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WITHDRAWN	Noes _____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

HOUSE MOTION ____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

Delete the title and insert the following:

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

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 4. General Expenditure Controls

Sec. 1. As used in this chapter, "base year" means the state fiscal year beginning July 1, 1997.

Sec. 2. As used in this chapter, "budget period" means the biennium beginning July 1 of an odd-numbered year.

Sec. 3. As used in this chapter, "state spending cap" refers to the maximum expenditures under section 8 of this chapter.

Sec. 4. As used in this chapter, "controlled state fund" refers to a state fund that is a depository of revenue from at least one (1) of the following:

(1) Alcoholic beverage taxes under IC 7.1-4.

(2) Gaming card excise tax under IC 4-32-15-1.

(3) Cigarette and tobacco products tax under IC 6-7-2.

(4) Controlled substance excise tax under IC 6-7-3.

(5) Gross income tax under IC 6-2.1.

(6) Adjusted gross income tax under IC 6-3 and IC 6-3.1.

(7) Supplemental corporate net income tax under IC 6-3-8.
(8) Financial institutions tax under IC 6-5.5.
(9) Gasoline tax under IC 6-6-1.1.
(10) Special fuel tax under IC 6-6-2.1.
(11) Motor carrier fuel tax under IC 6-6-4.1.
(12) Motor fuel inventory tax under IC 6-6-1.1-209.
(13) Motor carrier surcharge tax under IC 6-6-4.1-4.5.
(14) Hazardous waste disposal tax under IC 6-6-6.6.
(15) Insurance tax under IC 27-1-18-2.
(16) Fire insurance tax under IC 22-12-6-5.
(17) Petroleum severance tax under IC 6-8-1.
(18) Pari-mutuel admissions tax under IC 4-31-9-5.
(19) Pari-mutuel satellite facility tax under IC 4-31-9-9.
(20) Pari-mutuel wagering tax under IC 4-31-9-3.
(21) Riverboat admissions tax under IC 4-33-12.
(22) Riverboat wagering tax under IC 4-33-13.
(23) Retail and use taxes under IC 6-2.5.
(24) Property taxes under IC 6-1.1.

Sec. 5. As used in this chapter, "expenditures" refers to an expenditure from a controlled state fund in a state fiscal year. The term does not include the following:

(1) A payment of a tax refund or refundable tax credit related to a state tax liability.
(2) A transfer between controlled state funds or accounts within a controlled state fund.
(3) The costs of capital construction and repair.
(4) The costs of judgments and settlements.

Sec. 6. (a) As used in this chapter, "total state revenue" means the total amount of revenue that is:

(1) received by the state for a state fiscal year from a tax, a fee, a refund, an award, a settlement, a distribution from the federal government, a transfer from the counter-cyclical revenue and economic stabilization fund under IC 4-10-18-4, or a transfer from the counter-cyclical revenue and economic stabilization fund under IC 4-10-18-8; and
(2) deposited in a controlled state fund.

(b) Except as provided in subsection (a), the term does not include the following:

(1) Money transferred from a fund that is not a controlled state fund to a controlled state fund.
(2) A distribution from the federal government that is expended without an appropriation of the general assembly.

Sec. 7. (a) The budget agency shall determine the Indiana nonfarm personal income growth index (IPI growth index) in each even-numbered year as provided in this section. The IPI growth index applies to the two (2) year state budget period that begins in

each odd-numbered year. The IPI growth index is the cumulative growth in Indiana nonfarm personal income since the base year using the average annual change in gross Indiana nonfarm personal income as reported by the United States Department of Commerce, Bureau of Economic Analysis for each of the six (6) calendar years ending December 31 of the year before the IPI growth index is determined.

(b) The budget agency shall publish in the Indiana Register the IPI growth index not later than November 1 of each even numbered year.

(c) The IPI growth index is multiplied by the base year spending to determine the maximum expenditures allowed from controlled funds for a budget period.

Sec. 8. Except as provided in section 10 of this chapter, the:

(1) general assembly shall not appropriate; and

(2) budget director may not allot;

more for expenditures in a state fiscal year than the amount of base year spending adjusted by the IPI growth index.

Sec. 9. (a) An increase in the spending cap, other than by an increase in the IPI growth index, may occur only if at least one (1) of the following occurs:

(1) A spending responsibility has shifted from another level of government to the state.

(2) A spending responsibility has shifted from a fund not limited by this chapter to a fund limited by this chapter.

(3) There has been:

(A) an expansion of:

(i) state services; and

(ii) state spending; and

(B) a tax increase that is dedicated to these state services and spending.

(b) An increase in the spending cap requires the approval of a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

Sec. 10. The general assembly, in a regular session, may authorize an emergency appropriation by enacting a public law that contains all the statements described in section 11 of this chapter in a supplemental appropriations act. The act must be approved by a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

Sec. 11. The act described in section 10 of this chapter must contain the following:

(1) A statement that all spending authorized in the act is beyond the limits of the state spending cap.

(2) A description of the additional amount of emergency expenditures and an explanation of the specific

circumstances that created the need for a supplemental appropriation.

Sec. 12. Except as allowed in an emergency appropriation and allotment under section 10 of this chapter, all appropriations for expenditures for a state fiscal year, including continuing appropriations, are void if the total amount appropriated for expenditures exceeds the state spending cap for the state fiscal year that is allowed under section 8 of this chapter. If the appropriations for a state fiscal year are voided under this section, the general assembly in a regular or special session may reappropriate an amount that does not exceed the state spending cap allowed under section 8 of this chapter.

Sec. 13. (a) Reductions in the state spending cap are mandatory in each year when spending responsibility is:

(1) shifted from the state to another level of government; or

(2) transferred from a fund limited by this chapter to a fund not limited by this chapter.

The state spending cap must be decreased by the amount of the shift or transfer.

(b) The amount of the state spending cap reduction shall be determined by the budget agency upon the recommendation of the state budget committee by a simple majority vote.

(c) If the budget agency determines:

(1) a state spending cap reduction is required that is less than one-tenth percent (0.1%); or

(2) to waive the mandatory downward adjustment;

the state spending cap reduction must receive a unanimous recommendation from the state budget committee.

SECTION 2. IC 4-13-2-18, AS AMENDED BY P.L.6-1996, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) For the purpose of the administration of the allotment system provided by this section, each fiscal year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first day of July, October, January, and April. However, in any case where the quarterly allotment period is impracticable, the state budget director may prescribe a different period suited to the circumstances but not extending beyond the end of any fiscal year.

(b) Except as otherwise expressly provided in this section, the provisions of this chapter relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds, from which expenditures are to be made from time to time by or under the authority of any state agency. However, the provisions relating to the allotment system shall not apply to moneys made available for the purpose of conducting a post-audit of financial transactions of any state

agency. Likewise, appropriations for construction or for the acquisition of real estate for public purposes may be exempted from the allotment system by the state budget director, but in such cases he shall prescribe such regulations as will insure the proper application and encumbering of funds.

(c) No appropriation to any state agency shall become available for expenditure until:

(1) such state agency shall have submitted to the state budget agency a request for allotment, such request for allotment to consist of an estimate of the amount required for each activity and each purpose for which money is to be expended during the applicable allotment period; and

(2) such estimate contained in the request for allotment shall have been approved, increased, or decreased by the state budget director and funds allotted therefor as hereinafter provided.

The form of a request for allotment, including a request by hand, mail, facsimile transmission, or other electronic transmission, shall be prescribed by the state budget agency with the approval of the auditor of state and shall be submitted to them at least twenty-five (25) days prior to the beginning of the allotment period.

(d) Each request for allotment shall be reviewed by the state budget agency and respective amounts therein shall be allotted for expenditure if:

(1) the estimate therein is within the terms of the appropriation as to amount and purpose, having due regard for the probable future needs of the state agency for the remainder of the fiscal year or other term for which the appropriation was made; and

(2) the agency contemplates expenditure of the allotment during the period.

Otherwise the state budget agency shall modify the estimate so as to conform with the terms of the appropriation and the prospective needs of the state agency, and shall reduce the amount to be allotted accordingly. The state budget agency shall act promptly upon all requests for allotment and shall notify every state agency of its allotments at least five (5) days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other term for which the appropriation was made shall not exceed the amount appropriated for such year or term.

(e) The state budget director shall also have authority at any time to modify or amend any allotment previously made by him.

(f) In case the state budget director shall discover at any time that:

(1) the probable receipts from taxes or other sources for any fund will be less than were anticipated; and

(2) as a consequence the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor;

he shall, with the approval of the governor, and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted so as to prevent a deficit.

