year.
 41 (d) The capital cost of special equipment for a school year is equal
 42 to:
 43 (1) the cost of the special equipment; divided by
 44 (2) the product of:
 45 (A) the useful life of the special equipment, as determined
 46 under the rules adopted by the Indiana state board of

1 education; multiplied by
 2 (B) the number of students using the special equipment
 3 during at least part of the school year.

4 (e) When an item of expense or cost described in subsection (c)
 5 cannot be allocated to a class of school, it shall be prorated to all
 6 classes of schools on the basis of the pupil enrollment of each class in
 7 the transferee corporation compared to the total pupil enrollment in the
 8 school corporation.

9 (f) Operating costs shall be allocated to a transfer student for each
 10 school year by dividing:

11 (1) the transferee school corporation's operating costs for the
 12 class of school in which the transfer student is enrolled; by

13 (2) the pupil enrollment of the class of school in which the
 14 transfer student is enrolled.

15 When a transferred student is enrolled in a transferee corporation for
 16 less than the full school year of pupil attendance, the transfer tuition
 17 shall be calculated by the portion of the school year for which the
 18 transferred student is enrolled. A school year of pupil attendance
 19 consists of the number of days school is in session for pupil attendance.
 20 A student, regardless of the student's attendance, is enrolled in a
 21 transferee school unless the student is no longer entitled to be
 22 transferred because of a change of residence, the student has been
 23 excluded or expelled from school for the balance of the school year or
 24 for an indefinite period, or the student has been confirmed to have
 25 withdrawn from school. The transferor and the transferee corporation
 26 may enter into written agreements concerning the amount of transfer
 27 tuition due in any school year. Where an agreement cannot be reached,
 28 the amount shall be determined by the Indiana state board of education,
 29 and costs may be established, when in dispute, by the state board of
 30 accounts.

31 (g) A transferee school shall allocate revenues described in
 32 subsection (b) STEP TWO to a transfer student by dividing:

33 (1) the total amount of revenues received; by

34 (2) the ADM of the transferee school for the school year that
 35 ends in the calendar year in which the revenues are received.

36 However, for state distributions under IC 21-1-30, IC 21-3-10, or any
 37 other statute that computes the amount of a state distribution using less
 38 than the total ADM of the transferee school, the transferee school shall
 39 allocate the revenues to the transfer student by dividing the revenues
 40 that the transferee school is eligible to receive in a calendar year by the
 41 pupil count used to compute the state distribution.

42 (h) In lieu of the payments provided in subsection (b), the
 43 transferor corporation or state owing transfer tuition may enter into a
 44 long term contract with the transferee corporation governing the
 45 transfer of students. This contract is for a maximum period of five (5)
 46 years with an option to renew, and may specify a maximum number of

1 pupils to be transferred and fix a method for determining the amount
 2 of transfer tuition and the time of payment, which may be different
 3 from that provided in section 9 of this chapter.

4 (i) If the school corporation can meet the requirements of
 5 IC 21-1-30-5, it may negotiate transfer tuition agreements with a
 6 neighboring school corporation that can accommodate additional
 7 students. Agreements under this section may be for one (1) year or
 8 longer and may fix a method for determining the amount of transfer
 9 tuition or time of payment that is different from the method, amount,
 10 or time of payment that is provided in this section or section 9 of this
 11 chapter. A school corporation may not transfer a student under this
 12 section without the prior approval of the child's parent or guardian.

13 (j) **This subsection applies only to property taxes first due and**
 14 **payable before January 1, 2001.** If a school corporation experiences
 15 a net financial impact with regard to transfer tuition that is negative for
 16 a particular school year as described in IC 6-1.1-19-5.1 (**repealed**
 17 **January 1, 2001**), the school corporation may appeal for an excessive
 18 **levy tax** as provided under IC 6-1.1-19-5.1 (**repealed January 1,**
 19 **2001**).

20 SECTION 58. IC 20-8.1-6.5-4 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) Where a transfer
 22 is ordered to commence in a school year, where the transferor
 23 corporation has net additional costs over savings (on account of any
 24 transfer ordered) allocable to the calendar year in which the school year
 25 begins, and where the transferee corporation has no budgeted funds for
 26 such net additional costs, they may be recovered by one (1) or more of
 27 the following methods in addition to any other methods provided by
 28 applicable law:

29 (1) An emergency loan made pursuant to IC 20-5-4-6 to be paid,
 30 however, out of the debt service levy and fund, or a loan from
 31 any state fund made available therefor.

32 (2) An advance in such calendar year of state funds, which
 33 would otherwise become payable to the transferee corporation
 34 after such calendar year pursuant to applicable law.

35 (3) A grant or grants in such calendar year from any funds of the
 36 state made available therefor.

37 (b) The net additional costs shall be certified by the state board of
 38 tax commissioners and any grant shall be made solely after affirmative
 39 recommendation of the tax control board created by IC 6-1.1-19-4.1.
 40 Repayment of any advance or loan from the state shall be made in
 41 accordance with IC 6-1.1-19-4.5(d) (**repealed January 1, 2001**) and
 42 **IC 6-1.1-19-4.4(c)**. ~~The~~ Use of any of the methods enumerated above
 43 shall not subject the transferor corporation to the provisions of
 44 IC 6-1.1-19-4.7 (**repealed January 1, 2001**).

45 SECTION 59. IC 20-8.1-6.5-9 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. ~~Transportation Costs~~

1 ~~State Reimbursement:~~ Transportation costs for transferred students
2 for each calendar year or for capital outlay and for operations shall be
3 reimbursed by the state to the transferor corporation in the same
4 percent of the total outlay which the distributions to the transferor
5 corporation under IC 1971, 21-3-1.5-3, or from the state flat grant
6 distribution account where it is credited to the general transportation
7 fund constitute of its total annual general transportation fund
8 appropriations for such year. In this calculation there shall be excluded
9 from general transportation fund appropriations capital outlay and
10 debt service. and any expenditure which is made out of the general
11 fund from extracurricular accounts. Any amount not thus reimbursed
12 and raised as part of the transferor corporation's general fund levy shall
13 constitute an increase in its base tax levy for such budget year, as
14 otherwise defined and as applied in IC 6-1.1-1-16, and IC 6-1.1-1-19. In
15 no event shall the state reimbursement for transportation operating
16 expense to the transferor corporation be less than it would receive
17 under applicable law without regard to this section.

