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| WITHDRAWN | Noes _____ |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

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 297 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 1, delete lines 1 through 16, begin a new paragraph and insert:
- 5 "SECTION 1. IC 6-1.1-17-3 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The proper
- 7 officers of a political subdivision shall formulate its estimated budget
- 8 and its proposed tax rate and tax levy on the form prescribed by the
- 9 state board of tax commissioners and approved by the state board of
- 10 accounts. The political subdivision shall give notice by publication to
- 11 taxpayers of:
- 12 (1) the estimated budget;
- 13 (2) the estimated maximum permissible levy;
- 14 (3) the current and proposed tax levies of each fund; ~~and~~
- 15 (4) the amounts of excessive levy appeals to be requested; **and**
- 16 **(5) after December 31, 1999, the current and proposed**
- 17 **amount of revenue to be distributed by the state during the**
- 18 **budget year to the general fund of a school corporation.**
- 19 In the notice, the political subdivision shall also state the time and
- 20 place at which a public hearing will be held on these items. The notice
- 21 shall be published twice in accordance with IC 5-3-1 with the first
- 22 publication at least ten (10) days before the date fixed for the public
- 23 hearing.
- 24 (b) The trustee of each township of the county shall:

- 1 (1) estimate the amount necessary to meet the cost of poor relief
 2 in the township for the ensuing calendar year; and
 3 (2) publish with the township budget a tax rate sufficient to meet
 4 the estimated cost of poor relief.

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

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

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

13 SECTION 2. IC 6-1.1-17-5.1 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5.1. (a) As used in this
 15 section, "school corporation" has the meaning set forth in
 16 IC 20-10.1-1-1.

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

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

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

- 27 (1) a statement of the tax rate and tax levy fixed by the school
 28 corporation for the ensuing budget year;
 29 **(2) after December 31, 1999, the proposed amount of revenue**
 30 **to be distributed by the state during the budget year to the**
 31 **general fund of a school corporation;**
 32 ~~(2)~~ **(3)** two (2) copies of the budget adopted by the school
 33 corporation for the ensuing budget year; and
 34 ~~(3)~~ **(4)** any written notification from the state board of tax
 35 commissioners under section 16(i) of this chapter that specifies a
 36 proposed revision, reduction, or increase in the budget adopted by
 37 the school corporation for the ensuing budget year.

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

40 (e) In a consolidated city, a county containing a consolidated city,
 41 and a second class city, the clerk of the fiscal body shall,
 42 notwithstanding subsection (d), file the adopted budget and tax
 43 ordinances with the county board of tax adjustment not later than two
 44 (2) days after the ordinances are signed by the executive or not later
 45 than two (2) days after action is taken by the fiscal body to override a
 46 veto of the ordinances, whichever is later.

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

12 **(b) The county auditor shall certify the general fund budgets of**
 13 **each school corporation, as modified by the county board of tax**
 14 **adjustment, to the state board of tax commissioners for final**
 15 **review.**

16 SECTION 4. IC 6-1.1-18.5-2 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) For
 18 purposes of determining a civil taxing unit's maximum permissible ad
 19 valorem property tax levy for an ensuing calendar year, the civil taxing
 20 unit shall use the assessed value growth quotient determined in the last
 21 STEP of the following STEPS:

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

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

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

34 STEP FOUR: Determine the greater of the result computed in
 35 STEP THREE or one and ~~five-hundredths (1.05)~~
 36 **four-hundredths (1.04).**

37 STEP FIVE: Determine the lesser of the result computed in STEP
 38 FOUR or one and ~~one-tenth (1.1)~~ **eight-hundredths (1.08).**

39 (b) If the assessed values of taxable property used in determining a
 40 civil taxing unit's property taxes that are first due and payable in a
 41 particular calendar year are significantly increased over the assessed
 42 values used for the immediately preceding calendar year's property
 43 taxes due to the settlement of litigation concerning the general
 44 reassessment of that civil taxing unit's real property, then for purposes
 45 of determining that civil taxing unit's assessed value growth quotient
 46 for an ensuing calendar year, the state board of tax commissioners shall

1 replace the quotient described in STEP TWO of subsection (a) for that
 2 particular calendar year. The state board of tax commissioners shall
 3 replace that quotient with one that as accurately as possible will reflect
 4 the actual growth in the civil taxing unit's assessed values of real
 5 property from the immediately preceding calendar year to that
 6 particular calendar year.

