



April 6, 1999

# ENGROSSED SENATE BILL No. 24

DIGEST OF SB 24 (Updated March 30, 1999 4:47 pm - DI 58)

**Citations Affected:** IC 6-1.1; IC 21-2; noncode.

**Synopsis:** Capital improvements for schools and property tax settlements. Provides that if a county treasurer or county auditor does not distribute tax money due to a tax unit on or before the first day of the month immediately following the settlement date, the treasurer and auditor shall pay to the taxing unit interest on the taxing unit's undistributed money at a rate of 6%. (Under current law, interest must be paid under those circumstances only if the undistributed tax money was invested in an interest bearing investment.) Specifies that if a county treasurer fails to make a semi-annual settlement with the auditor of the county or to pay over the money due the county for any civil taxing unit or school corporation, the county auditor is liable for 110% of the taxes. Allows not more than 5% of the levy for a school capital projects fund to be used for construction, repair, replacement, remodeling, or maintenance of school sports facilities.

**Effective:** July 1, 1999.

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## Server, Blade

(HOUSE SPONSORS — AVERY, BECKER)

January 6, 1999, read first time and referred to Committee on Finance.  
March 1, 1999, reported favorably — Do Pass.  
March 4, 1999, read second time, ordered engrossed.  
March 5, 1999, engrossed.  
March 8, 1999, read third time, passed. Yeas 49, nays 0.  
HOUSE ACTION  
March 10, 1999, read first time and referred to Committee on Education.  
March 22, 1999, reported — Do Pass; referred to Committee on Ways and Means, pursuant to Rule 127.  
April 5, 1999, amended, reported — Do Pass.

ES 24—LS 6172/DI 44+



April 6, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## ENGROSSED SENATE BILL No. 24

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A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-27-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) On or before June  
3 20th and December 20th of each year, the county auditor and the  
4 county treasurer shall meet in the office of the county auditor. Before  
5 each semi-annual meeting, the county auditor shall complete an audit  
6 of the county treasurer's monthly reports required under IC 36-2-10-16.  
7 In addition, the county auditor shall prepare a certificate of settlement  
8 on the form prescribed by the state board of accounts, and he shall  
9 deliver the certificate of settlement to the county treasurer at least two  
10 (2) days before each semi-annual meeting.

11 (b) If any county treasurer or auditor refuses, neglects, or fails to  
12 distribute tax money due to a tax unit on or before the first day of the  
13 month immediately following the appropriate settlement date  
14 prescribed in subsection (a), the county treasurer and auditor shall pay  
15 to the taxing unit from the county general fund interest **at an annual**  
16 **rate of six percent (6%)** on the taxing unit's undistributed tax money

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1 if the county treasurer and auditor invest undistributed tax money in an  
 2 interest bearing investment. The amount of interest to be paid equals  
 3 the taxing unit's proportionate share of the actual amount of interest  
 4 which is received from investments of the undistributed tax money  
 5 from the second day of the month immediately following the  
 6 appropriate settlement date to the date that the tax money is distributed.

7 SECTION 2. IC 6-1.1-27-4 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. If a county treasurer  
 9 fails to make a semi-annual settlement with the auditor of his county or  
 10 to pay over the money due the county **for any civil taxing unit or**  
 11 **school corporation**, the county auditor shall notify the county  
 12 prosecuting attorney who shall bring a suit upon the bond of the county  
 13 treasurer. The county treasurer and his sureties are liable in an amount  
 14 equal to one hundred ten percent (110%) of the taxes and other charges  
 15 for which the treasurer fails to make a settlement or pay over.

16 SECTION 3. IC 21-2-15-4 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) A school  
 18 corporation may establish a capital projects fund.

19 (b) With respect to any facility used or to be used by the school  
 20 corporation (other than a facility used or to be used primarily for  
 21 interscholastic or extracurricular activities, **except as provided in**  
 22 **subsection (i)**), the fund may be used to pay for the following:

- 23 (1) Planned construction, repair, replacement, or remodeling.
- 24 (2) Site acquisition.
- 25 (3) Site development.
- 26 (4) Repair, replacement, or site acquisition that is necessitated by  
 27 an emergency.

28 (c) The fund may be used to pay for the purchase, lease, repair, or  
 29 maintenance of equipment to be used by the school corporation (other  
 30 than vehicles to be used for any purpose and equipment to be used  
 31 primarily for interscholastic or extracurricular activities, **except as**  
 32 **provided in subsection (i)**).

33 (d) The fund may be used for any of the following purposes:

- 34 (1) To purchase, lease, upgrade, maintain, or repair computer  
 35 hardware, computer software, or computer hardware and  
 36 software.
- 37 (2) To pay for the services of full-time or part-time computer  
 38 maintenance employees.
- 39 (3) To conduct nonrecurring inservice technology training of  
 40 school employees.
- 41 (4) To fund the payment of advances, together with interest on the  
 42 advances, from the common school fund for educational



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1 technology programs under IC 21-1-5.