18 SECTION 60. IC 20-8.1-7-18 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) Whenever the
20 test required under section 17 of this chapter discloses that the hearing
21 of any child is impaired and the child cannot be taught advantageously
22 in regular classes, the governing body of the school corporation shall
23 provide appropriate remedial measures and correctional devices. The
24 governing body shall advise the child's parents of the proper medical
25 care, attention, and treatment needed. The governing body shall
26 provide approved mechanical auditory devices and prescribe courses
27 in lip reading by qualified, competent and approved instructors. The
28 superintendent of public instruction and the head of the rehabilitative
29 services bureau of the division of disability, aging, and rehabilitative
30 services shall cooperate with school corporations to provide this
31 assistance; they shall also provide advice and information to assist
32 school corporations in complying with this section. The local governing
33 body may adopt rules and regulations for the administration of this
34 section.

35 (b) Each school corporation may receive and accept bequests and
36 donations for immediate use or as trusts or endowments to assist in
37 meeting costs and expenses incurred in complying with the
38 requirements of this section. When funds for the full payment of these
39 expenses are not otherwise available, in any school corporation, any
40 unexpended balance in the state treasury which is available for the use
41 of local schools and is otherwise unappropriated may be loaned to the
42 school corporation for that purpose by the governor. Any loan made by
43 the governor under this section shall be repaid to the fund in the state
44 treasury from which it came within two (2) years after the date it was
45 advanced. These loans shall be repaid **before January 1, 2001,**
46 through the levying of taxes in the borrowing **and, after December 31,**

1 **2000, from funds available to the school corporation. If the advance**
 2 **is not repaid, the amount due may be withheld from the**
 3 **distribution of other state funds to the school corporation to which**
 4 **the advance is made.**

5 SECTION 61. IC 20-9.1-1-3 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. ~~Definition, "Private~~
 7 ~~School":~~ As used in this article, the term "private school" means any
 8 school ~~which is not supported and maintained by funds realized from~~
 9 ~~the imposition of a tax on property, income or sales: that is not a~~
 10 **school corporation (as defined in IC 36-1-2-17).**

11 SECTION 62. IC 20-10.1-6.5-1, AS AMENDED BY P.L.1-1994,
 12 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 1999]: Sec. 1. As used in this chapter:

14 "Advancement fund" refers to the school technology advancement
 15 account as created under section 4 of this chapter.

16 "Board" refers to the **Indiana** state board of education established
 17 under IC 20-1-1-1.

18 "School corporation" ~~means any corporation authorized by law to~~
 19 ~~establish public schools and levy taxes for their maintenance: has the~~
 20 **meaning set forth in IC 36-1-2-17.**

21 SECTION 63. IC 21-2-3.1-1 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. This chapter applies
 23 if a township board finds, at an annual or special meeting of the board,
 24 that:

25 (1) it is necessary to provide for the construction of a school
 26 building; and

27 (2) the cost of the building, or the proportional cost if it is a joint
 28 graded high school building, will be in excess of the ~~sum~~
 29 **available from an annual levy: amount of available funds.**

30 SECTION 64. IC 21-2-4-7 IS ADDED TO THE INDIANA CODE
 31 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 1999]: **Sec. 7. A school corporation shall annually levy a sum**
 33 **sufficient to meet all payments of principal and interest on debt**
 34 **service payable from the debt service fund as the payments mature.**

35 SECTION 65. IC 21-2-5.6-3 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. Subject to the
 37 approval of the commissioner of the department of insurance, the
 38 governing body of the school corporation may:

39 (1) for eventual transfer to the self-insurance fund, include an
 40 amount of money in:

41 (A) the general fund budget; and

42 (B) **for property taxes first due and payable before**
 43 **January 1, 2001**, the general fund tax levy and rate;

44 (2) transfer monies from the general fund to the self-insurance
 45 fund; or

46 (3) appropriate monies from the general fund for the

1 self-insurance fund.
 2 SECTION 66. IC 21-2-11-2 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The governing
 4 body of each school corporation in the state of Indiana shall establish
 5 a general fund for the operation and maintenance of local schools. ~~and~~
 6 **The governing body shall levy a tax therefor in calendar years**
 7 **before January 1, 2001. Except as otherwise provided by statute,**
 8 all receipts and disbursements ~~heretofore authorized by law for school~~
 9 ~~funds and tax levies for the tuition fund, special school fund, special~~
 10 ~~fund, vocational fund, recreation fund, compulsory education fund,~~
 11 ~~school library fund, high school library fund, public employee's~~
 12 ~~retirement fund, operating fund, transportation tax and county wide~~
 13 ~~school tax shall on and after January 1, 1968, be received in and~~
 14 ~~disbursed from the general fund. For property taxes first due and~~
 15 **payable before January 1, 2001, the tax levy and rate for the general**
 16 ~~fund shall be established by the governing body of each school~~
 17 ~~corporation. for the 1968 calendar year and all succeeding calendar~~
 18 ~~years. Any balances of all the aforesaid funds on January 1, 1968 shall~~
 19 ~~be transferred to the general fund. The general assembly declares~~
 20 **that sufficient tax revenues and distributions will be provided after**
 21 **December 31, 2000, so that each school corporation will be eligible**
 22 **to receive for its general fund an amount at least equal to the**
 23 **amount that the school corporation received in the immediately**
 24 **preceding year.**

25 (b) **The amount of the distribution that is guaranteed to a**
 26 **school corporation under subsection (a) shall be adjusted each year**
 27 **to reflect any changes in the United States Department of Labor**
 28 **Consumer Price Index during the preceding year.**