7 SECTION 5. IC 6-1.1-19-1.9 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 1999]: **Sec. 1.9. (a) This section applies to ad
 10 valorem property taxes first due and payable after December 31,
 11 1999.**

12 (b) Except as provided in:

- 13 (1) IC 20-5-15-2 (public library in connection with school);
- 14 (2) IC 20-5-16-2 (nursery schools);
- 15 (3) IC 20-5-17-2 (Children's Museum in Marion County);
- 16 (4) IC 20-5-17.5-2 (historical societies);
- 17 (5) IC 20-5-17.5-3 (art associations);
- 18 (6) IC 20-5-17.5-4 (cultural institutions); and
- 19 (7) IC 20-5-37-4 (public playgrounds);

20 a school corporation may not levy an ad valorem property tax for
 21 the school corporation's general fund that exceeds the amount
 22 permitted under subsection (c).

23 (c) The maximum general fund levy of a school corporation
 24 determined under this chapter shall be reduced to be the following:

- 25 (1) For 2000, ninety-five percent (95%) of the maximum levy.
- 26 (2) For 2001, ninety percent (90%) of the maximum levy.
- 27 (3) For 2002, eighty-five percent (85%) of the maximum levy.
- 28 (4) For 2003, eighty percent (80%) of the maximum levy.
- 29 (5) For 2004, seventy-five percent (75%) of the maximum
 30 levy.
- 31 (6) For 2005, seventy percent (70%) of the maximum levy.
- 32 (7) For 2006, sixty-five percent (65%) of the maximum levy.
- 33 (8) For 2007, sixty percent (60%) of the maximum levy.
- 34 (9) For 2008, fifty-five percent (55%) of the maximum levy.
- 35 (10) For 2009 and thereafter, fifty percent (50%) of the
 36 maximum levy.

37 This reduction shall be made by the state board of tax
 38 commissioners after the calculation of state tuition support.

39 (d) An additional property tax replacement credit shall be
 40 distributed to counties to be applied to the tax liability of property
 41 taxpayers at the same time and in the same manner as the property
 42 tax replacement credit under IC 6-1.1-21. The amount of the credit
 43 that each taxpayer is entitled to receive is one hundred percent
 44 (100%) minus the percentage used under subsection (c) of the
 45 taxpayer's liability, as defined in IC 6-1.1-21-5, for school
 46 corporation general fund property taxes. The money to make the

1 **distributions is appropriated from the state general fund.**

2 SECTION 6. IC 6-1.1-19-12 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 1999]: **Sec. 12. (a) As used in this section, "revenues" means**
5 **excise tax distributions under IC 6-6-5 and any other allocation of**
6 **state tax collections or distributions that by statute:**

7 (1) are distributed to school corporations; and

8 (2) are based on the property tax levies imposed by the taxing
9 units in a county.

10 **The term does not include homestead credits or property tax**
11 **replacement credits.**

12 (b) A school corporation is entitled to receive for the school
13 corporation's general fund a proportion of the revenues that are
14 distributed within the county. The amount that the school
15 corporation is entitled to receive during that calendar year equals
16 the amount determined under STEP FIVE of the following
17 formula:

18 **STEP ONE: Determine the amount of revenue that is**
19 **available for distribution in the county in the distribution**
20 **year.**

21 **STEP TWO: Determine the product of:**

22 (A) the average annual percentage of the school general
23 fund budget, using 1997, 1998, and 1999, that was
24 comprised of property tax revenue, including any property
25 tax replacement credits or homestead credits; multiplied
26 by

27 (B) the school general fund budget for the distribution
28 year.

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

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

32 (B) the amounts determined in STEP TWO for all school
33 corporations in the county in proportion to the amount of
34 taxable property located in the school corporation and the
35 county;

36 for that calendar year.

