

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WITHDRAWN	Noes _____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:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning the
- 3 state surplus and to make an appropriation.
- 4 Page 1, delete lines 1 through 16, begin a new paragraph and
- 5 insert:
- 6 "SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE
- 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]:
- 9 **Chapter 4. General Expenditure Controls**
- 10 **Sec. 1. As used in this chapter, "base year" means the state**
- 11 **fiscal year beginning July 1, 1997.**
- 12 **Sec. 2. As used in this chapter, "budget period" means the**
- 13 **biennium beginning July 1 of an odd-numbered year.**
- 14 **Sec. 3. As used in this chapter, "state spending cap" refers to**
- 15 **the maximum expenditures under section 8 of this chapter.**
- 16 **Sec. 4. As used in this chapter, "controlled state fund" refers**
- 17 **to a state fund that is a depository of revenue from at least one (1)**
- 18 **of the following:**
- 19 (1) Alcoholic beverage taxes under IC 7.1-4.
- 20 (2) Gaming card excise tax under IC 4-32-15-1.
- 21 (3) Cigarette and tobacco products tax under IC 6-7-2.
- 22 (4) Controlled substance excise tax under IC 6-7-3.
- 23 (5) Gross income tax under IC 6-2.1.
- 24 (6) Adjusted gross income tax under IC 6-3 and IC 6-3.1.

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

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

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

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

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

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

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

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

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

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

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

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

15 (1) general assembly shall not appropriate; and

16 (2) budget director may not allot;

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

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

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

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

26 (3) There has been:

27 (A) an expansion of:

28 (i) state services; and

29 (ii) state spending; and

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

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

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

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

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

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

1 circumstances that created the need for a supplemental
2 appropriation.

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

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

- 15 (1) shifted from the state to another level of government; or
16 (2) transferred from a fund limited by this chapter to a fund
17 not limited by this chapter.

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

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

23 (c) **If the budget agency determines:**

- 24 (1) **a state spending cap reduction is required that is less than**
25 **one-tenth percent (0.1%); or**
26 (2) **to waive the mandatory downward adjustment;**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 14 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
 15 dollars (\$100) of assessed valuation in territory outside the
 16 corporate limits of a city or town; or
- 17 (2) two dollars (\$2) on each one hundred dollars (\$100) of
 18 assessed valuation in territory inside the corporate limits of a city
 19 or town.

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

- 26 (1) To pay the principal or interest on a funding, refunding, or
 27 judgment funding obligation of the political subdivision.
- 28 (2) To pay the principal or interest on an outstanding obligation
 29 issued by the political subdivision if notice of the sale of the
 30 obligation was published before March 9, 1937.
- 31 (3) To pay the principal or interest upon:
 - 32 (A) an obligation issued by the political subdivision to meet
 33 an emergency which results from a flood, fire, pestilence,
 34 war, or any other major disaster; or
 - 35 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 36 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
 37 county to acquire necessary equipment or facilities for
 38 municipal or county government.
- 39 (4) To pay the principal or interest upon an obligation issued in
 40 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 41 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- 42 (5) To pay a judgment rendered against the political subdivision.
- 43 ~~(6) To meet the requirements of the county welfare fund; the~~
 44 ~~county welfare administration fund; for public welfare services;~~
 45 ~~or the family and children's fund for child services (as defined in~~
 46 ~~IC 12-19-7-1).~~

1 ~~(7) To meet the requirements of the county hospital care for the~~
2 ~~indigent fund:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~IC 12-19-7-1).~~
 2 (7) To meet the requirements of the county hospital care for the
 3 indigent fund.

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

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

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

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

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

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

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

34 (B) **The following**:

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

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

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

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

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

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

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

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

- 32 (1) ~~IC 12-16, except IC 12-16-1.~~
 33 (2) ~~IC 12-19-3-3 through IC 12-19-3-7.~~
 34 (3) ~~IC 12-19-4.~~
 35 (4) ~~IC 12-19-5.~~
 36 (5) ~~IC 12-19-7.~~
 37 (6) IC 12-20-24.

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

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

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

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

- 13 (1) the percentage prescribed in subsection (d); multiplied by
- 14 (2) the amount of the individual's property tax liability, as that
- 15 term is defined in IC 6-1.1-21-5, which is attributable to the
- 16 homestead during the particular calendar year.

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

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

26 YEAR	27 PERCENTAGE OF THE CREDIT
28 1996	8%
29 1997	6%
30 1998 through 2001	10%
31 and thereafter	15%
32 2002 and thereafter	4%

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

- 1 designated in the ordinance.
- 2 (e) Before October 1 of each year, the assessor shall furnish to the
- 3 county auditor the amount of the assessed valuation of each homestead
- 4 for which a homestead credit has been properly filed under this chapter.
- 5 (f) The county auditor shall apply the credit equally to each
- 6 installment of taxes that the individual pays for the property.
- 7 (g) Notwithstanding the provisions of this chapter, a taxpayer other
- 8 than an individual is entitled to the credit provided by this chapter if:
- 9 (1) an individual uses the residence as the individual's principal
- 10 place of residence;
- 11 (2) the residence is located in Indiana;
- 12 (3) the individual has a beneficial interest in the taxpayer;
- 13 (4) the taxpayer either owns the residence or is buying it under
- 14 a contract, recorded in the county recorder's office, that provides
- 15 that the individual is to pay the property taxes on the residence;
- 16 and
- 17 (5) the residence consists of a single-family dwelling and the real
- 18 estate, not exceeding one (1) acre, that immediately surrounds
- 19 that dwelling.
- 20 SECTION 8. IC 6-1.1-21-2, AS AMENDED BY
- 21 P.L.253-1997(ss), SECTION 4, IS AMENDED TO READ AS
- 22 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 2. As used in this
- 23 chapter:
- 24 (a) "Taxpayer" means a person who is liable for taxes on property
- 25 assessed under this article.
- 26 (b) "Taxes" means taxes payable in respect to property assessed
- 27 under this article. The term does not include special assessments,
- 28 penalties, or interest, but does include any special charges which a
- 29 county treasurer combines with all other taxes in the preparation and
- 30 delivery of the tax statements required under IC 6-1.1-22-8(a).
- 31 (c) "Department" means the department of state revenue.
- 32 (d) "Auditor's abstract" means the annual report prepared by each
- 33 county auditor which under IC 6-1.1-22-5 is to be filed on or before
- 34 March 1 of each year with the auditor of state.
- 35 (e) "Mobile home assessments" means the assessments of mobile
- 36 homes made under IC 6-1.1-7.
- 37 (f) "Postabstract adjustments" means adjustments in taxes made
- 38 subsequent to the filing of an auditor's abstract which change
- 39 assessments therein or add assessments of omitted property affecting
- 40 taxes for such assessment year.
- 41 (g) "Total county tax levy" means the sum of:
- 42 (1) the remainder of:
- 43 (A) the aggregate levy of all taxes for all taxing units in a
- 44 county which are to be paid in the county for a stated
- 45 assessment year as reflected by the auditor's abstract for the
- 46 assessment year, adjusted, however, for any postabstract