29 SECTION 67. IC 21-2-11-5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. Any self supporting
 31 programs maintained by any school corporation, including but not
 32 limited to school lunch and rental or sale of textbooks, may be
 33 established as separate funds, separate and apart from the general fund,
 34 if no **state distributions under IC 21-3-1.7** or local tax rate is
 35 ~~established therefor. funds are involved.~~

36 SECTION 68. IC 21-2-11-6 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. Moneys received by
 38 any school corporation for a specific purpose or purposes, by gift,
 39 endowment or pursuant to any federal statute, may be accounted for by
 40 establishing separate funds, separate and apart from the general fund,
 41 if no **state distributions under IC 21-3-1.7** or local tax funds are
 42 involved. ~~Provided, That~~ No such funds shall be accepted unless the
 43 terms of the gift, endowment or payment, and the acceptance thereof,
 44 are so stated that the officers of the school corporation are not divested
 45 of any right or authority which they ~~now have or may hereafter be~~ **are**
 46 granted by law. Such moneys so received for specific purposes, and any

1 earnings thereon, may be disbursed without appropriation.

2 SECTION 69. IC 21-2-11.5-5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 1999]: **Sec. 5. A school corporation shall**
5 **annually levy a sum sufficient to meet all payments of principal**
6 **and interest on obligations payable from the transportation fund**
7 **as the payments mature.**

8 SECTION 70. IC 21-2-15-15 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 1999]: **Sec. 15. A school corporation shall**
11 **annually levy a sum sufficient to meet all payments of principal**
12 **and interest on obligations payable from the capital projects fund**
13 **as the payments mature.**

14 SECTION 71. IC 21-4-20-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. Whenever it is found
16 by the board of school trustees or other proper authorities of any school
17 city or school town that an emergency exists for the borrowing of
18 money with which to meet the current expenses of the schools of such
19 school town or school city, the board of school trustees or other proper
20 authorities of such school city or school town may make temporary
21 loans in anticipation of the current revenues of such school town or
22 school city to an amount not exceeding fifty percent (50%) of the
23 ~~amount of taxes actually levied and revenue~~ in the course of collection
24 for the fiscal year in which such loans are made. Revenues shall be
25 deemed to be current and taxes shall be deemed to have been actually
26 levied and in the course of collection when the budget levy and rate
27 shall have been finally approved by the state board of tax
28 commissioners. ~~Provided, However, That~~ in all second and third class
29 school cities, no such loans shall be borrowed in excess of the sum of
30 twenty thousand dollars (\$20,000) until the letting of the same shall
31 have been advertised once each week for two (2) successive weeks in
32 two (2) newspapers of general circulation published in such school city,
33 and until sealed bids have been submitted at a regular meeting of the
34 school board of such school city, pursuant to such notices, stipulating
35 the rate of interest to be charged by such bidder. ~~and Provided, further,~~
36 ~~That~~ Such school loans shall be made with the bidder submitting the
37 lowest rate of interest and submitting with his bid an affidavit showing
38 that no collusion exists between himself and any other bidder for such
39 loan.

40 SECTION 72. IC 32-9-1.5-16, AS ADDED BY P.L.31-1995,
41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 1999]: Sec. 16. For purposes of section 49 of this chapter,
43 "political subdivision" includes any Indiana municipality, county, civil
44 township, civil incorporated city or town, ~~public~~ school corporation (**as**
45 **defined in IC 36-1-2-17**), university or college supported in part by
46 state funds, or any other territorial subdivision of the state recognized

1 or designated in any law, including judicial circuits, a public utility
2 entity not privately owned, special taxing district or entity, and public
3 improvement district authority or entity authorized to levy taxes or
4 assessments. The term does not include any retirement system
5 supported entirely or in part by the state.

6 SECTION 73. IC 33-4-1-2.8, AS ADDED BY P.L.281-1995,
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 1999]: Sec. 2.8. (a) The Allen circuit court has concurrent
9 jurisdiction with the Allen superior court concerning paternity actions.

10 (b) In addition to the magistrate appointed under section 2.1 of this
11 chapter, the judge of the Allen circuit court **and one (1) of the judges**
12 **of the Allen superior court, family relations division**, may jointly
13 appoint a ~~hearing officer with the powers of a one (1) full-time~~
14 ~~magistrate under IC 33-4-7.~~ The ~~hearing officer magistrate~~ continues
15 in office until **jointly** removed by the judge **of the Allen circuit court**
16 **and one (1) of the judges of the Allen superior court, family**
17 **relations division. The magistrate has full authority to hear all**
18 **Title IV-D cases filed in Allen County.**

19 (c) ~~The salary of a hearing officer appointed under subsection (b)~~
20 ~~is equal to that of a magistrate under IC 33-4-7. The hearing officer's~~
21 ~~salary must be paid by the county. The hearing officer is a county~~
22 ~~employee.~~

23 SECTION 74. IC 33-4-1-10.5 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 1999]: Sec. 10.5. (a) **The judges of the Clark**
26 **circuit and superior courts may jointly appoint one (1) full-time**
27 **magistrate under IC 33-4-7 to serve the circuit and superior courts.**

28 (b) **The magistrate continues in office until removed by the**
29 **judges of the Clark circuit and superior courts.**

30 (c) **The appointment and removal of a magistrate under this**
31 **section may be made only by a majority vote of the circuit and**
32 **superior court judges.**

33 SECTION 75. IC 33-4-1-15 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. (a) The counties of
35 Dearborn and Ohio shall constitute the Seventh Judicial Circuit of the
36 State of Indiana.

37 (b) **The judge of the Dearborn circuit court may appoint one**
38 **(1) full-time magistrate under IC 33-4-7. The magistrate continues**
39 **in office until removed by the judge.**

40 SECTION 76. IC 33-4-1-20.1, AS ADDED BY P.L.18-1995,
41 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 1999]: Sec. 20.1. (a) The judges of the Elkhart circuit and
43 superior courts may jointly appoint ~~one (1)~~ **two (2)** full-time ~~magistrate~~
44 **magistrates** under IC 33-4-7 to serve the circuit and superior courts.