(g) The definitions in IC 2-2.1-4 apply throughout this subsection. Allotments for a state fiscal year that exceed the greater of the maximum allotment allowed under IC 2-2.1-4-8 or IC 2-2.1-4-9 are void. The budget agency shall allot money for an appropriation, including an appropriation that is not made in a specific amount, to provide that the total allotment for expenditures from a state controlled fund in a state fiscal year does not exceed the greater of the maximum allotment allowed under IC 2-2.1-4-8 or IC 2-2.1-4-9. If the state budget director discovers that the probable expenditures for the remainder of a state fiscal year will exceed the greater of the maximum allotment allowed under IC 2-2.1-4-8 or IC 2-2.1-4-9, the state budget director shall, with the approval of the governor and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted to prevent an allotment of more than the greater of the maximum allotment allowed under IC 2-2.1-4-8 or IC 2-2.1-4-9.

~~(g)~~ **(h)** The state budget agency shall promptly transmit records of all allotments and modifications thereof to the auditor of state.

~~(h)~~ **(i)** The auditor of state shall maintain as a part of the central accounting system for the state, as hereinbefore provided, records showing at all times, by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts; the amounts allotted and available for expenditure, the total expenditures, the unliquidated obligations, actual balances on hand, and the unencumbered balances of the allotments for each state agency.

~~(i)~~ **(j)** No payment shall be made from any fund, allotment, or appropriation unless the auditor of state shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation, after taking into consideration all previous expenditures to meet the same. In the case of an obligation to be paid from federal funds, a notice of federal grant award shall be considered an appropriation against which obligations may be incurred, funds may be allotted, and encumbrances may be made.

~~(j)~~ **(k)** Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be void. Every payment made in violation of the provisions of this chapter shall be illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any

expenditure in violation of the provisions of this chapter, or take any part therein, it shall be ground for his removal by the officer appointing him, and if the appointing officer be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him.

SECTION 3. IC 6-1.1-18-3, AS AMENDED BY P.L.25-1995, SECTION 27 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) one dollar and twenty-five cents ($1.25) on each one hundred dollars ($100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) two dollars ($2) on each one hundred dollars ($100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

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

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

(3) To pay the principal or interest upon:

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

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

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

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

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

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

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

SECTION 4. IC 6-1.1-18-3, AS AMENDED BY P.L.6-1997, SECTION 82 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents ($0.6667) on each one hundred dollars ($100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

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

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

(3) To pay the principal or interest upon:

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

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

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

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

~~(6) To meet the requirements of the county welfare fund, the county welfare administration fund, for public welfare services, or the family and children's fund for child services (as defined in~~

~~IC 12-19-7-1).~~

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

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

SECTION 5. IC 6-1.1-18.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. (a) **As used in this section, "price deflator" refers to the gross domestic product implicit price deflator prepared by the United States Department of Commerce.** For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the civil taxing unit's total assessed value of all taxable property in the particular calendar year, divided by the civil taxing unit's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Determine the greater of **the following:**

(A) The result computed in STEP THREE. ~~or one and five-hundredths (1.05).~~

(B) The following:

(i) Determine the change in the price deflator for the state fiscal year that most immediately precedes the ensuing calendar year.

(ii) Determine the sum of one (1) plus the result determined under item (i).

(iii) Determine the lesser of the result determined under item (ii) or one and four-hundredths (1.04).

STEP FIVE: Determine the lesser of the result computed in STEP FOUR or one and one-tenth (1.1).

(b) If the assessed values of taxable property used in determining a civil taxing unit's property taxes that are first due and payable in a particular calendar year are significantly increased over the assessed

values used for the immediately preceding calendar year's property taxes due to the settlement of litigation concerning the general reassessment of that civil taxing unit's real property, then for purposes of determining that civil taxing unit's assessed value growth quotient for an ensuing calendar year, the state board of tax commissioners shall replace the **assessed value growth** quotient described in STEP TWO of subsection (a) for that particular calendar year. The state board of tax commissioners shall replace that quotient with one that as accurately as possible will reflect the actual growth in the civil taxing unit's assessed values of real property from the immediately preceding calendar year to that particular calendar year.

(c) Not later than July 1 each year, the state board of tax commissioners shall provide each civil taxing unit and county auditor with an estimate of the assessed value growth quotient determined under subsection (a) that applies to the ensuing calendar year. Each civil taxing unit and county board of tax adjustment shall use the estimated assessed value growth quotient determined under subsection (a) by the state board of tax commissioners in preparing, adopting, and reviewing budgets, tax rates, and tax levies. Not later than October 1 each year, the state board of tax commissioners shall provide each civil taxing unit with a revised assessed value growth quotient using the latest published data concerning the price deflator available to the state board of tax commissioners. The state board of tax commissioners shall use the revised assessed value growth quotient in certifying budgets, tax rates, and tax levies under IC 6-1.1-17-16.

SECTION 6. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.52-1996, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under ~~any of the following:~~

~~(1) IC 12-16, except IC 12-16-1.~~

~~(2) IC 12-19-3-3 through IC 12-19-3-7.~~

~~(3) IC 12-19-4.~~

~~(4) IC 12-19-5.~~

~~(5) IC 12-19-7.~~

~~(6)~~ IC 12-20-24.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under ~~the citations listed in subsection (a).~~ **IC 12-20-24.**

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that **was issued to pay obligations incurred before January 1, 1999, and that** will be repaid through property taxes imposed under IC 12-19.

SECTION 7. IC 6-1.1-20.9-2, AS AMENDED BY P.L.57-1997, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998](RETROACTIVE)]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is attributable to the homestead during the particular calendar year.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 ~~through 2001~~ **and thereafter**	~~10%~~ **15%**
~~2002 and thereafter~~	~~4%~~

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount

designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 8. IC 6-1.1-21-2, AS AMENDED BY P.L.253-1997(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. As used in this chapter:

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

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

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

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

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

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

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

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract

adjustments which change the amount of the aggregate levy; minus

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

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

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

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

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

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

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

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of ~~IC 21-2-6 or~~ any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of ~~IC 21-2-6 or~~ any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 **(before its repeal)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or

reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 20-14-13 for a library capital projects fund; plus

(iv) IC 20-5-17.5-3 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a) STEP ONE~~ **IC 6-1.1-19-1.5(b) STEP FOUR** or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; ~~minus~~

~~(K) for each county, the sum of:~~

~~(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and~~

~~(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995;~~ plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.36-1994, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, ~~IC 12-19-3, IC 12-19-7,~~ IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance

is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

(c) A tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

SECTION 10. IC 6-3-1-3.5, AS AMENDED BY P.L.57-1997, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 3.5. When used in IC 6-3, the term "adjusted gross income" shall mean the following:

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

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

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

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

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

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer, and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract five hundred dollars ($500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996, and before January 1, 2001. This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a

political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total ordinary income portion of a lump sum distribution (as defined in Section 402(e)(4)(A) of the Internal Revenue Code), if the lump sum distribution is received by the individual during the taxable year and if the ordinary income portion of the distribution is taxed in the manner provided in Section 402(e) of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Internal Revenue Code Section 111 as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code, if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2, IC 12-10-6-3, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

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

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

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

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

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

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

SECTION 11. IC 6-3.5-6-18.5, AS AMENDED BY P.L.98-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not

less than the following:

Center Township	$1,898,145
Decatur Township	$ 164,103
Franklin Township	$ 173,934
Lawrence Township	$ 890,086
Perry Township	$ 854,544
Pike Township	$1,410,375
Warren Township	$1,027,721
Washington Township	$1,017,890
Wayne Township	$ 988,397
Lawrence-City	$ 648,848
Beech Grove	$ 639,017
Southport	$ 18,906
Speedway	$ 546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for each civil taxing unit for the calendar year in which the month falls; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all civil taxing units of the county during the calendar year in which the month falls.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio

established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for the qualifying civil taxing unit during the calendar year in which the month falls; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls.

SECTION 12. IC 12-7-2-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 45. "County office" refers to a county office of family and children **within the division of family and children.**

SECTION 13. IC 12-7-2-91, AS AMENDED BY P.L.91-1996, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

~~(2) For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.~~

~~(3)~~ **(2)** For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

~~(4)~~ **(3)** For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

~~(5)~~ **(4)** For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

~~(6)~~ **(5)** For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

~~(7) For purposes of IC 12-19-3, the meaning set forth in IC 12-19-3-1.~~

~~(8) For purposes of IC 12-19-4, the meaning set forth in IC 12-19-4-1.~~

~~(9) For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.~~

~~(10)~~ **(6)** For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(11) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.~~

~~(12)~~ **(7)** For purposes of IC 12-24-14, the meaning set forth in

IC 12-24-14-1.