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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

- 1 reestablished for a stated assessment year that succeeds
- 2 the 1983 stated assessment year; minus
- 3 (G) the amount of property taxes imposed in the county for
- 4 the stated assessment year under:
 - 5 (i) IC 21-2-15 for a capital projects fund; plus
 - 6 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 - 7 (iii) IC 20-14-13 for a library capital projects fund;
 - 8 plus
 - 9 (iv) IC 20-5-17.5-3 for an art association fund; plus
 - 10 (v) IC 21-2-17 for a special education preschool fund;
 - 11 plus
 - 12 (vi) an appeal filed under IC 6-1.1-19-5.1 for an
 - 13 increase in a school corporation's maximum
 - 14 permissible general fund levy for certain transfer
 - 15 tuition costs; plus
 - 16 (vii) an appeal filed under IC 6-1.1-19-5.4 for an
 - 17 increase in a school corporation's maximum
 - 18 permissible general fund levy for transportation
 - 19 operating costs; minus
- 20 (H) the amount of property taxes imposed by a school
- 21 corporation that is attributable to the passage, after 1983, of
- 22 a referendum for an excessive tax levy under IC 6-1.1-19,
- 23 including any increases in these property taxes that are
- 24 attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a)~~
- 25 **STEP ONE IC 6-1.1-19-1.5(b) STEP FOUR** or any other
- 26 law; minus
- 27 (I) for each township in the county, the lesser of:
 - 28 (i) the sum of the amount determined in
 - 29 IC 6-1.1-18.5-19(a) STEP THREE or
 - 30 IC 6-1.1-18.5-19(b) STEP THREE, whichever is
 - 31 applicable, plus the part, if any, of the township's ad
 - 32 valorem property tax levy for calendar year 1989 that
 - 33 represents increases in that levy that resulted from an
 - 34 appeal described in IC 6-1.1-18.5-13(5) filed after
 - 35 December 31, 1982; or
 - 36 (ii) the amount of property taxes imposed in the
 - 37 township for the stated assessment year under the
 - 38 authority of IC 36-8-13-4; minus
- 39 (J) for each participating unit in a fire protection territory
- 40 established under IC 36-8-19-1, the amount of property
- 41 taxes levied by each participating unit under IC 36-8-19-8
- 42 and IC 36-8-19-8.5 less the maximum levy limit for each of
- 43 the participating units that would have otherwise been
- 44 available for fire protection services under IC 6-1.1-18.5-3
- 45 and IC 6-1.1-18.5-19 for that same year; ~~minus~~
- 46 ~~(K) for each county, the sum of:~~

1 (i) the amount of property taxes imposed in the county
 2 for the repayment of loans under IC 12-19-5-6 that is
 3 included in the amount determined under
 4 IC 12-19-7-4(a) STEP SEVEN for property taxes
 5 payable in 1995; or for property taxes payable in each
 6 year after 1995; the amount determined under
 7 IC 12-19-7-4(b); and
 8 (ii) the amount of property taxes imposed in the county
 9 attributable to appeals granted under IC 6-1.1-18.6-3
 10 that is included in the amount determined under
 11 IC 12-19-7-4(a) STEP SEVEN for property taxes
 12 payable in 1995; or the amount determined under
 13 IC 12-19-7-4(b) for property taxes payable in each year
 14 after 1995; plus

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

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

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

27 (5) the difference between:
 28 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP
 29 FOUR; minus
 30 (B) the amount the civil taxing units' levies were increased
 31 because of the reduction in the civil taxing units' base year
 32 certified shares under IC 6-1.1-18.5-3(e).

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

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

39 SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.36-1994,
 40 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 1999]: Sec. 9. (a) A county council may adopt an
 42 ordinance to abolish the county board of tax adjustment. This ordinance
 43 must be adopted by July 1 and may not be rescinded in the year it is
 44 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19,
 45 ~~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,
 46 IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance

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

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

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

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

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

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

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

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

29 (4) Subtract one thousand dollars (\$1,000) for:
30 (A) each of the exemptions provided by Section 151(c) of
31 the Internal Revenue Code;
32 (B) each additional amount allowable under Section 63(f)
33 of the Internal Revenue Code; and
34 (C) the spouse of the taxpayer if a separate return is made
35 by the taxpayer, and if the spouse, for the calendar year in
36 which the taxable year of the taxpayer begins, has no gross
37 income and is not the dependent of another taxpayer.

38 (5) Subtract five hundred dollars (\$500) for each of the
39 exemptions allowed under Section 151(c)(1)(B) of the Internal
40 Revenue Code for taxable years beginning after December 31,
41 1996, and before January 1, 2001. This amount is in addition to
42 the amount subtracted under subdivision (4).

43 (6) Subtract an amount equal to the lesser of:
44 (A) that part of the individual's adjusted gross income (as
45 defined in Section 62 of the Internal Revenue Code) for that
46 taxable year that is subject to a tax that is imposed by a

- 1 political subdivision of another state and that is imposed on
- 2 or measured by income; or
- 3 (B) two thousand dollars (\$2,000).
- 4 (7) Add an amount equal to the total ordinary income portion of
- 5 a lump sum distribution (as defined in Section 402(e)(4)(A) of
- 6 the Internal Revenue Code), if the lump sum distribution is
- 7 received by the individual during the taxable year and if the
- 8 ordinary income portion of the distribution is taxed in the
- 9 manner provided in Section 402(e) of the Internal Revenue
- 10 Code.
- 11 (8) Subtract any amounts included in federal adjusted gross
- 12 income under Internal Revenue Code Section 111 as a recovery
- 13 of items previously deducted as an itemized deduction from
- 14 adjusted gross income.
- 15 (9) Subtract any amounts included in federal adjusted gross
- 16 income under the Internal Revenue Code which amounts were
- 17 received by the individual as supplemental railroad retirement
- 18 annuities under 45 U.S.C. 231 and which are not deductible
- 19 under subdivision (1).
- 20 (10) Add an amount equal to the deduction allowed under
- 21 Section 221 of the Internal Revenue Code for married couples
- 22 filing joint returns if the taxable year began before January 1,
- 23 1987.
- 24 (11) Add an amount equal to the interest excluded from federal
- 25 gross income by the individual for the taxable year under Section
- 26 128 of the Internal Revenue Code, if the taxable year began
- 27 before January 1, 1985.
- 28 (12) Subtract an amount equal to the amount of federal Social
- 29 Security and Railroad Retirement benefits included in a
- 30 taxpayer's federal gross income by Section 86 of the Internal
- 31 Revenue Code.
- 32 (13) In the case of a nonresident taxpayer or a resident taxpayer
- 33 residing in Indiana for a period of less than the taxpayer's entire
- 34 taxable year, the total amount of the deductions allowed pursuant
- 35 to subdivisions (3), (4), (5), and (6) shall be reduced to an
- 36 amount which bears the same ratio to the total as the taxpayer's
- 37 income taxable in Indiana bears to the taxpayer's total income.
- 38 (14) In the case of an individual who is a recipient of assistance
- 39 under IC 12-10-6-1, IC 12-10-6-2, IC 12-10-6-3, IC 12-15-2-2,
- 40 or IC 12-15-7, subtract an amount equal to that portion of the
- 41 individual's adjusted gross income with respect to which the
- 42 individual is not allowed under federal law to retain an amount
- 43 to pay state and local income taxes.
- 44 (b) In the case of corporations, the same as "taxable income" (as
- 45 defined in Section 63 of the Internal Revenue Code) adjusted as
- 46 follows:

- 1 (1) Subtract income that is exempt from taxation under IC 6-3 by
- 2 the Constitution and statutes of the United States.
- 3 (2) Add an amount equal to any deduction or deductions allowed
- 4 or allowable pursuant to Section 170 of the Internal Revenue
- 5 Code.
- 6 (3) Add an amount equal to any deduction or deductions allowed
- 7 or allowable pursuant to Section 63 of the Internal Revenue
- 8 Code for taxes based on or measured by income and levied at the
- 9 state level by any state of the United States. ~~or for taxes on~~
- 10 ~~property levied by any subdivision of any state of the United~~
- 11 ~~States:~~
- 12 (4) Subtract an amount equal to the amount included in the
- 13 corporation's taxable income under Section 78 of the Internal
- 14 Revenue Code.

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

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

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

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

30	Center Township	.0251
31	Decatur Township	.00217
32	Franklin Township	.0023
33	Lawrence Township	.01177
34	Perry Township	.01130
35	Pike Township	.01865
36	Warren Township	.01359
37	Washington Township	.01346
38	Wayne Township	.01307
39	Lawrence-City	.00858
40	Beech Grove	.00845
41	Southport	.00025
42	Speedway	.00722
43	Indianapolis/Marion County	.86409

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

- 1 less than the following:
- 2 Center Township \$1,898,145
- 3 Decatur Township \$ 164,103
- 4 Franklin Township \$ 173,934
- 5 Lawrence Township \$ 890,086
- 6 Perry Township \$ 854,544
- 7 Pike Township \$1,410,375
- 8 Warren Township \$1,027,721
- 9 Washington Township \$1,017,890
- 10 Wayne Township \$ 988,397
- 11 Lawrence-City \$ 648,848
- 12 Beech Grove \$ 639,017
- 13 Southport \$ 18,906
- 14 Speedway \$ 546,000
- 15 (3) For each year after 1995, calculate the total amount of
- 16 revenues that are to be distributed as distributive shares during
- 17 that month as follows:
- 18 STEP ONE: Determine the total amount of revenues that
- 19 were distributed as distributive shares during that month in
- 20 calendar year 1995.
- 21 STEP TWO: Determine the total amount of revenue that the
- 22 department has certified as distributive shares for that
- 23 month under section 17 of this chapter for the calendar year.
- 24 STEP THREE: Subtract the STEP ONE result from the
- 25 STEP TWO result.
- 26 STEP FOUR: If the STEP THREE result is less than or
- 27 equal to zero (0), multiply the STEP TWO result by the
- 28 ratio established under subdivision (1).
- 29 STEP FIVE: Determine the ratio of:
- 30 (A) the maximum permissible property tax levy under
- 31 IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for each civil taxing
- 32 unit for the calendar year in which the month falls;
- 33 divided by
- 34 (B) the sum of the maximum permissible property tax
- 35 levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all
- 36 civil taxing units of the county during the calendar year
- 37 in which the month falls.
- 38 STEP SIX: If the STEP THREE result is greater than zero
- 39 (0), the STEP ONE amount shall be distributed by
- 40 multiplying the STEP ONE amount by the ratio established
- 41 under subdivision (1).
- 42 STEP SEVEN: For each taxing unit determine the STEP
- 43 FIVE ratio multiplied by the STEP TWO amount.
- 44 STEP EIGHT: For each civil taxing unit determine the
- 45 difference between the STEP SEVEN amount minus the
- 46 product of the STEP ONE amount multiplied by the ratio

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

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

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

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

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

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

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

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

28 ~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in
29 IC 12-15-20-1.

30 ~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in
31 IC 12-17-12-4.

32 ~~(5)~~ (4) For purposes of IC 12-18-4, the meaning set forth in
33 IC 12-18-4-1.

34 ~~(6)~~ (5) For purposes of IC 12-18-5, the meaning set forth in
35 IC 12-18-5-1.

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

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

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

42 ~~(10)~~ (6) For purposes of IC 12-23-2, the meaning set forth in
43 IC 12-23-2-1.

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

46 ~~(12)~~ (7) For purposes of IC 12-24-14, the meaning set forth in

1 IC 12-24-14-1.
 2 ~~(13)~~ (8) For purposes of IC 12-30-7, the meaning set forth in
 3 IC 12-30-7-3.

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

11 (b) This section applies to the following statutes:

- 12 (1) IC 12-13.
- 13 (2) IC 12-14.
- 14 (3) IC 12-15.
- 15 (4) IC 12-17-1.
- 16 (5) IC 12-17-2.
- 17 (6) IC 12-17-3.
- 18 (7) IC 12-17-9.
- 19 (8) IC 12-17-10.
- 20 (9) IC 12-17-11.
- 21 ~~(10) IC 12-19.~~

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

- 25 (1) For purposes of IC 12-24-1-4, an individual who is admitted
 26 to a state institution for observation, diagnosis, or treatment.
- 27 (2) For purposes of IC 12-24-7, the meaning set forth in
 28 IC 12-24-7-1.
- 29 (3) For purposes of ~~IC 12-24-6~~, IC 12-24-13, IC 12-24-14 and
 30 IC 12-24-15, a mentally ill individual, an individual who appears
 31 to be mentally ill, or a mentally retarded individual who is:
 - 32 (A) in or under the supervision and control of a state
 33 institution; or
 - 34 (B) because of mental illness, under the supervision and
 35 control of a circuit, superior, or juvenile court.
- 36 (4) For purposes of IC 12-24-17, the meaning set forth in
 37 IC 12-24-17-2.
- 38 (5) For purposes of IC 12-27, an individual receiving mental
 39 health services or developmental training. The term includes a
 40 client of a service provider.