45 (b) ~~The magistrate continues~~ **magistrates continue** in office until
46 removed by the judges of the circuit and superior courts.

1 SECTION 77. IC 33-4-1-22 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 22. (a) The county of
 3 Floyd shall constitute the Fifty-second Judicial Circuit.

4 **(b) The judges of the Floyd circuit and superior courts may**
 5 **jointly appoint one (1) full-time magistrate under IC 33-4-7 to**
 6 **serve the circuit and superior courts. The magistrate continues in**
 7 **office until removed by the judges of the circuit and superior**
 8 **courts.**

9 SECTION 78. IC 33-4-1-45, AS AMENDED BY P.L.1-1997,
 10 SECTION 121, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 1999]: Sec. 45. (a) The county of Lake shall
 12 constitute the 31st judicial circuit.

13 (b) The judge of the Lake circuit court may appoint ~~one (1)~~ **two**
 14 **(2) full-time magistrate magistrates** under IC 33-4-7. **One (1)**
 15 **magistrate appointed under this subsection shall be appointed** to
 16 serve the domestic relations counseling bureau established under
 17 IC 31-12-2. The judge shall specify the duties of a magistrate appointed
 18 under this subsection. ~~A magistrate continues~~ **The magistrates**
 19 **continue** in office until removed by the judge of the circuit court.

20 SECTION 79. IC 33-4-1-46 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 46. (a) The county of
 22 LaPorte shall constitute the thirty-second judicial circuit.

23 **(b) The judge of the LaPorte circuit court may appoint one (1)**
 24 **full-time magistrate under IC 33-4-7. The magistrate continues in**
 25 **office until removed by the judge.**

26 SECTION 80. IC 33-4-1-47.1 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 1999]: Sec. 47.1. (a) **The judges of the**
 29 **Lawrence circuit court and the Lawrence superior courts may**
 30 **jointly appoint one (1) full-time magistrate under IC 33-4-7 to**
 31 **serve the circuit and superior courts.**

32 **(b) The magistrate continues in office until jointly removed by**
 33 **the judges.**

34 SECTION 81. IC 33-4-1-64 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 64. (a) The county of
 36 Porter shall constitute the sixty-seventh judicial circuit.

37 **(b) The judge of the Porter circuit court may appoint one (1)**
 38 **full-time magistrate under IC 33-4-7. The magistrate continues in**
 39 **office until removed by the judge.**

40 SECTION 82. IC 33-4-1-75.1 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 75.1. The judge of the
 42 St. Joseph circuit court may appoint ~~one (1)~~ **two (2)** full-time
 43 **magistrate magistrates** under IC 33-4-7. ~~The magistrate continues~~
 44 **magistrates continue** in office until removed by the judge.

45 SECTION 83. IC 33-4-1-77 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 77. (a) The County of

1 Sullivan shall be and constitute the fourteenth judicial circuit.

2 **(b) The judges of the Sullivan circuit court and the Sullivan**
 3 **superior court may jointly appoint one (1) full-time magistrate**
 4 **under IC 33-4-7 to serve the circuit and superior courts. The**
 5 **magistrate continues in office until jointly removed by the judges.**

6 SECTION 84. IC 33-4-1-82.1 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 82.1. The judge of the
 8 Vanderburgh circuit court may appoint ~~one (1)~~ **two (2)** full-time
 9 ~~magistrate~~ **magistrates** under IC 33-4-7. The ~~magistrate continues~~
 10 **magistrates continue** in office until removed by the judge.

11 SECTION 85. IC 33-5-10-25 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 1999]: **Sec. 25. (a) The judges of the Clark**
 14 **circuit and superior courts may jointly appoint one (1) full-time**
 15 **magistrate under IC 33-4-7 to serve the circuit and superior courts.**

16 **(b) The magistrate continues in office until removed by the**
 17 **judges of the Clark circuit and superior courts.**

18 **(c) The appointment and removal of a magistrate under this**
 19 **section may be made only by a majority vote of the circuit and**
 20 **superior court judges.**

21 SECTION 86. IC 33-5-10.8-1 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. There is established
 23 a court of record to be known as the DeKalb superior court (referred to
 24 as "the court" in this chapter). The court may have a seal containing the
 25 words "DeKalb Superior Court **No. 1, DeKalb County, Indiana**" and
 26 **DeKalb Superior Court No. 2, DeKalb County, Indiana**". DeKalb
 27 County comprises the judicial district of the court.

28 SECTION 87. IC 33-5-10.8-2 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The court has ~~one~~
 30 ~~(1) judge;~~ **two (2) judges** who shall be elected at the general election
 31 every six (6) years in DeKalb County. ~~His~~ **A judge's** term begins
 32 January 1 following ~~his~~ **the judge's** election and ends December 31
 33 following the election of ~~his~~ **the judge's** successor.

34 (b) To be eligible to hold office as judge of the court, a person
 35 must:

- 36 (1) be a resident of DeKalb County;
 37 (2) be under seventy (70) years of age at the time ~~he takes of~~
 38 **taking** office; and
 39 (3) be admitted to the bar of Indiana.

40 SECTION 88. IC 33-5-10.8-4 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. ~~The~~ **Each** judge of
 42 the court has the same powers relating to the conduct of the business
 43 of the court as the judge of the DeKalb circuit court. ~~The~~ **Each** judge
 44 of the court also may administer oaths, solemnize marriages, and take
 45 and certify acknowledgments of deeds.

46 SECTION 89. IC 33-5-10.8-9 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. ~~The~~ **Each** judge of
 2 the court shall appoint a bailiff and an official court reporter for the
 3 court; their salaries shall be fixed in the same manner as the salaries of
 4 the bailiff and official court reporter for the DeKalb circuit court. Their
 5 salaries shall be paid monthly out of the treasury of DeKalb County as
 6 provided by law.