~~(13)~~ **(8)** For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 14. IC 12-7-2-95 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 95. (a) "Grant-in-aid", for purposes of the statutes listed in subsection (b), means any money paid by the federal government to the state ~~or any money paid by the state to a county~~ for the purpose of defraying any of the expenses, claims, allowances, assistance, or obligations authorized by this title.

(b) This section applies to the following statutes:

(1) IC 12-13.

(2) IC 12-14.

(3) IC 12-15.

(4) IC 12-17-1.

(5) IC 12-17-2.

(6) IC 12-17-3.

(7) IC 12-17-9.

(8) IC 12-17-10.

(9) IC 12-17-11.

~~(10) IC 12-19.~~

SECTION 15. IC 12-7-2-136 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 136. "Patient" means the following:

(1) For purposes of IC 12-24-1-4, an individual who is admitted to a state institution for observation, diagnosis, or treatment.

(2) For purposes of IC 12-24-7, the meaning set forth in IC 12-24-7-1.

(3) For purposes of ~~IC 12-24-6,~~ IC 12-24-13, IC 12-24-14 and IC 12-24-15, a mentally ill individual, an individual who appears to be mentally ill, or a mentally retarded individual who is:

(A) in or under the supervision and control of a state institution; or

(B) because of mental illness, under the supervision and control of a circuit, superior, or juvenile court.

(4) For purposes of IC 12-24-17, the meaning set forth in IC 12-24-17-2.

(5) For purposes of IC 12-27, an individual receiving mental health services or developmental training. The term includes a client of a service provider.

SECTION 16. IC 12-7-2-169 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 169. (a) "Responsible party", for purposes of ~~IC 12-24-6,~~ IC 12-24-13, IC 12-24-14, and IC 12-24-15 means any of the following:

(1) The patient.

(2) The parents of the patient if the patient is not more than

eighteen (18) years of age.

(3) The spouse of the patient.

(4) The estate of the patient.

(5) A legal guardian of the patient in the guardian's representative capacity.

(6) A trustee of the patient if the trust authorizes payment for the care, treatment, maintenance, or support of the patient.

(b) The term does not include the children of the patient.

SECTION 17. IC 12-7-2-188 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 188. "Superintendent" has the following meaning:

(1) For purposes of IC 12-24, the term refers to the administrative head of a state institution appointed under IC 12-24-2-2.

(2) For purposes of ~~IC 12-24-6,~~ IC 12-24-15 and IC 12-24-17, the term includes:

(A) an employee; or

(B) an individual who holds a license to practice medicine under IC 25-22.5;

designated as a deputy or an agent of the individual described in subdivision (1).

(3) For purposes of IC 12-26, the term means the chief administrative officer of a facility and includes the chief administrative officer's designee.

SECTION 18. IC 12-7-2-200 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 200. (a) "Warrant", for purposes of the statutes listed in subsection (b), means an instrument that is:

(1) the equivalent of a money payment; and

(2) immediately convertible into cash by the payee for the full face amount of the instrument.

(b) This section applies to the following statutes:

(1) IC 12-10-6.

(2) IC 12-13.

(3) IC 12-14.

(4) IC 12-15.

(5) IC 12-17-1.

(6) IC 12-17-9.

(7) IC 12-17-10.

(8) IC 12-17-11.

~~(9) IC 12-19.~~

SECTION 19. IC 12-13-5-1, AS AMENDED BY P.L.1-1997, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. The division shall administer or supervise the public welfare activities of the state. The division has the following powers and duties:

(1) The administration of old age assistance, aid to dependent children, and assistance to the needy blind and persons with disabilities, excluding assistance to children with special health care needs.

(2) The administration of the following:

(A) Any public child welfare service.

(B) The licensing and inspection under IC 12-17.2 and IC 12-17.4.

(C) The care of dependent and neglected children in foster family homes or institutions, especially children placed for adoption or those born out of wedlock.

(D) The interstate placement of children.

(3) The provision of services to county governments, including ~~the following:~~

~~(A) Organizing and supervising county offices for the effective administration of public welfare functions.~~

~~(B) Compiling statistics and necessary information concerning public welfare problems throughout Indiana.~~

~~(C)~~ researching and encouraging research into crime, delinquency, physical and mental disability, and the cause of dependency.

(4) Prescribing the form of, printing, and supplying ~~to the county departments~~ blanks for applications, reports, affidavits, and other forms the division considers necessary and advisable.

(5) Cooperating with the federal Social Security Administration and with any other agency of the federal government in any reasonable manner necessary and in conformity with IC 12-13 through IC 12-19 to qualify for federal aid for assistance to persons who are entitled to assistance under the federal Social Security Act. The responsibilities include the following:

(A) Making reports in the form and containing the information that the federal Social Security Administration Board or any other agency of the federal government requires.

(B) Complying with the requirements that a board or agency finds necessary to assure the correctness and verification of reports.

(6) Appointing from eligible lists established by the state personnel board employees of the division necessary to effectively carry out IC 12-13 through IC 12-19. The division may not appoint a person who is not a citizen of the United States and who has not been a resident of Indiana for at least one (1) year immediately preceding the person's appointment unless a qualified person cannot be found in Indiana for a position as a result of holding an open competitive examination.

(7) Assisting the office of Medicaid policy and planning in fixing

fees to be paid to ophthalmologists and optometrists for the examination of applicants for and recipients of assistance as needy blind persons.

(8) When requested, assisting other departments, agencies, divisions, and institutions of the state and federal government in performing services consistent with this article.

(9) Acting as the agent of the federal government for the following:

(A) In welfare matters of mutual concern under IC 12-13 through IC 12-19.

(B) In the administration of federal money granted to Indiana in aiding welfare functions of the state government.

(10) Administering additional public welfare functions vested in the division by law and providing for the progressive codification of the laws the division is required to administer.

~~(11) Transferring to each county that is required to submit a schedule under IC 12-19-1-9(d) an amount equal to the scheduled amount of the county's lease and rental obligations as provided in IC 12-19-1-9.~~

~~(12)~~ **(11)** Supervising day care centers and child placing agencies.

~~(13)~~ **(12)** Supervising the licensing and inspection of all public child caring agencies.

~~(14)~~ **(13)** Supervising the care of delinquent children and children in need of services.

~~(15)~~ **(14)** Assisting juvenile courts as required by IC 31-30 through IC 31-40.

~~(16)~~ **(15)** Supervising the care of dependent children and children placed for adoption.

~~(17)~~ **(16)** Compiling information and statistics concerning the ethnicity and gender of a program or service recipient.

(17) Operating each county office as an administrative unit within the division.

SECTION 20. IC 12-13-5-3, AS AMENDED BY P.L.108-1996, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. The division may ~~do the following:~~

~~(1)~~ adopt rules under IC 4-22-2 and take action that is necessary or desirable to carry out IC 12-13 through IC 12-19 and that is not inconsistent with IC 12-13 through IC 12-19. Each county director shall keep copies of the rules on file available for inspection by any person interested.

~~(2) Under a division rule, designate county offices to serve as agents of the division in the performance of all public welfare activities in the county.~~

SECTION 21. IC 12-13-5-5, AS AMENDED BY P.L.36-1994, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 1999]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the ~~county welfare fund, the family and children's fund, and other~~ financial transactions as required under IC 12-13 through IC 12-19 and as required by the division.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division and the state board of accounts.

SECTION 22. IC 12-13-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. (a) The treasurer of state may receive money:

(1) received from a source other than the federal Social Security Act;

~~(2) not received from taxes levied in the county;~~ and

~~(3)~~ **(2)** that under IC 12-13 through IC 12-19 the division and county offices are authorized to collect, receive, and administer.

(b) The treasurer of state may pay the money received under subsection (a) into the proper fund or the proper account of the state general fund, provide for the proper custody of the money, and make disbursements upon the order of the division and upon warrant of the auditor of state.