2 (5) To fund the acquisition of any equipment or services  
3 necessary:

4 (A) to implement the technology preparation curriculum under  
5 IC 20-10.1-5.6;

6 (B) to participate in a program to provide educational  
7 technologies, including computers, in the homes of students  
8 (commonly referred to as "the buddy system project") under  
9 IC 20-10.1-25, the 4R's technology program under  
10 IC 20-10.1-25, or any other program under the educational  
11 technology program described in IC 20-10.1-25; or

12 (C) to obtain any combination of equipment or services  
13 described in clauses (A) and (B).

14 (e) The fund may be used to purchase:

15 (1) building sites;

16 (2) buildings in need of renovation;

17 (3) building materials; and

18 (4) equipment;

19 for the use of vocational building trades classes to construct new  
20 buildings and to remodel existing buildings.

21 (f) The fund may be used for leasing or renting of existing real  
22 estate, excluding payments authorized under IC 21-5-11 and  
23 IC 21-5-12.

24 (g) The fund may be used to pay for services of the school  
25 corporation employees that are bricklayers, stone masons, cement  
26 masons, tile setters, glaziers, insulation workers, asbestos removers,  
27 painters, paperhangers, drywall applicators and tapers, plasterers, pipe  
28 fitters, roofers, structural and steel workers, metal building assemblers,  
29 heating and air conditioning installers, welders, carpenters, electricians,  
30 or plumbers, as these occupations are defined in the United States  
31 Department of Labor, Employment and Training Administration,  
32 Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:

33 (1) the employees perform construction of, renovation of,  
34 remodeling of, repair of, or maintenance on the facilities and  
35 equipment specified in subsections (b) and (c);

36 (2) the school corporation's total annual salary and benefits paid  
37 by the school corporation to employees described in this  
38 subsection are at least six hundred thousand dollars (\$600,000);  
39 and

40 (3) the payment of the employees described in this subsection is  
41 included as part of the proposed capital projects fund plan  
42 described in section 5(a) of this chapter.



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1       However, the number of employees that are covered by this subsection  
2       is limited to the number of employee positions described in this  
3       subsection that existed on January 1, 1993. For purposes of this  
4       subsection, maintenance does not include janitorial or comparable  
5       routine services normally provided in the daily operation of the  
6       facilities or equipment.

7       (h) The fund may be used to pay for energy saving contracts entered  
8       into by a school corporation under IC 36-1-12.5.

9       **(i) Money from the fund may be used to pay for the**  
10       **construction, repair, replacement, remodeling, or maintenance of**  
11       **a school sports facility. However, a school corporation's**  
12       **expenditures in a calendar year under this subsection may not**  
13       **exceed five percent (5%) of the property tax revenues levied for the**  
14       **fund in the calendar year.**

15       SECTION 4. [EFFECTIVE JULY 1, 1999] IC 21-2-15-4, as  
16       amended by this act, applies only to budget years beginning after  
17       December 31, 1999.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 24, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 24 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 24, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

PORTER, Chair

Committee Vote: yeas 14, nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 24, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-27-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) On or before June 20th and December 20th of each year, the county auditor and the county treasurer shall meet in the office of the county auditor. Before each semi-annual meeting, the county auditor shall complete an audit of the county treasurer's monthly reports required under IC 36-2-10-16. In addition, the county auditor shall prepare a certificate of settlement on the form prescribed by the state board of accounts, and he shall deliver the certificate of settlement to the county treasurer at least two (2) days before each semi-annual meeting.

(b) If any county treasurer or auditor refuses, neglects, or fails to distribute tax money due to a tax unit on or before the first day of the month immediately following the appropriate settlement date prescribed in subsection (a), the county treasurer and auditor shall pay to the taxing unit from the county general fund interest **at an annual rate of six percent (6%)** on the taxing unit's undistributed tax money if the county treasurer and auditor invest undistributed tax money in an interest bearing investment. The amount of interest to be paid equals the taxing unit's proportionate share of the actual amount of interest which is received from investments of the undistributed tax money from the second day of the month immediately following the appropriate settlement date to the date that the tax money is distributed.

SECTION 2. IC 6-1.1-27-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. If a county treasurer fails to make a semi-annual settlement with the auditor of his county or to pay over the money due the county **for any civil taxing unit or school corporation**, the county auditor shall notify the county prosecuting attorney who shall bring a suit upon the bond of the county treasurer. The county treasurer and his sureties are liable in an amount equal to one hundred ten percent (110%) of the taxes and other charges for which the treasurer fails to make a settlement or pay over."

Renumber all SECTIONS consecutively.



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and when so amended that said bill do pass.

(Reference is to SB 24 as printed March 2, 1999.)

BAUER, Chair

Committee Vote: yeas 24, nays 0.

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