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

- 45 (1) The patient.
- 46 (2) The parents of the patient if the patient is not more than

- 1 eighteen (18) years of age.
- 2 (3) The spouse of the patient.
- 3 (4) The estate of the patient.
- 4 (5) A legal guardian of the patient in the guardian's
- 5 representative capacity.
- 6 (6) A trustee of the patient if the trust authorizes payment for the
- 7 care, treatment, maintenance, or support of the patient.
- 8 (b) The term does not include the children of the patient.
- 9 SECTION 17. IC 12-7-2-188 IS AMENDED TO READ AS
- 10 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 188.
- 11 "Superintendent" has the following meaning:
- 12 (1) For purposes of IC 12-24, the term refers to the
- 13 administrative head of a state institution appointed under
- 14 IC 12-24-2-2.
- 15 (2) For purposes of ~~IC 12-24-6~~, IC 12-24-15 and IC 12-24-17,
- 16 the term includes:
- 17 (A) an employee; or
- 18 (B) an individual who holds a license to practice medicine
- 19 under IC 25-22.5;
- 20 designated as a deputy or an agent of the individual described in
- 21 subdivision (1).
- 22 (3) For purposes of IC 12-26, the term means the chief
- 23 administrative officer of a facility and includes the chief
- 24 administrative officer's designee.
- 25 SECTION 18. IC 12-7-2-200 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 200. (a)
- 27 "Warrant", for purposes of the statutes listed in subsection (b), means
- 28 an instrument that is:
- 29 (1) the equivalent of a money payment; and
- 30 (2) immediately convertible into cash by the payee for the full
- 31 face amount of the instrument.
- 32 (b) This section applies to the following statutes:
- 33 (1) IC 12-10-6.
- 34 (2) IC 12-13.
- 35 (3) IC 12-14.
- 36 (4) IC 12-15.
- 37 (5) IC 12-17-1.
- 38 (6) IC 12-17-9.
- 39 (7) IC 12-17-10.
- 40 (8) IC 12-17-11.
- 41 ~~(9) IC 12-19.~~
- 42 SECTION 19. IC 12-13-5-1, AS AMENDED BY P.L.1-1997,
- 43 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 44 JANUARY 1, 1999]: Sec. 1. The division shall administer or supervise
- 45 the public welfare activities of the state. The division has the following
- 46 powers and duties:

- 1 (1) The administration of old age assistance, aid to dependent
 2 children, and assistance to the needy blind and persons with
 3 disabilities, excluding assistance to children with special health
 4 care needs.
- 5 (2) The administration of the following:
 6 (A) Any public child welfare service.
 7 (B) The licensing and inspection under IC 12-17.2 and
 8 IC 12-17.4.
 9 (C) The care of dependent and neglected children in foster
 10 family homes or institutions, especially children placed for
 11 adoption or those born out of wedlock.
 12 (D) The interstate placement of children.
- 13 (3) The provision of services to county governments, including
 14 the following:
 15 ~~(A) Organizing and supervising county offices for the~~
 16 ~~effective administration of public welfare functions.~~
 17 ~~(B) Compiling statistics and necessary information~~
 18 ~~concerning public welfare problems throughout Indiana.~~
 19 ~~(C) researching and encouraging research into crime,~~
 20 ~~delinquency, physical and mental disability, and the cause~~
 21 ~~of dependency.~~
- 22 (4) Prescribing the form of, printing, and supplying to the county
 23 departments blanks for applications, reports, affidavits, and other
 24 forms the division considers necessary and advisable.
- 25 (5) Cooperating with the federal Social Security Administration
 26 and with any other agency of the federal government in any
 27 reasonable manner necessary and in conformity with IC 12-13
 28 through IC 12-19 to qualify for federal aid for assistance to
 29 persons who are entitled to assistance under the federal Social
 30 Security Act. The responsibilities include the following:
 31 (A) Making reports in the form and containing the
 32 information that the federal Social Security Administration
 33 Board or any other agency of the federal government
 34 requires.
 35 (B) Complying with the requirements that a board or agency
 36 finds necessary to assure the correctness and verification of
 37 reports.
- 38 (6) Appointing from eligible lists established by the state
 39 personnel board employees of the division necessary to
 40 effectively carry out IC 12-13 through IC 12-19. The division
 41 may not appoint a person who is not a citizen of the United
 42 States and who has not been a resident of Indiana for at least one
 43 (1) year immediately preceding the person's appointment unless
 44 a qualified person cannot be found in Indiana for a position as a
 45 result of holding an open competitive examination.
- 46 (7) Assisting the office of Medicaid policy and planning in fixing

- 1 fees to be paid to ophthalmologists and optometrists for the
 2 examination of applicants for and recipients of assistance as
 3 needy blind persons.
- 4 (8) When requested, assisting other departments, agencies,
 5 divisions, and institutions of the state and federal government in
 6 performing services consistent with this article.
- 7 (9) Acting as the agent of the federal government for the
 8 following:
- 9 (A) In welfare matters of mutual concern under IC 12-13
 10 through IC 12-19.
- 11 (B) In the administration of federal money granted to
 12 Indiana in aiding welfare functions of the state government.
- 13 (10) Administering additional public welfare functions vested in
 14 the division by law and providing for the progressive
 15 codification of the laws the division is required to administer.
- 16 ~~(11) Transferring to each county that is required to submit a~~
 17 ~~schedule under IC 12-19-1-9(d) an amount equal to the~~
 18 ~~scheduled amount of the county's lease and rental obligations as~~
 19 ~~provided in IC 12-19-1-9.~~
- 20 ~~(12)~~ (11) Supervising day care centers and child placing
 21 agencies.
- 22 ~~(13)~~ (12) Supervising the licensing and inspection of all public
 23 child caring agencies.
- 24 ~~(14)~~ (13) Supervising the care of delinquent children and
 25 children in need of services.
- 26 ~~(15)~~ (14) Assisting juvenile courts as required by IC 31-30
 27 through IC 31-40.
- 28 ~~(16)~~ (15) Supervising the care of dependent children and
 29 children placed for adoption.
- 30 ~~(17)~~ (16) Compiling information and statistics concerning the
 31 ethnicity and gender of a program or service recipient.
- 32 **(17) Operating each county office as an administrative unit**
 33 **within the division.**
- 34 SECTION 20. IC 12-13-5-3, AS AMENDED BY P.L.108-1996,
 35 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 1999]: Sec. 3. The division may ~~do the following~~:
- 37 ~~(1)~~ adopt rules under IC 4-22-2 and take action that is necessary
 38 or desirable to carry out IC 12-13 through IC 12-19 and that is
 39 not inconsistent with IC 12-13 through IC 12-19. Each county
 40 director shall keep copies of the rules on file available for
 41 inspection by any person interested.
- 42 ~~(2) Under a division rule, designate county offices to serve as~~
 43 ~~agents of the division in the performance of all public welfare~~
 44 ~~activities in the county.~~
- 45 SECTION 21. IC 12-13-5-5, AS AMENDED BY P.L.36-1994,
 46 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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

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

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

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

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

14 ~~(3) (2)~~ that under IC 12-13 through IC 12-19 the division and
 15 county offices are authorized to collect, receive, and administer.