SECTION 23. IC 12-13-7-17, AS AMENDED BY P.L.12-1996, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 17. The part of the care and maintenance of the inmates of the Plainfield Juvenile Correctional Facility and the Indianapolis Juvenile Correctional Facility that under law is to be charged back to the counties shall be paid from the county general fund. ~~and not the county welfare fund or the county family and children's fund, unless otherwise provided by law.~~

SECTION 24. IC 12-13-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. The division shall ~~administer the state medical assistance to wards fund and shall use money in the fund to~~ defray the expenses and obligations incurred by the division for medical assistance to wards and associated administrative costs.

SECTION 25. IC 12-14-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. An application for a dependent child under this article must be made to the county office ~~of~~ **in** the county where the dependent child resides.

SECTION 26. IC 12-14-2-5.4, AS ADDED BY P.L.46-1995, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5.4. (a) Subject to IC 12-8-1-12 and except as provided in subsection (d), the AFDC grant for a person who:

(1) is eligible to receive assistance under section 5 of this chapter; and

(2) becomes employed (including a person who is in a program established under IC 12-8-11);

as calculated under subsection (b), must be diverted to subsidize child care costs.

(b) At:

(1) the time of entry into employment; and

(2) every subsequent change of status that affects the person's AFDC eligibility and assistance levels;

the person's AFDC grant minus earnings and other countable income must be calculated to determine the amount of the grant to be diverted to subsidize child care costs.

(c) A person's AFDC grant must be diverted as described in subsection (a) until:

(1) the person is no longer eligible for AFDC under section 5.1 of this chapter; or

(2) the person's monthly family income is equal to or exceeds one hundred percent (100%) of the monthly federal income poverty level;

whichever occurs first.

(d) A person:

(1) who becomes employed (including a person who is in a program established under IC 12-8-11); and

(2) whose net income is equal to or more than the amount of need recognized under section 5 of this chapter;

has the option to receive either guaranteed child care or a cash payment equal to the amount of the AFDC grant for which the person qualifies immediately before the person becomes employed.

(e) The option under subsection (d) is available until:

(1) the person is no longer eligible for AFDC under section 5.1 of this chapter; or

(2) the person's monthly family income is equal to or exceeds one hundred percent (100%) of the monthly federal income poverty level;

whichever occurs first.

~~(f) An AFDC grant diverted under this section must be from the same sources and in the same proportion as provided in IC 12-19-6.~~

~~(g)~~ **(f)** The division may adopt rules under IC 4-22-2 to implement this section.

SECTION 27. IC 12-14-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. The county office shall notify the applicant ~~and the division~~ of the county office's decision concerning assistance in writing.

SECTION 28. IC 12-14-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 14. ~~Except in counties that are automated under IC 12-14-9.5,~~ Assistance shall be paid monthly ~~to the recipient upon warrant of the county auditor from the county welfare fund upon a verified schedule of the recipients and the amount payable to each recipient prepared and verified by the~~

~~county director, in accordance with the awards made by the county office. A schedule shall be filed in the form required by the division.~~ **by the division.**

SECTION 29. IC 12-14-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. The county office shall prepare ~~four (4)~~ **three (3)** copies of the certificate.

SECTION 30. IC 12-14-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. The copies of the certificate shall be distributed as follows:

(1) One (1) copy retained by and filed in the office of the county office.

(2) One (1) copy filed with the **central office of the** division.

~~(3) One (1) copy filed in the office of the county auditor.~~

~~(4)~~ **(3)** One (1) copy given to the recipient.

SECTION 31. IC 12-14-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. If a move occurs, the county office **in the county** from which the recipient moves shall:

(1) give written notice; and

(2) immediately transfer all of the records relating to the recipient;

to the county office ~~of~~ **in** the county to which the recipient has moved or been taken.

SECTION 32. IC 12-14-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. The county office ~~of~~ **in** the county to which a child has moved or been taken is responsible for determining the eligibility and the payment of assistance to the recipient.

SECTION 33. IC 12-14-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. ~~Except in counties that are automated under IC 12-14-9.5, a county office shall monthly present claims for state reimbursement under IC 12-14-1 through IC 12-14-9 to the division at the time and in the manner the division requires.~~ **AFDC shall be paid monthly to the recipient by warrant of the auditor of state from the state general fund after receipt of a schedule of the recipients, the amount payable to each recipient, and the purposes for the payment. The schedule must be prepared and verified by the director of the division or the director's designee according to the awards made by the division. All schedules must be filed in the form prescribed by the auditor of state. Payment shall be made from the aid to dependent children account of the state general fund.**

SECTION 34. IC 12-14-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. The copies of the certificate shall be distributed as follows:

(1) One (1) copy retained by and filed in the **central office of**

the division.

(2) One (1) copy filed with the ~~state~~ auditor **of state.**

(3) One (1) copy filed in the office of the county recorder.

(4) One (1) copy given to the recipient.

SECTION 35. IC 12-14-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) The division may accept voluntary contributions from a person desiring to contribute to the support of a parent or other person who receives public assistance.

(b) The division shall deposit contributions made under this section in the state ~~welfare~~ **general** fund **or a trust fund, as appropriate.**

SECTION 36. IC 12-14-22-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) A schedule of payments made to or for the benefit of each recipient under this article shall be filed by the ~~county office~~ **division** each month with the ~~county auditor and the~~ prosecuting attorney.

(b) The schedule shall be kept open to the public at all times for inspection, study, and securing data. The schedule must contain the names and addresses, in alphabetical order, of all recipients of benefits.

SECTION 37. IC 12-15-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. An application or a request for Medicaid for an individual must be:

(1) made to the county office ~~of~~ **in** the county in which the applicant resides; and

(2) in the manner required by the office.

SECTION 38. IC 12-15-15-8, AS AMENDED BY P.L.156-1995, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. (a) A per diem rate shall be added to each hospital's base inpatient payment rate. The rate shall be computed for each individual hospital ~~using the following formula:~~

~~STEP ONE: Determine~~ **by determining** the quotient of:

~~(A)~~ **(1)** the total hospital care for the indigent program payments for fiscal year 1992; divided by

~~(B)~~ **(2)** the total Indiana Medicaid patient days for the same period.

(b) The total amount to be paid to hospitals during each fiscal year under subsection (a) is thirty-five million dollars ($35,000,000).

(c) The rate described in subsection (a) shall be updated annually on July 1 by a ratio, the numerator of which is the total ~~tax levy~~ **amount appropriated from state tax revenues** for the hospital care for the indigent program for the most recent fiscal year and the denominator of which is the total ~~tax levy~~ **amount appropriated from state tax revenues** for the hospital care for the indigent program for the year preceding the most recent fiscal year.

(d) If a hospital entitled to payment under this section is not

accepting patients for inpatient and outpatient services at the time payment is made, the payment due to the hospital shall be paid proportionately to all other hospitals, if any, within the same city limits. If no other hospitals are located within the same city limits, the payment shall be paid proportionately to all other hospitals located in the same county.

SECTION 39. IC 12-16-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. To receive payment from the division for the costs incurred in providing care to an indigent person, a hospital must file an application with the county office ~~of~~ **in** the county in which the hospital is located.

SECTION 40. IC 12-16-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3. A payment made to a hospital under the hospital care for the indigent program must be on a warrant drawn on the state ~~hospital care for the indigent fund established by IC 12-16-14.~~ **general fund.**

SECTION 41. IC 12-16-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. (a) Each year the division shall pay two-thirds (2/3) of each claim upon submission and approval of the claim.

(b) If the amount of money in the state hospital care for the indigent fund in a year is insufficient to pay two-thirds (2/3) of each approved claim for patients admitted in that year, the state's ~~and a county's~~ liability to providers under the hospital care for the indigent program for claims approved for patients admitted in that year is limited to the sum of the following:

~~(1) The amount transferred to the state hospital care for the indigent fund from county hospital care for the indigent funds in that year under IC 12-16-14.~~

~~(2)~~ **(1)** Any contribution to the fund in that year.

~~(3)~~ **(2)** Any amount that was appropriated to the state hospital care for the indigent ~~fund~~ **program** for that year by the general assembly.

~~(4) Any amount that was carried over to the state hospital care for the indigent fund from a preceding year.~~

~~(c) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.~~

SECTION 42. IC 12-16-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. ~~(a)~~ Except as provided in section 5 of this chapter, claims for payment shall be segregated by year using the patient's admission date.

~~(b) Each year the division shall pay claims as provided in section 4 of this chapter, without regard to the county of admission or that county's transfer to the state fund.~~

SECTION 43. IC 12-16-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. Before the end

of each state fiscal year, the division shall, to the extent there is money ~~in~~ **appropriated to** the state hospital care for the indigent ~~fund,~~ **program,** pay each provider under the hospital care for the indigent program a pro rata part of the one-third (1/3) balance on each approved claim for patients admitted during the preceding year.