7 SECTION 90. IC 33-5-10.8-10 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. The clerk of the
 9 court, under the direction of the ~~judge~~ **judges** of the court, shall provide
 10 order books, judgment dockets, execution dockets, fee books, and other
 11 books for the court, which shall be kept separately from the books and
 12 papers of other courts.

13 SECTION 91. IC 33-5-10.8-14 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. The judge of the
 15 DeKalb circuit court may, with the consent of ~~the~~ **a** judge of the court
 16 and of the parties or their counsel, transfer any action or proceeding
 17 from the circuit court to the court. ~~The~~ **A** judge of the court may, with
 18 consent of the judge of the circuit court and of the parties or their
 19 counsel, transfer any action or proceeding from the court to the circuit
 20 court.

21 SECTION 92. IC 33-5-10.8-15 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. The judge of the
 23 DeKalb circuit court may, with the consent of ~~the~~ **a** judge of the court
 24 and of the parties or their counsel, sit as a judge of the court in any
 25 matter as if ~~he~~ **was the judge were** an elected judge of the court. ~~The~~
 26 **A** judge of the court may, with consent of the judge of the circuit court
 27 and of the parties or their counsel, sit as a judge of the circuit court in
 28 any matter as if ~~he~~ **was the judge were** an elected judge of the circuit
 29 court.

30 SECTION 93. IC 33-5-10.8-17 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 17. (a) ~~The~~ **Both**
 32 **superior** court ~~has~~ **No. 1 and superior court No. 2 have** a standard
 33 small claims and misdemeanor division.

34 (b) If the county executive establishes the position of small claims
 35 referee to serve the court, ~~the~~ **each** judge of the court may appoint a
 36 part-time small claims referee under IC 33-5-2.5 to assist the court in
 37 the exercise of its small claims jurisdiction.

38 (c) The small claims referee is entitled to reasonable compensation
 39 not exceeding twenty thousand dollars (\$20,000) a year as
 40 recommended by the judge of the court **making the appointment** to be
 41 paid by the county after the salary is approved by the county fiscal
 42 body. The state shall pay fifty percent (50%) of the salary set under this
 43 subsection and the county shall pay the remainder of the salary.

44 (d) The county executive shall provide and maintain a suitable
 45 courtroom and facilities for the use of the small claims referee,
 46 including necessary furniture and equipment.

1 (e) The court shall employ administrative staff necessary to
2 support the functions of the small claims referee.

3 (f) The county fiscal body shall appropriate sufficient funds for the
4 provision of staff and facilities required under this section.

5 SECTION 94. IC 33-5-13.1-16, AS ADDED BY P.L.18-1995,
6 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 1999]: Sec. 16. (a) The judges of the Elkhart circuit and
8 superior courts may jointly appoint ~~one (1)~~ **two (2)** full-time ~~magistrate~~
9 **magistrates** under IC 33-4-7.

10 (b) ~~The magistrate continues~~ **magistrates continue** in office until
11 removed by the judges of the circuit and superior courts.

12 SECTION 95. IC 33-5-18.1-15 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 1999]: **Sec. 15. (a) The judges of the Floyd**
15 **circuit and superior courts may jointly appoint one (1) full-time**
16 **magistrate under IC 33-4-7.**

17 (b) **The magistrate continues in office until removed by the**
18 **judges of the circuit and superior courts.**

19 SECTION 96. IC 33-5-29.5-7.1, AS AMENDED BY P.L.18-1995,
20 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 1999]: Sec. 7.1. **In addition to any other magistrates**
22 **appointed by the court,** the judges of the:

23 (1) criminal division may appoint two (2) full-time magistrates
24 under IC 33-4-7;

25 (2) civil division may appoint one (1) full-time magistrate
26 under IC 33-4-7; and

27 (3) juvenile division may appoint one (1) full-time magistrate
28 under IC 33-4-7.

29 The magistrates continue in office until removed by the judges of the
30 ~~criminal~~ division **appointing the magistrates. A magistrate**
31 **appointed for the criminal, civil, or juvenile division is entitled to**
32 **the salary provided under IC 33-4-7-9.1. The state shall pay the**
33 **salary.**

34 SECTION 97. IC 33-5-29.5-21 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 21. (a) The court is
36 divided into civil (including probate), criminal, county, and juvenile
37 divisions. The work of the court shall be divided among the divisions
38 by the rules of the court.

39 (b) ~~Five (5)~~ **Six (6)** judges comprise the civil division. Four (4)
40 judges comprise the criminal division. ~~Three (3)~~ **Four (4)** judges
41 comprise the county division. One (1) judge comprises the juvenile
42 division. However, the court by rule may alter the number of judges
43 assigned to a division other than the county division of the court if the
44 court determines that the change is necessary for the efficient operation
45 of the court.

46 (c) The court by rule may reassign a judge of the court from one

1 (1) division to another if the court determines that the change is
 2 necessary for the efficient operation of the court. The court by rule
 3 shall establish a rotation schedule providing for the rotation of judges
 4 through the various divisions. The rotation schedule may be used if a
 5 judge determines that an emergency exists. However, a senior judge of
 6 any division or a judge of the county division may not be reassigned or
 7 rotated to another division under this subsection.

8 (d) The chief judge of the court may assign a judge in one (1)
 9 division of the court to hear a case originating in another division of the
 10 court, and may reassign cases from one (1) judge to another, if the chief
 11 judge determines that the change is necessary for the efficient operation
 12 of the court.

13 SECTION 98. IC 33-5-29.5-27 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 27. The superior court
 15 of Lake County shall consist of ~~thirteen (13)~~ **fifteen (15)** judges plus
 16 the Lake circuit court judge if the circuit court judge chooses to sit on
 17 the superior court of Lake County.