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

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

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

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

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

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

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

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

3 (b) At:

4 (1) the time of entry into employment; and

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

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

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

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

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

17 whichever occurs first.

18 (d) A person:

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

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

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

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

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

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

32 whichever occurs first.

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

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

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

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

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

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

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

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

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

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

14 ~~(4) (3) One (1) copy given to the recipient.~~

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

19 (1) give written notice; and

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

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

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

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

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

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

1 **the** division.

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

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

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

5 SECTION 35. IC 12-14-20-1 IS AMENDED TO READ AS

6 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. (a) The

7 division may accept voluntary contributions from a person desiring to

8 contribute to the support of a parent or other person who receives

9 public assistance.

10 (b) The division shall deposit contributions made under this

11 section in the state ~~welfare~~ **general fund or a trust fund, as**

12 **appropriate.**

13 SECTION 36. IC 12-14-22-7 IS AMENDED TO READ AS

14 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 7. (a) A schedule

15 of payments made to or for the benefit of each recipient under this

16 article shall be filed by the ~~county office~~ **division** each month with the

17 ~~county auditor and the~~ prosecuting attorney.

18 (b) The schedule shall be kept open to the public at all times for

19 inspection, study, and securing data. The schedule must contain the

20 names and addresses, in alphabetical order, of all recipients of benefits.

21 SECTION 37. IC 12-15-4-1 IS AMENDED TO READ AS

22 FOLLOWS [EFFECTIVE JANUARY 1, 1999]: Sec. 1. An application

23 or a request for Medicaid for an individual must be:

24 (1) made to the county office ~~of~~ **in** the county in which the

25 applicant resides; and

26 (2) in the manner required by the office.

27 SECTION 38. IC 12-15-15-8, AS AMENDED BY P.L.156-1995,

28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

29 JANUARY 1, 1999]: Sec. 8. (a) A per diem rate shall be added to each

30 hospital's base inpatient payment rate. The rate shall be computed for

31 each individual hospital ~~using the following formula:~~

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

33 ~~(A)~~ **(1)** the total hospital care for the indigent program payments

34 for fiscal year 1992; divided by

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

36 period.

37 (b) The total amount to be paid to hospitals during each fiscal year

38 under subsection (a) is thirty-five million dollars (\$35,000,000).

39 (c) The rate described in subsection (a) shall be updated annually

40 on July 1 by a ratio, the numerator of which is the total ~~tax levy~~

41 **amount appropriated from state tax revenues** for the hospital care

42 for the indigent program for the most recent fiscal year and the

43 denominator of which is the total ~~tax levy~~ **amount appropriated from**

44 **state tax revenues** for the hospital care for the indigent program for

45 the year preceding the most recent fiscal year.

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

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

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

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

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

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

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

30 ~~(2)~~ (1) Any contribution to the fund in that year.

31 ~~(3)~~ (2) Any amount that was appropriated to the state hospital
 32 care for the indigent ~~fund~~ **program** for that year by the general
 33 assembly.

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

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

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

42 ~~(b) Each year the division shall pay claims as provided in section~~
 43 ~~4 of this chapter, without regard to the county of admission or that~~
 44 ~~county's transfer to the state fund.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 ~~(4) (3) One (1) copy must be given to the recipient.~~

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

10 ~~(1) administrative expenses; or~~

11 ~~(2) expenses regarding facilities, supplies, and equipment:~~

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

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

20 (1) the county; or

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

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

24 (b) This section does not affect the following:

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

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

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

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

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

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

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

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

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

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

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

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

15 (2) Assistance and services to elderly persons.

16 (3) Assistance to persons with disabilities.

17 (4) Care and treatment of the following persons:

18 (A) Children in need of services.

19 (B) Dependent children.

20 (C) Children with disabilities.

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

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

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

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

29 (9) Provision of family preservation services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (B) Indiana law.

4 **(C) The policies of the division.**

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

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

12 (2) a recipient of public assistance:

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

14 (B) refuses to:

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

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

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

20 (1) Act for the applicant or recipient.

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

23 (A) This chapter.

24 (B) IC 12-10-6.

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

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

27 (E) IC 12-15.

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

29 (G) IC 16-35-2.

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

33 (1) in the monthly assistance award; or

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

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

42 **(1) adjudicated to be:**

43 **(A) children in need of services; or**

44 **(B) delinquent children; or**

45 **(2) recipients of or are eligible for:**

46 **(A) informal adjustments;**

1 **(B) service referral agreements; and**
 2 **(C) adoption assistance;**
 3 **including the costs of using an institution or facility for providing**
 4 **educational services as described in either IC 20-8.1-3-36 (if**
 5 **applicable) or IC 20-8.1-6.1-8 (if applicable), all services required**
 6 **to be paid by the division under IC 31-40-1-2, and all costs**
 7 **required to be paid by the division under IC 20-8.1-6.1-7.**

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (1) preventative maintenance; and

22 (2) repair and rehabilitation;

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

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

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

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

- 1 graduation or discharge.
- 2 (f) The superintendent may make agreements with
3 instrumentalities of the federal government for application of any
4 monetary awards to be applied toward the maintenance charges in a
5 manner that provides a sufficient amount of the periodic award to be
6 deposited in the child's trust account to meet the immediate personal
7 needs of the child and to provide a suitable graduation or discharge
8 allowance. The amount applied toward the settlement of maintenance
9 charges may not exceed the amount specified in subsection (a).
- 10 (g) The superintendent of the home may do the following:
- 11 (1) Investigate, either with the superintendent's own staff or on
12 a contractual or other basis, the financial condition of each
13 person liable under this chapter.
- 14 (2) Make determinations of the ability of:
- 15 (A) the estate of the child;
- 16 (B) the legal guardian of the child; or
- 17 (C) each of the responsible parents of the child;
- 18 to pay maintenance charges.
- 19 (3) Set a standard as a basis of judgment of ability to pay that
20 shall be recomputed periodically to do the following:
- 21 (A) Reflect changes in the cost of living and other pertinent
22 factors.
- 23 (B) Provide for unusual and exceptional circumstances in
24 the application of the standard.
- 25 (4) Issue to any person liable under this chapter statements of
26 amounts due as maintenance charges, requiring the person to pay
27 monthly, quarterly, or otherwise as may be arranged, an amount
28 not exceeding the maximum cost as determined under this
29 chapter.
- 30 SECTION 60. IC 16-33-4-17.5, AS ADDED BY P.L.55-1997,
31 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 1999]: Sec. 17.5. (a) In the case of a child who is:
- 33 (1) admitted to the home from another county; and
- 34 (2) adjudicated to be a delinquent child or child in need of
35 services by the juvenile court in the county where the home is
36 located;
- 37 the juvenile court may order the county office of family and children
38 ~~of in~~ the child's county of residence before the child's admission to the
39 home to reimburse the cost of services ordered by the juvenile court,
40 including related transportation costs, and any cost incurred by the
41 county to transport or detain the child before the order is issued.
- 42 ~~(b) A county office of family and children ordered to reimburse~~
43 ~~costs under this section shall pay the amount ordered from the county~~
44 ~~family and children's fund:~~
- 45 ~~(c)~~ (b) The county office of family and children may require the
46 parent or guardian of the child, other than a parent, guardian, or