SECTION 44. IC 12-17-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. An application for assistance for a destitute child under this chapter must be made to the county office ~~of~~ **in** the county in which the destitute child resides. The application must be in writing. The division shall prescribe the manner and the form upon which the application must be made.

SECTION 45. IC 12-17-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. (a) Upon the completion of an investigation under section 9 of this chapter, the county office shall do the following:

(1) Determine whether the child is eligible for assistance under this chapter and the division's rules.

(2) Determine the amount of the assistance and the date on which the assistance is to begin.

(3) Make an award, including any subsequent modification of the award, with which the county office shall comply until the award or modified award is vacated.

(4) Notify the applicant and the division of the county office's decision in writing.

(b) The county office shall provide assistance to the recipient at least monthly upon warrant of the ~~county~~ auditor **of state.** The assistance must be

~~(1) made from the county welfare fund; and~~

~~(2)~~ based upon a verified schedule of the recipients.

(c) The director of the county office shall prepare and verify the amount payable to the recipient, in relation to the awards made by the county office. The division shall prescribe the form upon which the schedule under subsection ~~(b)(2)~~ **(b)** must be filed.

SECTION 46. IC 12-17-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. (a) If assistance is granted to a destitute child under this chapter, facts supporting the award of assistance, as prescribed by the division, must be entered on a certificate.

(b) The division shall prescribe the form for the certificate under subsection (a). The certificate must bear the impress of the division's seal.

(c) The county office shall prepare ~~four (4)~~ **three (3)** copies of the certificate under subsection (a). The county office shall distribute copies of the certificate as follows:

(1) One (1) copy must be retained by the office of the county office.

(2) One (1) copy must be filed with and retained by the **central office of the** division.

~~(3) One (1) copy must be filed with and retained by the office of the county auditor.~~

~~(4)~~ **(3)** One (1) copy must be given to the recipient.

SECTION 47. IC 12-17-3-2, AS AMENDED BY P.L.36-1994, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. ~~(a) This section does not apply to a county department's:~~

~~(1) administrative expenses; or~~

~~(2) expenses regarding facilities, supplies, and equipment.~~

~~(b)~~ Necessary expenses incurred in the administration of the child welfare services under section 1 of this chapter shall be paid out of the ~~county welfare fund, or the county family and children's~~ **state general** fund. ~~(whichever is appropriate).~~

SECTION 48. IC 12-17.4-3-3.5, AS AMENDED BY P.L.1-1997, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 3.5. (a) A county may establish a child caring institution. The child caring institution may be operated by:

(1) the county; or

(2) a public or private agency under contract with the county;

and must be operated under the rules adopted by the director of the division under IC 12-17.4.

(b) This section does not affect the following:

(1) IC 31-31-1-1, ~~or IC 31-40,~~ requiring the county fiscal body to appropriate sufficient money to pay for services ordered by the juvenile court.

(2) IC 31-31-8, authorizing the juvenile court to establish detention and shelter care facilities.

(3) IC 12-13-5 and IC 12-19-1, requiring the division and the county departments to provide care and treatment for delinquent children and children in need of services.

SECTION 49. IC 12-19-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. A county office of family and children is established in each county **as an office within the division of family and children.**

SECTION 50. IC 12-19-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 9. (a) The division shall provide the necessary facilities to house the county office.

(b) The division shall pay for the costs of the facilities, supplies, and equipment needed by each county office. ~~including the transfer to the county that is required by IC 12-13-5.~~

~~(c) Each county is responsible for the payment of the county's lease and rental obligations for office space used by the county office if:~~

~~(1) the county entered into the lease or rental agreement before January 1, 1987; and~~

~~(2) the lease or rental agreement requires the county to pay for office space that will be used by the county office.~~

~~(d) Each county that has a rental or lease obligation described in subsection (c) shall provide to the division a lease or rental payment schedule showing the date and amount of each payment.~~

SECTION 51. IC 12-19-1-10, AS AMENDED BY P.L.74-1994, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. (a) ~~Subject to the rules adopted by the director of~~ The division ~~a county office~~ shall administer the following **through a county office:**

(1) Assistance to dependent children in the homes of the dependent children.

(2) Assistance and services to elderly persons.

(3) Assistance to persons with disabilities.

(4) Care and treatment of the following persons:

(A) Children in need of services.

(B) Dependent children.

(C) Children with disabilities.

(5) Licensing of foster family homes for the placement of children in need of services.

(6) Supervision of the care and treatment of children in need of services in foster family homes.

(7) Licensing of foster family homes for the placement of delinquent children.

(8) Supervision of the care and treatment of delinquent children in foster family homes.

(9) Provision of family preservation services.

(10) Any other welfare activities that are delegated to the county office by the division under this chapter, including services concerning assistance to the blind.

(b) The division shall pay the expenses and obligations incurred after December 31, 1998, to carry out responsibilities of the county office.

SECTION 52. IC 12-19-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 13. (a) A county office **or the division** may sue and be sued under the name of "The County Office of Family and Children of _____ County".

(b) The county office has all other rights and powers and shall perform all other duties necessary to administer this chapter.

(c) A suit brought against **the division that involves** a county office may be filed in the following:

(1) The circuit court with jurisdiction in the county.

(2) A superior court or any other court of the county.

(d) A notice or summons in a suit brought against the **division**

that involves a county office must be served on the county director **or the director of the division of family and children.** It is not required to name the individual employees of the county office as either plaintiff or defendant.

SECTION 53. IC 12-19-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 14. (a) A county office may charge the following adoption fees:

(1) An adoption placement fee that may not exceed the actual costs incurred by the county office for medical expenses of children and mothers.

(2) A fee that does not exceed the time and travel costs incurred by the county office for home study and investigation concerning a contemplated adoption.

(b) Fees charged under this section shall be deposited in a separate account in the ~~county~~ **state** welfare trust clearance fund established under section 16 of this chapter. Money deposited under this subsection ~~shall be expended by~~ **is annually appropriated to** the ~~county office~~ **division** for the following purposes: ~~without further appropriation:~~

(1) The care of children whose adoption is contemplated.

(2) The improvement of adoption services provided by the county departments.

(c) The director of the division may adopt rules governing the expenditure of money under this section.

(d) The division may provide written authorization allowing a county office to reduce or waive charges authorized under this section in hardship cases or for other good cause after investigation. The division may adopt forms on which the written authorization is provided.

SECTION 54. IC 12-19-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 16. (a) ~~This section does not apply to money received to reimburse the county welfare fund for expenditures made from the appropriations of the county office.~~ **The state welfare trust clearance fund is established. The fund shall be administered by the division. Money in the fund at the end of a state fiscal year does not revert to the state general fund.**

(b) ~~A county office~~ **The division** may receive and administer money available to or for the benefit of a person receiving payments or services from ~~the~~ **a** county office. The following applies to all money received under this section:

(1) The money shall be kept in a special fund known as the ~~county~~ **state** welfare trust clearance fund and may not be commingled with any other fund or with money received from taxation.

(2) The money may be expended by the ~~county office~~ **division** in any manner consistent with the following:

(A) The purpose of the ~~county~~ **state** welfare trust clearance fund or with the intention of the donor of the money.

(B) Indiana law.

(C) The policies of the division.

SECTION 55. IC 12-19-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 18. (a) After petition to and with the approval of the judge of the circuit court, ~~a county office~~ **the division** may take the actions described in subsection (b) if:

(1) an applicant for public assistance is physically or mentally incapable of completing an application for assistance; or

(2) a recipient of public assistance:

(A) is incapable of managing the recipient's affairs; or

(B) refuses to:

(i) take care of the recipient's money properly; or

(ii) comply with the director of the division's rules and policies.

(b) If the conditions of subsection (a) are satisfied, the ~~county office~~ **division** may designate a responsible person to do the following:

(1) Act for the applicant or recipient.

(2) Receive on behalf of the recipient the assistance the recipient is eligible to receive under any of the following:

(A) This chapter.

(B) IC 12-10-6.

(C) IC 12-14-1 through IC 12-14-9.

(D) IC 12-14-13 through IC 12-14-19.

(E) IC 12-15.

(F) IC 12-17-1 through IC 12-17-3.

(G) IC 16-35-2.