18 SECTION 99. IC 33-5-29.5-39 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 39. A vacancy
 20 occurring on the superior court of Lake County shall be filled by
 21 appointment of the governor ~~from a list of three (3) nominees presented~~
 22 ~~to him by the judicial nominating commission. If the governor shall fail~~
 23 ~~to make an appointment from the list within sixty (60) days from the~~
 24 ~~day it is presented to him, the appointment shall be made by the chief~~
 25 ~~justice or the acting chief justice of the Indiana supreme court from the~~
 26 ~~same list, or altered list as provided for in section 38 of this chapter.~~

27 ~~The governor shall make all such appointments to the superior~~
 28 ~~court of Lake County without regard to the political affiliation of any~~
 29 ~~of the three (3) nominees submitted to him. Further, in the interest of~~
 30 ~~justice, the governor shall consider only those qualifications of the~~
 31 ~~nominees included in section 36 of this chapter. **under IC 3-13-6-1.**~~

32 SECTION 100. IC 33-5-29.5-40 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 40. An appointment by
 34 the governor ~~or chief justice, as required by section 39 of this chapter,~~
 35 ~~to fill a vacancy on~~ the superior court of Lake County shall take effect
 36 immediately if a vacancy exists at the date of the appointment. The
 37 appointment shall take effect on the date the vacancy is created if no
 38 such vacancy yet exists at the date of appointment.

39 SECTION 101. IC 33-5-29.5-41 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 41. (a) Each judge
 41 appointed under ~~section 39 of this chapter~~ **IC 3-13-6-1** shall serve an
 42 initial term, which shall commence on the effective date of the
 43 appointment of any such judge and shall continue through December
 44 31 in the year of the general election that follows the expiration of two
 45 (2) years from the effective date of the judge's appointment.

46 (b) Unless rejected by the electorate of Lake County under section

1 42 of this chapter, a judge of the civil division, criminal division, and
2 juvenile division shall serve successive six (6) year terms.

3 (c) The term of office of a judge of the county division of the Lake
4 superior court is six (6) years.

5 (d) Each six (6) year term commences on the first day of January
6 following the expiration of the preceding initial term or the preceding
7 six (6) year term, as the case may be, and shall continue for six (6)
8 years.

9 SECTION 102. IC 33-5-29.5-42 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 42. (a) The question of
11 the retention in office or rejection of each judge of the following
12 divisions of the superior court of Lake County shall be submitted to the
13 electorate of Lake County at the general election immediately
14 preceding expiration of the term of such judge:

15 (1) Civil division.

16 (2) Criminal division.

17 (3) Juvenile division.

18 (b) At such general election the question of the retention in office
19 or rejection of a judge described in subsection (a) shall be submitted to
20 the electorate of Lake County in the form prescribed by IC 3-11-2 and
21 must state "Shall Judge (insert name) of the superior court of Lake
22 County be retained in office for an additional term?".

23 (c) If that a majority of the ballots cast by the electors voting on
24 any such question shall be "Yes", the judge whose name appeared on
25 such question shall be approved for a six (6) year term commencing on
26 January 1 following the general election as provided in section 41(b)
27 of this chapter.

28 (d) If that a majority of the ballots cast by the electors voting on
29 any such question shall be "No", the judge whose name appeared on
30 such question shall be rejected. The office of the rejected judge shall
31 be vacant on January 1 following the rejection. The vacancy shall be
32 filled by appointment by the governor pursuant to ~~section 39 of this~~
33 ~~chapter.~~ **IC 3-13-6-1.**

34 (e) The Lake County election board shall submit the question of
35 the retention in office or rejection of a judge described in subsection (a)
36 to the electorate of Lake County. The submission of the question is
37 subject to the provisions of IC 3 that are not inconsistent with this
38 chapter.

39 (f) If a judge who is appointed does not desire to serve any further
40 term, the judge shall notify in writing the clerk of the Lake circuit court
41 at least sixty (60) days prior to any such general election, in which case
42 the question of that judge's retention in office or rejection shall not be
43 submitted to the electorate, and the office shall become vacant at the
44 expiration of the term.

45 SECTION 103. IC 33-5-40.5-12 IS ADDED AS A NEW
46 SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

1 **Sec. 12. (a) The judges of the Sullivan circuit court and the Sullivan**
 2 **superior court may jointly appoint one (1) full-time magistrate**
 3 **under IC 33-4-7 to serve the circuit and superior courts.**

4 **(b) The magistrate continues in office until jointly removed by**
 5 **the judges.**

6 SECTION 104. IC 33-5-43-1.1, AS AMENDED BY P.L.18-1995,
 7 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 1999]: Sec. 1.1. (a) The judges of the
 9 Vanderburgh superior court may jointly appoint not more than ~~two (2)~~
 10 **four (4)** full-time magistrates under IC 33-4-7.

11 (b) A magistrate continues in office until jointly removed by the
 12 judges.

13 SECTION 105. IC 33-5.1-2-22, AS ADDED BY P.L.16-1995,
 14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 1999]: Sec. 22. Each judge, before entering upon the duties of
 16 office, shall take and subscribe the following oath or affirmation:

17 "I solemnly swear (or affirm) that I will support the Constitution
 18 of the United States and the Constitution of the State of Indiana
 19 and that I will faithfully discharge the duties of judge of the
 20 superior court of Marion County to the best of my ability."

21 ~~The oath shall be filed with the clerk of the county:~~

22 SECTION 106. IC 33-5.1-2-26, AS ADDED BY P.L.16-1995,
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 1999]: Sec. 26. (a) The presiding judge may appoint one (1)
 25 full-time magistrate under IC 33-4-7.

26 (b) A magistrate appointed under this section may ~~only~~ hear:

27 (1) criminal proceedings brought under IC 35-48; ~~and~~

28 (2) drug related proceedings brought under IC 34-4-30.1; ~~and~~

29 **(3) any other proceedings assigned to the magistrate by the**
 30 **presiding judge.**

31 (c) The magistrate continues in office until removed by the
 32 presiding judge.