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

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

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

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

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

26 SECTION 62. IC 20-8.1-6.1-7, AS AMENDED BY P.L.119-1996,
 27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 1999]: Sec. 7. (a) If a student is transferred under section
 29 2 of this chapter from a school corporation in Indiana to a public school
 30 corporation in another state, the transferor corporation shall pay the
 31 transferee corporation the full tuition fee charged by the transferee
 32 corporation. However, the amount of the full tuition fee must not
 33 exceed the amount charged by the transferor corporation for the same
 34 class of school, or if the school has no such classification, the amount
 35 must not exceed the amount charged by the geographically nearest
 36 school corporation in Indiana which has such classification.

37 (b) If a child is:

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

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

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

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

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

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

16 (d) If a child is:

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

19 (2) provided:

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

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

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

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

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

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

44 (2) "ADM" means the following:

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

- 1 computed under IC 21-1-30-2.
 2 (B) For all other purposes, "ADM" as set forth in
 3 IC 21-3-1.6-1.1.
 4 (3) "Pupil enrollment" means the following:
 5 (A) The total number of students in kindergarten through
 6 grade 12 who are enrolled in a transferee school corporation
 7 on a date determined by the Indiana state board of
 8 education.
 9 (B) The total number of students enrolled in a class of
 10 school in a transferee school corporation on a date
 11 determined by the Indiana state board of education.
 12 However, a kindergarten student shall be counted under clauses
 13 (A) and (B) as one-half (1/2) a student.
 14 (4) "Special equipment" means equipment that during a school
 15 year:
 16 (A) is used only when a child with disabilities is attending
 17 school;
 18 (B) is not used to transport a child to or from a place where
 19 the child is attending school;
 20 (C) is necessary for the education of each child with
 21 disabilities that uses the equipment, as determined under the
 22 individualized instruction program for the child; and
 23 (D) is not used for or by any child who is not a child with
 24 disabilities.
 25 The Indiana state board of education may select a different date for
 26 counts under subdivision (3). However, the same date shall be used for
 27 all school corporations making a count for the same class of school.
 28 (b) Each transferee corporation is entitled to receive for each
 29 school year on account of each transferred student, except a student
 30 transferred under section 3 of this chapter, transfer tuition from the
 31 transferor corporation or the state as provided in this chapter. Transfer
 32 tuition equals the amount determined under STEP THREE of the
 33 following formula:
 34 STEP ONE: Allocate to each transfer student the capital
 35 expenditures for any special equipment used by the transfer
 36 student and a proportionate share of the operating costs incurred
 37 by the transferee school for the class of school where the transfer
 38 student is enrolled.
 39 STEP TWO: If the transferee school included the transfer
 40 student in the transferee school's ADM for a school year, allocate
 41 to the transfer student a proportionate share of the following
 42 general fund revenues of the transferee school for, except as
 43 provided in clause (C), the calendar year in which the school
 44 year ends:
 45 (A) The following state distributions that are computed in
 46 any part using ADM or other pupil count in which the

- 1 student is included:
- 2 (i) Primetime grant under IC 21-1-30.
- 3 (ii) Tuition support for basic programs and at-risk
- 4 weights under IC 21-3-1.7-8 (before January 1, 1996)
- 5 and only for basic programs (after December 31,
- 6 1995).
- 7 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- 8 (iv) At-risk grant under IC 21-3-1.7-9.7.
- 9 (v) Academic honors diploma award under
- 10 IC 21-3-1.7-9.8.
- 11 (vi) Vocational education grant under IC 21-3-1.8-3.
- 12 (vii) Special education grant under IC 21-3-1.8
- 13 (repealed January 1, 1996) or IC 21-3-10.
- 14 (viii) The portion of the ADA flat grant that is
- 15 available for the payment of general operating
- 16 expenses under IC 21-3-4.5-2(b)(1).
- 17 (B) For school years beginning after June 30, 1997,
- 18 property tax levies.
- 19 (C) For school years beginning after June 30, 1997, excise
- 20 tax revenue (as defined in IC 21-3-1.7-2) received for
- 21 deposit in the calendar year in which the school year begins.
- 22 (D) For school years beginning after June 30, 1997,
- 23 allocations to the transferee school under IC 6-3.5.
- 24 **STEP THREE: Determine the greater of:**
- 25 (A) zero (0); or
- 26 (B) the result of subtracting the STEP TWO amount from
- 27 the STEP ONE amount.
- 28 If a child is placed in an institution or facility in Indiana under a court
- 29 order, the institution or facility shall charge the ~~county office of the~~
- 30 ~~county of the student's legal settlement under IC 12-19-7~~ **division of**
- 31 **family and children** for the use of the space within the institution or
- 32 facility (commonly called capital costs) that is used to provide
- 33 educational services to the child based upon a prorated per student cost.
- 34 (c) Operating costs shall be determined for each class of school
- 35 where a transfer student is enrolled. The operating cost for each class
- 36 of school is based on the total expenditures of the transferee
- 37 corporation for the class of school from its general fund expenditures
- 38 as specified in the classified budget forms prescribed by the state board
- 39 of accounts. This calculation excludes:
- 40 (1) capital outlay;
- 41 (2) debt service;
- 42 (3) costs of transportation;
- 43 (4) salaries of board members;
- 44 (5) contracted service for legal expenses; and
- 45 (6) any expenditure which is made out of the general fund from
- 46 extracurricular account receipts;