(c) A fee for services provided under this section may be paid to the responsible person in an amount not to exceed ten dollars ($10) each month. The fee may be allowed:

(1) in the monthly assistance award; or

(2) by vendor payment if the fee would cause the amount of assistance to be increased beyond the maximum amount permitted by statute.

SECTION 56. IC 12-19-1-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 21. (a) As used in this chapter, "child services" means child welfare services specifically provided for children who are:**

(1) adjudicated to be:

(A) children in need of services; or

(B) delinquent children; or

(2) recipients of or are eligible for:

(A) informal adjustments;

(B) service referral agreements; and

(C) adoption assistance;

including the costs of using an institution or facility for providing educational services as described in either IC 20-8.1-3-36 (if applicable) or IC 20-8.1-6.1-8 (if applicable), all services required to be paid by the division under IC 31-40-1-2, and all costs required to be paid by the division under IC 20-8.1-6.1-7.

(b) The division shall pay the expenses and obligations incurred after December 31, 1998, to deliver child services.

SECTION 57. IC 12-19-1-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: **Sec. 22. (a) This section applies notwithstanding the repeal of IC 12-19-3 through IC 12-19-7 (effective January 1, 1999).**

(b) All bonds issued under IC 12-1-11 (before its repeal) or this article before January 1, 1999, or under subsection (c):

(1) are direct general obligations of the county issuing the bonds; and

(2) are payable out of unlimited ad valorem taxes that shall be levied and collected on all the taxable property within the county.

(c) If the county welfare fund established under IC 12-19-3 (repealed January 1, 1999) or family and children's fund established under IC 12-19-7 (repealed January 1, 1999) is exhausted before the close of December 31, 1998, the county may obtain loans and issue bonds under IC 12-19-3 or IC 12-19-7, as appropriate, to provide money for the fund as if IC 12-19-3 and IC 12-19-7 had not been repealed.

(d) Each official and body responsible for the levying of taxes for the county must ensure that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for the payment of the principal and interest, without regard to any other statute. If an official or a body fails or refuses to make or allow a sufficient levy required by this section, the bonds and the interest on the bonds shall be payable out of the general fund of the county without appropriation.

SECTION 58. IC 16-33-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 10. Whenever the circuit court having jurisdiction finds, upon application by the county office of family and children, that the parent or guardian of a client placed in the center is unable to meet the costs that the parent or guardian is required to pay for the services of the center, the court shall order payment of the costs ~~from the county general fund.~~ **by the division of family and children.**

SECTION 59. IC 16-33-4-17, AS AMENDED BY P.L.142-1995, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 1999]: Sec. 17. (a) Each child, the estate of the child, the parent or parents of the child, or the guardian of the child, individually or collectively, are liable for the payment of the costs of maintenance of the child of up to one hundred percent (100%) of the per capita cost, except as otherwise provided. The cost shall be computed annually by dividing the total annual cost of operation for the fiscal year, exclusive of the cost of education programs, construction, and equipment, by the total child days each year. The maintenance cost shall be referred to as maintenance charges. The charge may not be levied against any of the following:

(1) The division of family and children or ~~the county office of family and children to be derived from~~ county tax sources.

(2) A child orphaned by reason of the death of the natural parents.

(b) The billing and collection of the maintenance charges as provided for in subsection (a) shall be made by the superintendent of the home based on the per capita cost for the preceding fiscal year. All money collected shall be deposited in a fund to be known as the Indiana soldiers' and sailors' children's home maintenance fund. The fund shall be used by the state health commissioner for the:

(1) preventative maintenance; and

(2) repair and rehabilitation;

of buildings of the home that are used for housing, food service, or education of the children of the home.

(c) The superintendent of the home may, with the approval of the state health commissioner, agree to accept payment at a lesser rate than that prescribed in subsection (a). The superintendent of the home shall, in determining whether or not to accept the lesser amount, take into consideration the amount of money that is necessary to maintain or support any member of the family of the child. All agreements to accept a lesser amount are subject to cancellation or modification at any time by the superintendent of the home with the approval of the state health commissioner.

(d) A person who has been issued a statement of amounts due as maintenance charges may petition the superintendent of the home for a release from or modification of the statement and the superintendent shall provide for hearings to be held on the petition. The superintendent of the home may, with the approval of the state health commissioner and after the hearing, cancel or modify the former statement and at any time for due cause may increase the amounts due for maintenance charges to an amount not to exceed the maximum cost as determined under subsection (a).

(e) The superintendent of the home may arrange for the establishment of a graduation or discharge trust account for a child by arranging to accept a lesser rate of maintenance charge. The trust fund must be of sufficient size to provide for immediate expenses upon

graduation or discharge.

(f) The superintendent may make agreements with instrumentalities of the federal government for application of any monetary awards to be applied toward the maintenance charges in a manner that provides a sufficient amount of the periodic award to be deposited in the child's trust account to meet the immediate personal needs of the child and to provide a suitable graduation or discharge allowance. The amount applied toward the settlement of maintenance charges may not exceed the amount specified in subsection (a).

(g) The superintendent of the home may do the following:

(1) Investigate, either with the superintendent's own staff or on a contractual or other basis, the financial condition of each person liable under this chapter.

(2) Make determinations of the ability of:

(A) the estate of the child;

(B) the legal guardian of the child; or

(C) each of the responsible parents of the child;

to pay maintenance charges.

(3) Set a standard as a basis of judgment of ability to pay that shall be recomputed periodically to do the following:

(A) Reflect changes in the cost of living and other pertinent factors.

(B) Provide for unusual and exceptional circumstances in the application of the standard.

(4) Issue to any person liable under this chapter statements of amounts due as maintenance charges, requiring the person to pay monthly, quarterly, or otherwise as may be arranged, an amount not exceeding the maximum cost as determined under this chapter.

SECTION 60. IC 16-33-4-17.5, AS ADDED BY P.L.55-1997, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 17.5. (a) In the case of a child who is:

(1) admitted to the home from another county; and

(2) adjudicated to be a delinquent child or child in need of services by the juvenile court in the county where the home is located;

the juvenile court may order the county office of family and children ~~of~~ **in** the child's county of residence before the child's admission to the home to reimburse the cost of services ordered by the juvenile court, including related transportation costs, and any cost incurred by the county to transport or detain the child before the order is issued.

~~(b) A county office of family and children ordered to reimburse costs under this section shall pay the amount ordered from the county family and children's fund.~~

~~(c)~~ **(b)** The county office of family and children may require the parent or guardian of the child, other than a parent, guardian, or

custodian associated with the home, to reimburse the county **office of** family and ~~children's fund~~ **children** for an amount paid under this section.

~~(d)~~ **(c)** A child who is admitted to the home does not become a resident of the county where the home is located.

~~(e)~~ **(d)** When an unemancipated child is released from the home, the county office of family and children ~~for~~ **in** the child's county of residence before entering the home is responsible for transporting the child to the parent or guardian of the child. If a parent or guardian does not exist for an unemancipated child released from the home, the county office of family and children ~~of~~ **in** the child's county of residence before entering the home shall obtain custody of the child.

SECTION 61. IC 20-8.1-3-36, AS AMENDED BY P.L.36-1994, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 36. (a) It is unlawful for a person operating or responsible for an educational, correctional, charitable, or benevolent institution or training school to fail to ensure that a child under his authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **division of family and children** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

SECTION 62. IC 20-8.1-6.1-7, AS AMENDED BY P.L.119-1996, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) If a student is transferred under section 2 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

the ~~county office~~ **division** of family and children ~~for the county placing the child~~ shall pay ~~from the county family and children's fund~~ to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which ~~a county office~~ **the division of family and children** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the ~~county office,~~ **division of family and children,** the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

the ~~county office~~ **division** of family and children ~~for the county placing the child~~ shall pay ~~from the county family and children's fund in~~ an amount and in the manner specified in a written agreement between the ~~county office~~ **division** and the institution or other facility.

(e) ~~An agreement described in subsection (c) or (d) is subject to the approval of the director of the division of family and children. However,~~ For purposes of IC 4-13-2, ~~the~~ **an** agreement **described in subsection (c) or (d)** shall not be treated as a contract.

SECTION 63. IC 20-8.1-6.1-8, AS AMENDED BY P.L.260-1997(ss), SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

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

(2) "ADM" means the following:

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

computed under IC 21-1-30-2.

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

(3) "Pupil enrollment" means the following:

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

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the

student is included:

(i) Primetime grant under IC 21-1-30.

(ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).

(iii) Enrollment growth grant under IC 21-3-1.7-9.5.

(iv) At-risk grant under IC 21-3-1.7-9.7.