33 SECTION 107. IC 33-5.1-2-27, AS ADDED BY P.L.18-1995,
 34 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 1999]: Sec. 27. (a) In addition to the magistrate appointed
 36 under section 26 of this chapter, the judges of the superior court may,
 37 by a vote of a majority of the judges, appoint ~~four (4)~~ **eight (8)** full-time
 38 magistrates under IC 33-4-7.

39 (b) Not more than ~~two (2)~~ **four (4)** of the magistrates appointed
 40 under this section may be of the same political party.

41 (c) The magistrates continue in office until removed by the vote of
 42 a majority of the judges of the court.

43 (d) A party to a superior court proceeding that has been assigned
 44 to a magistrate appointed under this section may request that an elected
 45 judge of the superior court preside over the proceeding instead of the
 46 magistrate to whom the proceeding has been assigned. Upon a request

1 made under this subsection by either party, the magistrate to whom the
 2 proceeding has been assigned shall transfer the proceeding back to the
 3 superior court judge.

4 SECTION 108. IC 33-8-2-25, AS AMENDED BY P.L.1-1997,
 5 SECTION 126, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 1999]: Sec. 25. In addition to any appointments
 7 made by the judge of the St. Joseph probate court under IC 31-31-3, the
 8 judge of the St. Joseph probate court may appoint ~~one (1)~~ **three (3)**
 9 full-time ~~magistrate~~ **magistrates** under IC 33-4-7. The ~~magistrate~~
 10 **magistrates** may exercise:

11 (1) probate jurisdiction under IC 33-8-2-9; and

12 (2) juvenile jurisdiction under IC 33-8-2-10;

13 and ~~continues~~ **continue** in office until removed by the judge.

14 SECTION 109. IC 33-10.1-2-4, AS AMENDED BY P.L.12-1997,
 15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 1999]: Sec. 4. **(a) Except as provided in this section,** the city
 17 court of each of the four (4) cities having the largest populations and
 18 the town court of the town having the largest population in a county
 19 having a population of more than four hundred thousand (400,000) but
 20 less than seven hundred thousand (700,000) have concurrent civil
 21 jurisdiction with the circuit court of the county where the amount in
 22 controversy does not exceed three thousand dollars (\$3,000).

23 **(b) The city court in a city having a population of more than**
 24 **thirty-three thousand eight hundred fifty (33,850) but less than**
 25 **thirty-five thousand (35,000) in a county having a population of**
 26 **more than four hundred thousand (400,000) but less than seven**
 27 **hundred thousand (700,000) has concurrent civil jurisdiction with**
 28 **the circuit court of the county where the amount in controversy**
 29 **does not exceed six thousand dollars (\$6,000).**

30 **(c) The A court described in this section** has jurisdiction in any
 31 action where the parties or the subject matter are in the county in which
 32 the city or town is located. However, the city or town court does not
 33 have jurisdiction in:

34 (1) actions for slander or libel;

35 (2) matters relating to decedents' estates, appointment of
 36 guardians, and all related matters;

37 (3) dissolution of marriage actions; or

38 (4) injunction or mandate actions.

39 SECTION 110. IC 36-1-2-2 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. "Bonds" means any
 41 evidences of indebtedness, whether payable from property taxes,
 42 revenues, or any other source. ~~but~~ **However, the term** does not include
 43 notes or warrants representing temporary loans that are payable out of:

44 (1) taxes levied and in the course of collection; **or**

45 (2) **other deposits in the general fund of a school corporation.**

46 SECTION 111. IC 36-7-15.1-26.9 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 26.9. (a) The
2 definitions set forth in section 26.5 of this chapter apply to this section.

3 (b) The fiscal officer of the consolidated city shall publish in the
4 newspaper in the county with the largest circulation all determinations
5 made under section 26.5 or 26.7 of this chapter that result in the
6 allowance or disallowance of credits. The publication of a
7 determination made under section 26.5 of this chapter shall be made
8 not later than June 20 of the year in which the determination is made.
9 The publication of a determination made under section 26.7 of this
10 chapter shall be made not later than December 5 of the year in which
11 the determination is made.

12 (c) If credits are granted under section 26.5(g) or 26.5(h) of this
13 chapter, whether in whole or in part, property taxes on personal
14 property (as defined in IC 6-1.1-1-11) that are equal to the aggregate
15 amounts of the credits for all taxpayers in the allocation area under
16 section 26.5(g) and 26.5(h) of this chapter shall be:

- 17 (1) allocated to the redevelopment district;
- 18 (2) paid into the special fund for that allocation area; and
- 19 (3) used for the purposes specified in section 26 of this chapter.

20 (d) The county auditor shall adjust the estimate of assessed
21 valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing
22 units in which the allocation area is located. The county auditor may
23 amend this adjustment at any time before the earliest date a taxing unit
24 must publish the unit's proposed property tax rate under IC 6-1.1-17-3
25 in the year preceding the year in which the credits under section
26 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to
27 the assessed valuation shall be:

- 28 (1) calculated to produce an estimated assessed valuation that
29 will offset the effect that paying personal property taxes into the
30 allocation area special fund under subsection (c) would
31 otherwise have on the ability of a taxing unit to achieve the
32 taxing unit's tax levy in the following year; and
- 33 (2) used by the county board of tax adjustment, the state board
34 of tax commissioners, and each taxing unit in determining each
35 taxing unit's tax rate and tax levy in the following year.

36 (e) The amount by which a taxing unit's levy is adjusted as a result
37 of the county auditor's adjustment of assessed valuation under
38 subsection (d), and the amount of the levy that is used to make direct
39 payments to taxpayers under section 26.5(h) of this chapter, is not part
40 of the total county tax levy under IC 6-1.1-21-2(g) and is not subject to
41 IC 6-1.1-20.