- 1 for the school year.
- 2 (d) The capital cost of special equipment for a school year is equal
3 to:
- 4 (1) the cost of the special equipment; divided by
5 (2) the product of:
- 6 (A) the useful life of the special equipment, as determined
7 under the rules adopted by the Indiana state board of
8 education; multiplied by
9 (B) the number of students using the special equipment
10 during at least part of the school year.
- 11 (e) When an item of expense or cost described in subsection (c)
12 cannot be allocated to a class of school, it shall be prorated to all
13 classes of schools on the basis of the pupil enrollment of each class in
14 the transferee corporation compared to the total pupil enrollment in the
15 school corporation.
- 16 (f) Operating costs shall be allocated to a transfer student for each
17 school year by dividing:
- 18 (1) the transferee school corporation's operating costs for the
19 class of school in which the transfer student is enrolled; by
20 (2) the pupil enrollment of the class of school in which the
21 transfer student is enrolled.
- 22 When a transferred student is enrolled in a transferee corporation for
23 less than the full school year of pupil attendance, the transfer tuition
24 shall be calculated by the portion of the school year for which the
25 transferred student is enrolled. A school year of pupil attendance
26 consists of the number of days school is in session for pupil attendance.
27 A student, regardless of the student's attendance, is enrolled in a
28 transferee school unless the student is no longer entitled to be
29 transferred because of a change of residence, the student has been
30 excluded or expelled from school for the balance of the school year or
31 for an indefinite period, or the student has been confirmed to have
32 withdrawn from school. The transferor and the transferee corporation
33 may enter into written agreements concerning the amount of transfer
34 tuition due in any school year. Where an agreement cannot be reached,
35 the amount shall be determined by the Indiana state board of education,
36 and costs may be established, when in dispute, by the state board of
37 accounts.
- 38 (g) A transferee school shall allocate revenues described in
39 subsection (b) STEP TWO to a transfer student by dividing:
- 40 (1) the total amount of revenues received; by
41 (2) the ADM of the transferee school for the school year that
42 ends in the calendar year in which the revenues are received.
- 43 However, for state distributions under IC 21-1-30, IC 21-3-10, or any
44 other statute that computes the amount of a state distribution using less
45 than the total ADM of the transferee school, the transferee school shall
46 allocate the revenues to the transfer student by dividing the revenues

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

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

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

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

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

30 (1) for whom tuition support is paid by another school
31 corporation;
32 (2) for whom tuition support is paid by the state; and
33 (3) who is enrolled in the school corporation but has the
34 equivalent of a legal settlement in another state or country;
35 to the county office (as defined in IC 12-7-2-45) for the county in
36 which the principal office of the school corporation is located and to
37 the department of education.

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

- 42 (1) The amount of tuition support and other support received for
43 the students described in subsection (a).
44 (2) The operating expenses, as determined under section 8 of this
45 chapter, incurred for the students described in subsection (a).
46 (3) Special equipment expenditures that are directly related to

- 1 educating students described in subsection (a).
 2 (4) The number of transfer students described in subsection (a).
 3 (5) Any other information required under the rules adopted by
 4 the Indiana state board of education after consultation with the
 5 office of the secretary of family and social services.
 6 (c) The information required under this section shall be reported
 7 in the format and on the forms specified by the Indiana state board of
 8 education.
 9 (d) Not later than November 30 of each year beginning after
 10 December 31, 1994, the department of education shall compile the
 11 information required from school corporations under this section and
 12 submit the compiled information in the form specified by the office of
 13 the secretary of family and social services to the office of the secretary
 14 of family and social services.
 15 (e) Not later than November 30 of each year beginning after
 16 December 31, 1994, each county office shall submit the following
 17 information to the office of the secretary of family and social services
 18 for each child who is described in ~~IC 12-19-7-1(1)~~ **IC 12-19-1-21(a)(1)**
 19 and is placed in another state or is a student in a school outside the
 20 school corporation where the child has legal settlement:
 21 (1) The name of the child.
 22 (2) The name of the school corporation where the child has legal
 23 settlement.
 24 (3) The last known address of the custodial parent or guardian of
 25 the child.
 26 (4) Any other information required by the office of the secretary
 27 of family and social services.
 28 (f) Not later than December 31 of each year beginning after
 29 December 31, 1994, the office of the secretary of family and social
 30 services shall submit a report to the members of the budget committee
 31 and the executive director of the legislative services agency that
 32 compiles and analyzes the information required from school
 33 corporations under this section. The report shall identify the types of
 34 state and local funding changes that are needed to provide adequate
 35 state and local money to educate transfer students.
 36 **SECTION 65. IC 20-12-31-5 IS AMENDED TO READ AS**
 37 **FOLLOWS [EFFECTIVE JANUARY 1, 1999]:** Sec. 5. The
 38 management of the hospital shall keep an accurate account of the cost
 39 of the treatment, and a properly certified statement must be rendered
 40 quarterly to the auditor of the state, who shall issue a warrant on the
 41 treasurer of state for the amount thereof, to be paid out of any funds in
 42 the state general fund not otherwise appropriated, payable to the
 43 treasurer of the board of trustees of Indiana University. ~~The treasurer~~
 44 ~~of state shall then reimburse the general fund for the amount so paid~~
 45 ~~out, by collecting from the proper county a like amount or amounts in~~
 46 ~~the next succeeding semiannual settlement with such counties; and the~~

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

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

- 11 (1) Whether a subsidy will be paid under section 2 or 3 of this
 12 chapter, or both.
- 13 (2) The amount of each subsidy to be paid.
- 14 (3) If a subsidy will be paid under section 3 of this chapter, the
 15 condition or cause covered by the subsidy.
- 16 (4) Any condition for the continued payment of a subsidy other
 17 than a requirement set forth in this chapter.

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

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

- 31 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 32 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 33 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 34 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 35 5106 et seq.).
- 36 (5) Community corrections programs under IC 11-12.
- 37 (6) Special education programs under IC 20-1-6-19.
- 38 (7) All programs designed to prevent child abuse, neglect, or
 39 delinquency, or to enhance child welfare and family preservation
 40 administered by, or through funding provided by, the division of
 41 family and children, county offices, prosecutors, or juvenile
 42 courts, including programs funded under ~~IC 12-19-5, IC 12-19-7,~~
 43 ~~and~~ IC 31-40.

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

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

- 6 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 7 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 8 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 9 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 10 5106 et seq.).
- 11 (5) Community corrections programs under IC 11-12.
- 12 (6) Special education programs under IC 20-1-6-19.
- 13 (7) All programs designed to prevent child abuse, neglect, or
 14 delinquency, or to enhance child welfare and family preservation
 15 administered by, or through funding provided by, the division of
 16 family and children, county offices, prosecutors, or juvenile
 17 courts, including programs funded under ~~IC 12-19-5, IC 12-19-7,~~
 18 ~~and~~ IC 31-40.

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

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

- 29 (1) any services ordered by the juvenile court for any child or the
 30 child's parent, guardian, or custodian, **except for probation,**
 31 **guardian ad litem, and court appointed special advocate**
 32 **services;** and
- 33 (2) returning a child under IC 31-37-23.

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

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

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

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

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

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

10 (c) At:

11 (1) a detention hearing;

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

15 (3) the dispositional hearing; or

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

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

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

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

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

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

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

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

1 and children shall:

2 (1) comply with 45 CFR 302.52 and 45 CFR 303.2; and
 3 (2) remit all other support payments to the ~~county~~ **state** general
 4 fund.