(v) Academic honors diploma award under IC 21-3-1.7-9.8.

(vi) Vocational education grant under IC 21-3-1.8-3.

(vii) Special education grant under IC 21-3-1.8 (repealed January 1, 1996) or IC 21-3-10.

(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **division of family and children** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

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

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

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

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

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

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

(1) the total amount of revenues received; by

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

However, for state distributions under IC 21-1-30, IC 21-3-10, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues

that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

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

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 64. IC 20-8.1-6.1-12, AS AMENDED BY P.L.119-1996, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 12. (a) Annually before the date specified in the rules adopted by the Indiana state board of education, each school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country;

to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department of education.

(b) Each school corporation shall provide the following information for each school year beginning with the school year beginning July 1, 1994, for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 8 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to

educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the Indiana state board of education after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the Indiana state board of education.

(d) Not later than November 30 of each year beginning after December 31, 1994, the department of education shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

(e) Not later than November 30 of each year beginning after December 31, 1994, each county office shall submit the following information to the office of the secretary of family and social services for each child who is described in ~~IC 12-19-7-1(1)~~ **IC 12-19-1-21(a)(1)** and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the office of the secretary of family and social services.

(f) Not later than December 31 of each year beginning after December 31, 1994, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report shall identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students.

SECTION 65. IC 20-12-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. The management of the hospital shall keep an accurate account of the cost of the treatment, and a properly certified statement must be rendered quarterly to the auditor of the state, who shall issue a warrant on the treasurer of state for the amount thereof, to be paid out of any funds in the state general fund not otherwise appropriated, payable to the treasurer of the board of trustees of Indiana University. ~~The treasurer of state shall then reimburse the general fund for the amount so paid out, by collecting from the proper county a like amount or amounts in the next succeeding semiannual settlement with such counties, and the~~

~~amount or amounts so collected shall be a charge against the county welfare fund of the county from which the same was so collected.~~ All funds so paid to said treasurer of the board of trustees of Indiana University shall constitute a fund to be used for the maintenance of said hospital, as such board may direct.

SECTION 66. IC 31-19-26-1, AS ADDED BY P.L.1-1997, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) When a petition for adoption is filed seeking a subsidy and the payment of a subsidy is ordered by the court, the order must contain the following information:

(1) Whether a subsidy will be paid under section 2 or 3 of this chapter, or both.

(2) The amount of each subsidy to be paid.

(3) If a subsidy will be paid under section 3 of this chapter, the condition or cause covered by the subsidy.

(4) Any condition for the continued payment of a subsidy other than a requirement set forth in this chapter.

(b) The ~~county office of family and children of the county responsible for foster care of an adoptive child~~ **division of family and children** may be ordered to pay either or both of the subsidies under this chapter to the adoptive parents or designated payees to the extent that money is available.

SECTION 67. IC 31-34-24-8, AS ADDED BY P.L.55-1997, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-1-6-19.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-5, IC 12-19-7, and~~ IC 31-40.

SECTION 68. IC 31-37-24-8, AS ADDED BY P.L.55-1997, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 8. In preparing the plan, the team shall

review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-1-6-19.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-5, IC 12-19-7, and~~ IC 31-40.

SECTION 69. IC 31-40-1-1, AS ADDED BY P.L.1-1997, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. **The costs to which** this article applies ~~to a financial burden sustained by a county as the result of costs paid by the county under section 2 of this chapter, including~~ **include the** costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 70. IC 31-40-1-2, AS ADDED BY P.L.1-1997, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. (a) The ~~county~~ **state** shall pay the cost of:

(1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, **except for probation, guardian ad litem, and court appointed special advocate services;** and

(2) returning a child under IC 31-37-23.

(b) The ~~county~~ **state** fiscal body shall provide sufficient money to meet the court's requirements, **except for probation, guardian ad litem, and court appointed special advocate services.**

(c) The child's parent or the guardian of the estate of a child shall reimburse the ~~county~~ **state** for the costs paid under subsection (a) (or IC 31-6-4-18(b) before its repeal) as provided under this article.

(d) After receiving a petition for reimbursement from ~~a county that has paid for services under subsection (a) (or IC 31-6-4-18(b) before its repeal),~~ **the state,** the court shall hold a hearing to determine whether to order reimbursement by the child's parents or the guardian of the child's estate to the ~~county~~ **state** as described under this article.

SECTION 71. IC 31-40-1-3, AS ADDED BY P.L.1-1997, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 1999]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible for any services ordered by the court under this section (or IC 31-6-4-18(e) before its repeal).

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

(1) a detention hearing;

(2) a hearing that is held after the payment of costs by ~~a county~~ **the state** under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);

(3) the dispositional hearing; or

(4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 72. IC 31-40-1-4, AS ADDED BY P.L.1-1997, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 4. The parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the ~~county~~ **state** for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

SECTION 73. IC 31-40-1-5, AS ADDED BY P.L.1-1997, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) Whenever the court orders institutional placement of a child:

(1) the court shall refer to the child support guidelines adopted by the Indiana supreme court to determine the financial contribution required from each parent of the child or the guardian of the child's estate;

(2) the court shall order support paid by each of the child's parents or the guardian of the child's estate, except as provided under section 3 of this chapter; and

(3) if an existing support order is in effect, the court shall order support payments to be assigned to the county office of family and children for the duration of the institutional placement.

(b) When implementing this section, the county office of family

and children shall:

(1) comply with 45 CFR 302.52 and 45 CFR 303.2; and

(2) remit all other support payments to the ~~county~~ **state** general fund.

(c) A support order entered under subsection (a) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county **office of family and children.**

(d) The county office of family and children shall monitor the enforcement of support orders under subsection (a).

(e) The county attorney for the office of family and children shall seek enforcement of the support orders.

SECTION 74. IC 33-13-14-6, AS AMENDED BY P.L.1-1997, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 6. (a) The Indiana judicial center shall maintain a roster of in-state facilities that have the expertise to provide child services (as defined in ~~IC 12-19-7-1)~~ **IC 12-19-1-21)** in a residential setting to:

(1) children in need of services (as described in IC 31-34-1); or

(2) delinquent children (as described in IC 31-37-1 and IC 31-37-2).

(b) The roster under subsection (a) must include the information that a court having juvenile jurisdiction needs to select an in-state placement of a child instead of placing the child in an out-of-state facility under IC 31-34 or IC 31-37. The roster must include at least the following information:

(1) Name, address, and telephone number of each facility.

(2) Owner and contact person for each facility.

(3) Description of the child services that each facility provides and any limitations that the facility imposes on acceptance of a child placed by a juvenile court.

(4) Number of children that each facility can serve on a residential basis.

(5) Number of residential openings at each facility.

(c) The Indiana judicial center shall revise the information in the roster at least monthly.

(d) The Indiana judicial center shall make the information in the roster readily available to courts with juvenile jurisdiction.

SECTION 75. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 1999]: IC 6-1.1-17-18; IC 6-1.1-18.6; IC 12-7-2-117; IC 12-13-7-10; IC 12-13-7-11; IC 12-13-7-14; IC 12-13-7-15; IC 12-13-7-16; IC 12-13-7-20; IC 12-13-8; IC 12-13-9-1; IC 12-13-9-3; IC 12-13-9-4; IC 12-14-2-13; IC 12-14-9-2; IC 12-14-9-3; IC 12-14-9.5; IC 12-15-1-2; IC 12-15-1-3; IC 12-16-14; IC 12-16-15; IC 12-17-1-15; IC 12-17-3-3; IC 12-19-1-15; IC 12-19-1-17; IC 12-19-3; IC 12-19-4; IC 12-19-5;

IC 12-19-6; IC 12-19-7; IC 12-24-6; IC 12-24-9-2; IC 12-24-9-3; IC 12-24-9-4; IC 12-24-13-6; IC 16-35-3; IC 16-35-4.

SECTION 76. [EFFECTIVE UPON PASSAGE] **IC 2-2.1-4, as added by this act, applies only to appropriations and allotments for state fiscal years that begin after June 30, 1999.**

SECTION 77. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "county office property tax levies" means the property tax levies under or for any of the following:**

(1) IC 12-13-8 (county medical assistance to wards fund).

(2) IC 12-16-14 (county hospital care for the indigent fund).

(3) IC 12-19-3 (county welfare fund and tax levy).

(4) IC 12-19-4 (county welfare administration fund and tax levy).

(5) IC 12-19-7 (county family and children's fund).