42 (f) The ad valorem property tax levy limits imposed by
43 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1, 2001**) do
44 not apply to ad valorem property taxes imposed that are used to offset
45 the effect of paying personal property taxes into an allocation area
46 special fund during the taxable year under subsection (d) or to make

1 direct payments to taxpayers under section 26.5(h) of this chapter. For
 2 purposes of computing the ad valorem property tax levy limits imposed
 3 under IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 (**repealed January 1,**
 4 **2001**), a taxing unit's ad valorem property tax levy for a particular
 5 calendar year does not include that part of the levy imposed to offset
 6 the effect of paying personal property taxes into an allocation area
 7 special fund under subsection (d) or to make direct payments to
 8 taxpayers under section 26.5(h) of this chapter.

9 (g) Property taxes on personal property that are deposited in the
 10 allocation area special fund:

11 (1) are subject to any pledge of allocated property tax proceeds
 12 made by the redevelopment district under section 26(d) of this
 13 chapter, including but not limited to any pledge made to owners
 14 of outstanding bonds of the redevelopment district of allocated
 15 taxes from that area; and

16 (2) may not be treated as property taxes used to pay interest or
 17 principal due on debt under IC 6-1.1-21-2(g)(1)(D).

18 SECTION 112. THE FOLLOWING ARE REPEALED
 19 [EFFECTIVE JANUARY 1, 2001]: IC 6-1.1-19-1; IC 6-1.1-19-1.5;
 20 IC 6-1.1-19-1.7; IC 6-1.1-19-2; IC 6-1.1-19-4.5; IC 6-1.1-19-4.7;
 21 IC 6-1.1-19-4.9; IC 6-1.1-19-5.1; IC 6-1.1-19-6; IC 6-1.1-19-11;
 22 IC 6-1.1-21.5; IC 6-1.1-34; IC 20-3-11-18; IC 20-4-1-26.9;
 23 IC 20-4-8-23; IC 21-2-11-8; IC 21-2-12; IC 21-2-13; IC 21-2-14.

24 SECTION 113. [EFFECTIVE JULY 1, 1999]: (a) **As used in this**
 25 **SECTION, "balance" means the unencumbered balance in a**
 26 **school corporation's levy excess fund on January 1, 2001.**

27 (b) **The state board of tax commissioners may require a school**
 28 **corporation to include the balance in a school corporation's levy**
 29 **excess fund in the school corporation's budget fixed under**
 30 **IC 6-1.1-17.**

31 (c) **Except as provided in subsection (d), a school corporation**
 32 **may not spend money in its levy excess fund until the expenditure**
 33 **of the money is included in a budget that is approved by the state**
 34 **board of tax commissioners under IC 6-1.1-17.**

35 (d) **A school corporation may transfer money from its levy**
 36 **excess fund to its other funds to reimburse those funds for amounts**
 37 **withheld from the school corporation as a result of refunds paid**
 38 **under IC 6-1.1-26.**

39 (e) **A school corporation may use money in its levy excess fund**
 40 **for a lawful purpose for which money in its other funds may be**
 41 **used.**

42 SECTION 114. THE FOLLOWING ARE REPEALED
 43 [EFFECTIVE JULY 1, 1999]: IC 33-5-29.5-28; IC 33-5-29.5-29;
 44 IC 33-5-29.5-30; IC 33-5-29.5-31; IC 33-5-29.5-32; IC 33-5-29.5-33;
 45 IC 33-5-29.5-34; IC 33-5-29.5-35; IC 33-5-29.5-36; IC 33-5-29.5-37;
 46 IC 33-5-29.5-38.

1 SECTION 115. [EFFECTIVE JULY 1, 1999] **A judge appointed**
 2 **to the civil, criminal, or juvenile division of the Lake superior court**
 3 **before July 1, 1999, may continue to serve the remainder of the**
 4 **judge's term of office after June 30, 1999, before having the**
 5 **question of the judge's retention in office submitted to the voters**
 6 **under IC 33-5-29.5-42.**

7 SECTION 116. [EFFECTIVE: JULY 1, 1999]: (a)
 8 **Notwithstanding IC 33-5-10.8-2, as amended by this act, the initial**
 9 **election of the judge of the DeKalb superior court No. 2 is the**
 10 **general election to be held November 7, 2000. The person elected**
 11 **takes office January 1, 2001.**

12 (b) **This SECTION expires January 2, 2002.**

13 SECTION 117. [EFFECTIVE JULY 1, 1997 (RETROACTIVE)]:
 14 (a) **There is appropriated from the state general fund beginning**
 15 **July 1, 1997, and ending June 30, 1999, eleven million two hundred**
 16 **thousand dollars (\$11, 200,000) to the block grant - purchase of**
 17 **social services contingency fund. This appropriation is in addition**
 18 **to appropriations in P.L.260-1997(ss) or any other act. The amount**
 19 **appropriated to the block grant - purchase of social services**
 20 **contingency fund by this SECTION shall be allocated in the same**
 21 **proportion that amounts appropriated to the block grant -**
 22 **purchase of social services contingency fund in P.L.260-1997(ss)**
 23 **are allocated.**

24 (b) **This SECTION expires June 30, 1999.**

25 SECTION 118. [EFFECTIVE JANUARY 1, 2001] **IC 6-3-1-3.5,**
 26 **as amended by this act, applies only to taxable years beginning**
 27 **after December 31, 2000.**

28 SECTION 119. [EFFECTIVE JANUARY 1, 2001] **IC 6-3-2-1, as**
 29 **amended by this act, applies only to taxable years beginning after**
 30 **December 31, 2000.**

31 SECTION 120. [EFFECTIVE JANUARY 1, 2001] **IC 6-3-2-6, as**
 32 **amended by this act, applies only to taxable years beginning after**
 33 **December 31, 2000.**

34 SECTION 121. [EFFECTIVE JANUARY 1, 2001] **IC 6-3-8-4.1,**
 35 **as amended by this act, applies only to taxable years beginning**
 36 **after December 31, 2000.**

37 SECTION 122. **An emergency is declared for this act."**

38 Renumber all SECTIONS consecutively.

(Reference is to ESB as printed February 18, 1998.)

Representative Alevizos