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

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

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

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

19 (1) children in need of services (as described in IC 31-34-1); or
 20 (2) delinquent children (as described in IC 31-37-1 and
 21 IC 31-37-2).

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

27 (1) Name, address, and telephone number of each facility.
 28 (2) Owner and contact person for each facility.
 29 (3) Description of the child services that each facility provides
 30 and any limitations that the facility imposes on acceptance of a
 31 child placed by a juvenile court.
 32 (4) Number of children that each facility can serve on a
 33 residential basis.
 34 (5) Number of residential openings at each facility.

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

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

39 SECTION 75. THE FOLLOWING ARE REPEALED
 40 [EFFECTIVE JANUARY 1, 1999]: IC 6-1.1-17-18; IC 6-1.1-18.6;
 41 IC 12-7-2-117; IC 12-13-7-10; IC 12-13-7-11; IC 12-13-7-14;
 42 IC 12-13-7-15; IC 12-13-7-16; IC 12-13-7-20; IC 12-13-8;
 43 IC 12-13-9-1; IC 12-13-9-3; IC 12-13-9-4; IC 12-14-2-13;
 44 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;
 45 IC 12-16-14; IC 12-16-15; IC 12-17-1-15; IC 12-17-3-3;
 46 IC 12-19-1-15; IC 12-19-1-17; IC 12-19-3; IC 12-19-4; IC 12-19-5;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 **(6) IC 16-35-3 (children with special health care needs**
2 **county fund and tax levy).**
- 3 **(b) As used in this SECTION, "miscellaneous revenue" means**
4 **tax revenue that is distributed under:**
- 5 **(1) the bank tax (IC 6-5-10);**
6 **(2) the savings and loan association tax (IC 6-5-11);**
7 **(3) the production credit association tax (IC 6-5-12);**
8 **(4) the financial institutions tax (IC 6-5.5); or**
9 **(5) any other statute providing for a distribution of revenue;**
10 **to a political subdivision based in any part on the ad valorem**
11 **property tax levy imposed by the political subdivision.**
- 12 **(c) For calendar year 1999 and any other year that in any part**
13 **conditions a distribution of miscellaneous revenue on the county**
14 **property tax levies first due and payable in calendar year 1998 or**
15 **a previous year, the distribution must be made based on the**
16 **adjusted property tax levy determined under this SECTION.**
- 17 **(d) The state board of tax commissioners shall determine an**
18 **adjusted property tax levy for each year on which a distribution**
19 **described in subsection (c) is based. The adjusted property tax levy**
20 **must exclude the county office property tax levies imposed in that**
21 **year.**
- 22 **(e) Before July 15, 1998, the state board of tax commissioners**
23 **shall certify the adjusted levy determined under subsection (d) to**
24 **the auditor of state, each county auditor, and the department of**
25 **state revenue.**
- 26 **(f) For purposes of property tax levies first due and payable**
27 **after December 31, 1998, the state board of tax commissioners shall**
28 **adjust property tax levies of a political subdivision to eliminate that**
29 **portion of a property tax levy that was imposed before January 1,**
30 **1999, to make a transfer described in IC 12-15-18-5.**
- 31 **(g) The unallotted balance on December 31, 1998, of any**
32 **county office property tax levies in a fund other than the state**
33 **general fund shall, on January 1, 1999, be transferred to the state**
34 **general fund to carry out the programs for which the money was**
35 **levied. The unallotted balance on December 31, 1998, of each**
36 **county welfare trust clearance fund shall be transferred on**
37 **January 1, 1999, to an account in the state welfare trust clearance**
38 **fund. However, by agreement between a county executive and the**
39 **division of family and children, a county may retain a balance of**
40 **county office property tax levies after December 31, 1998, in a fund**
41 **to pay obligations incurred but not allotted for payment before**
42 **January 1, 1999. The amount and time that balances shall be**
43 **retained shall be governed by the agreement. Money transferred**
44 **to the state under this subsection shall be treated as money from**
45 **state revenues.**
- 46 **(h) The state board of tax commissioners shall reduce the**

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

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

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

10 (2) the division of family and children.

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

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

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

19 (3) January 1, 2000.

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

24 (1) personnel;

25 (2) agreements and other obligations; and

26 (3) records and other property;

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

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

37 (e) After December 31, 1998:

38 (1) trust funds administered by; and

39 (2) wardships and guardianships granted to;

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

42 (f) The following funds are abolished:

43 (1) State medical assistance to wards fund.

44 (2) The state welfare fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 **(2) Revise and consolidate the statutes relating to the**
 2 **reorganization of county offices of family and children under**
 3 **this act.**
 4 **(3) Otherwise implement this act.**
 5 **(g) The committee may study any issue related to its**
 6 **responsibilities.**
 7 **(h) The committee shall operate under the direction of the**
 8 **legislative council. The legislative services agency shall staff the**
 9 **committee. The office of the secretary of family and social services**
 10 **shall assist the committee as directed by the chairperson of the**
 11 **committee.**
 12 **(i) The committee shall issue:**
 13 **(1) an interim report before November 2, 1998, and at other**
 14 **times as determined by the legislative council; and**
 15 **(2) a final report before November 2, 1999.**
 16 **Copies of each report shall be given to the governor and the**
 17 **legislative council.**
 18 **(j) Each member of the committee is entitled to receive the**
 19 **same per diem, mileage, and travel allowances paid to members of**
 20 **the general assembly serving on interim study committees**
 21 **established by the legislative council.**
 22 **(k) This SECTION expires December 31, 1999.**
 23 **SECTION 81. [EFFECTIVE JANUARY 1, 1998**
 24 **(RETROACTIVE)] (a) IC 6-1.1-20.9-2, as amended by this act,**
 25 **applies to property taxes first due and payable after December 31,**
 26 **1997.**
 27 **(b) IC 6-3-1-3.5, as amended by this act, applies only to taxable**
 28 **years beginning after December 31, 1997.**
 29 **SECTION 82. [EFFECTIVE JULY 1, 1998] (a) Except as**
 30 **provided in subsection (b) and notwithstanding any other law, a**
 31 **civil taxing unit may not impose a property tax rate for property**
 32 **taxes first due and payable in 1999 and for property taxes first due**
 33 **and payable in 2000 that is greater than the property tax rate**
 34 **imposed by the civil taxing unit for property taxes first due and**
 35 **payable in 1998.**

- 1 **(b) The property tax rate limit established in subsection (a)**
- 2 **does not apply to a property tax rate imposed by a civil taxing unit:**
- 3 **(1) for the civil taxing unit's debt service fund; or**
- 4 **(2) for payment of any other bond or lease obligations.**
- 5 **(c) This SECTION expires January 1, 2001."**
- 6 Renumber all SECTIONS consecutively.
 (Reference is to HB 1001 as printed January 12, 1998.)

Representative Espich