(6) IC 16-35-3 (children with special health care needs county fund and tax levy).

(b) As used in this SECTION, "miscellaneous revenue" means tax revenue that is distributed under:

(1) the bank tax (IC 6-5-10);

(2) the savings and loan association tax (IC 6-5-11);

(3) the production credit association tax (IC 6-5-12);

(4) the financial institutions tax (IC 6-5.5); or

(5) any other statute providing for a distribution of revenue; to a political subdivision based in any part on the ad valorem property tax levy imposed by the political subdivision.

(c) Notwithstanding any other law, after December 31, 1998, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from county office property tax levies before January 1, 1998.

(d) Notwithstanding any other law, after December 31, 1998, a county may not impose a county office property tax levy. The maximum permissible levy for any fund that:

(1) is not terminated after December 31, 1998; and

(2) for which a county office property tax levy was imposed before January 1, 1999;

shall be reduced to eliminate the portion of the maximum levy related to a county office property tax levy before January 1, 1999.

SECTION 78. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION "county office property tax levies" means the property tax levies under or for any of the following:**

(1) IC 12-13-8 (county medical assistance to wards fund).

(2) IC 12-16-14 (county hospital care for the indigent fund).

(3) IC 12-19-3 (county welfare fund and tax levy).

(4) IC 12-19-4 (county welfare administration fund and tax levy).

(5) IC 12-19-7 (county family and children's fund).

(6) IC 16-35-3 (children with special health care needs county fund and tax levy).

(b) As used in this SECTION, "miscellaneous revenue" means tax revenue that is distributed under:

(1) the bank tax (IC 6-5-10);

(2) the savings and loan association tax (IC 6-5-11);

(3) the production credit association tax (IC 6-5-12);

(4) the financial institutions tax (IC 6-5.5); or

(5) any other statute providing for a distribution of revenue;

to a political subdivision based in any part on the ad valorem property tax levy imposed by the political subdivision.

(c) For calendar year 1999 and any other year that in any part conditions a distribution of miscellaneous revenue on the county property tax levies first due and payable in calendar year 1998 or a previous year, the distribution must be made based on the adjusted property tax levy determined under this SECTION.

(d) The state board of tax commissioners shall determine an adjusted property tax levy for each year on which a distribution described in subsection (c) is based. The adjusted property tax levy must exclude the county office property tax levies imposed in that year.

(e) Before July 15, 1998, the state board of tax commissioners shall certify the adjusted levy determined under subsection (d) to the auditor of state, each county auditor, and the department of state revenue.

(f) For purposes of property tax levies first due and payable after December 31, 1998, the state board of tax commissioners shall adjust property tax levies of a political subdivision to eliminate that portion of a property tax levy that was imposed before January 1, 1999, to make a transfer described in IC 12-15-18-5.

(g) The unallotted balance on December 31, 1998, of any county office property tax levies in a fund other than the state general fund shall, on January 1, 1999, be transferred to the state general fund to carry out the programs for which the money was levied. The unallotted balance on December 31, 1998, of each county welfare trust clearance fund shall be transferred on January 1, 1999, to an account in the state welfare trust clearance fund. However, by agreement between a county executive and the division of family and children, a county may retain a balance of county office property tax levies after December 31, 1998, in a fund to pay obligations incurred but not allotted for payment before January 1, 1999. The amount and time that balances shall be retained shall be governed by the agreement. Money transferred to the state under this subsection shall be treated as money from state revenues.

(h) The state board of tax commissioners shall reduce the

maximum permissible ad valorem property tax levy of a county to reflect the transfer by this act of expenditures payable from a county general fund to the state.

SECTION 79. [EFFECTIVE JANUARY 1, 1999] **(a) After December 31, 1998, a reference in a law, rule, or other document to a county office of family and children shall be treated as a reference to:**

(1) the county office of family and children within the division of family and children; or

(2) the division of family and children.

(b) The division of family and children may adopt and operate under interim guidelines to implement this SECTION. Interim guidelines adopted under this SECTION expire on the earlier of the following:

(1) A replacement interim guideline is adopted under this SECTION.

(2) A rule is adopted under IC 4-22-2 to replace the interim guideline.

(3) January 1, 2000.

(c) To the extent that the personnel, agreements and other obligations, and records and other property of a county office are not the personnel, agreements and other obligations, and records and other property of the division, after December 31, 1998, the:

(1) personnel;

(2) agreements and other obligations; and

(3) records and other property;

of a county office of family and children on December 31, 1998, shall be treated as the personnel, agreements and other obligations, and records and other property of the division of family and children.

(d) After December 31, 1998, a court order issued before January 1, 1999, and requiring or authorizing a county office of family and children to take an action shall be treated as an order requiring or authorizing the division of family and children to take the action. However, this subsection does not authorize the division of family and children to impose a property tax levy.

(e) After December 31, 1998:

(1) trust funds administered by; and

(2) wardships and guardianships granted to;

a county office of family and children before January 1, 1999, shall be administered by the division of family and children.

(f) The following funds are abolished:

(1) State medical assistance to wards fund.

(2) The state welfare fund.

(3) Institution clothing fund established under IC 12-24-6-1 (repealed by this act).

Unallotted money in a fund described in this subsection on December 31, 1998, shall on January 1, 1999, be transferred to an account in the state general fund.

(g) The unallotted balances on December 31, 1998, of any trust fund established under IC 12-19-1-15, as repealed by this act, shall be transferred to an appropriate trust fund under the administration of the division of family and children. The amount transferred shall be used only in a manner consistent with the intention of the donor of the property and for the following purposes:

(1) For the benefit of a home or an institution in which dependent or neglected children are cared for under the supervision of the county office.

(2) For the benefit of children who are committed to the care or supervision of the county office.

SECTION 80. [EFFECTIVE JULY 1, 1998] **(a) As used in this SECTION, "committee" refers to the human services committee.**

(b) The human services committee is established. The committee consists of twenty (20) members as follows:

(1) Four (4) members of the senate finance committee, to be appointed by the president pro tempore of the senate.

(2) Four (4) members of the senate finance committee, to be appointed by the minority leader of the senate.

(3) Six (6) members of the house ways and means committee, to be appointed by the speaker of the house of representatives.

(4) Six (6) members of the house ways and means committee, to be appointed by a member of the house of representatives who is the legislative leader of a major political party (as defined in IC 3-5-2-30) that is not the same party as the speaker of the house of representatives.

(c) A member appointed under this SECTION serves at the pleasure of the appointing authority. If a vacancy exists on the committee, the vacancy shall be filled by the person who made the original appointment.

(d) The chairperson of the legislative council shall name the chairperson of the committee. The chairperson of the committee serves at the pleasure of the chairperson of the legislative council.

(e) The committee shall meet at least eight (8) times each year. The chairperson shall call the first meeting of the committee before July 31, 1998.

(f) The committee shall prepare legislation for introduction in the regular session of the general assembly in years 1999 and 2000 to do the following:

(1) Make appropriate changes to references in statutes that are required by this act.

(2) Revise and consolidate the statutes relating to the reorganization of county offices of family and children under this act.

(3) Otherwise implement this act.

(g) The committee may study any issue related to its responsibilities.

(h) The committee shall operate under the direction of the legislative council. The legislative services agency shall staff the committee. The office of the secretary of family and social services shall assist the committee as directed by the chairperson of the committee.

(i) The committee shall issue:

(1) an interim report before November 2, 1998, and at other times as determined by the legislative council; and

(2) a final report before November 2, 1999.

Copies of each report shall be given to the governor and the legislative council.

(j) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

(k) This SECTION expires December 31, 1999.

SECTION 81. [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)] **(a) IC 6-1.1-20.9-2, as amended by this act, applies to property taxes first due and payable after December 31, 1997.**

(b) IC 6-3-1-3.5, as amended by this act, applies only to taxable years beginning after December 31, 1997.

SECTION 82. [EFFECTIVE JULY 1, 1998] **(a) Except as provided in subsection (b) and notwithstanding any other law, a civil taxing unit may not impose a property tax rate for property taxes first due and payable in 1999 and for property taxes first due and payable in 2000 that is greater than the property tax rate imposed by the civil taxing unit for property taxes first due and payable in 1998.**

(b) The property tax rate limit established in subsection (a) does not apply to a property tax rate imposed by a civil taxing unit:

(1) for the civil taxing unit's debt service fund; or

(2) for payment of any other bond or lease obligations.

(c) This SECTION expires January 1, 2001.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 12, 1998.)

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Representative Espich