37 **STEP FOUR: Determine the result of the STEP TWO amount**
38 **divided by the STEP THREE sum.**

39 **STEP FIVE: Multiply the STEP ONE amount by the STEP**
40 **FOUR result.**

41 (c) The amount of revenues distributed to:

42 (1) taxing units other than a school corporation; and

43 (2) funds of a school corporation for which a property tax levy
44 is imposed;

45 shall be changed for that same year by reducing the amount of
46 revenue distributed by the amount of revenue allocated under this

1 **section for that same calendar year. The state board of tax**
 2 **commissioners shall make any adjustments required by this section**
 3 **and provide them to the appropriate county auditors.**

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

7 SECTION 7. IC 6-1.1-20.9-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Except as
 9 otherwise provided in section 5 of this chapter, an individual who on
 10 March 1 of a particular year either owns or is buying a homestead
 11 under a contract that provides the individual is to pay the property taxes
 12 on the homestead is entitled each calendar year to a credit against the
 13 property taxes which the individual pays on the individual's homestead.
 14 However, only one (1) individual may receive a credit under this
 15 chapter for a particular homestead in a particular year.

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

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

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

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

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

| 31 YEAR | 32 PERCENTAGE OF THE CREDIT |
|------------------------|--------------------------------|
| 33 1996 | 8% |
| 34 1997 | 6% |
| 35 1998 through 2001 | 10% |
| 36 2002 and thereafter | 4% |

37 However, the property tax replacement fund board established under
 38 IC 6-1.1-21-10, in its sole discretion, may increase the percentage of
 39 the credit provided in the schedule for any year, if the board feels that
 40 the property tax replacement fund contains enough money for the
 41 resulting increased distribution. If the board increases the percentage
 42 of the credit provided in the schedule for any year, the percentage of
 43 the credit for the immediately following year is the percentage provided
 44 in the schedule for that particular year, unless as provided in this
 45 subsection the board in its discretion increases the percentage of the
 46 credit provided in the schedule for that particular year. However, the

1 percentage credit allowed in a particular county for a particular year
 2 shall be increased if on January 1 of a year an ordinance adopted by a
 3 county income tax council was in effect in the county which increased
 4 the homestead credit. The amount of the increase equals the amount
 5 designated in the ordinance.

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

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

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

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

15 (2) the residence is located in Indiana;

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

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

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

24 SECTION 8. IC 6-3-1-3.5 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
 26 Sec. 3.5. When used in IC 6-3, the term "adjusted gross income" shall
 27 mean the following:

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

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

33 (2) Add an amount equal to **the sum of:**

34 (A) Any deduction or deductions allowed or allowable
 35 pursuant to Section 62 of the Internal Revenue Code for taxes
 36 based on or measured by income and levied at the state level
 37 by any state of the United States. ~~or~~

38 (B) **Fifty percent (50%) of any deduction or deductions**
 39 **allowed or allowable pursuant to Section 62 of the Internal**
 40 **Revenue Code** for taxes on property levied by any subdivision
 41 of any state of the United States.

42 (3) Subtract one thousand **five hundred** dollars ~~(\$1,000);~~
 43 **(\$1,500)**, or in the case of a joint return filed by a husband and
 44 wife, subtract for each spouse one thousand **five hundred** dollars
 45 ~~(\$1,000);~~ **(\$1,500)**.

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

- 1 (A) each of the exemptions provided by Section 151(c) of the
 2 Internal Revenue Code;
- 3 (B) each additional amount allowable under Section 63(f) of
 4 the Internal Revenue Code; and
- 5 (C) the spouse of the taxpayer if a separate return is made by
 6 the taxpayer, and if the spouse, for the calendar year in which
 7 the taxable year of the taxpayer begins, has no gross income
 8 and is not the dependent of another taxpayer.
- 9 (5) Subtract **one thousand** five hundred dollars (~~(\$500)~~ **(\$1,500)**
 10 for each of the exemptions allowed under Section 151(c)(1)(B) of
 11 the Internal Revenue Code. ~~for taxable years beginning after~~
 12 ~~December 31, 1996, and before January 1, 2001.~~ This amount is
 13 in addition to the amount subtracted under subdivision (4).
- 14 (6) Subtract an amount equal to the lesser of:
- 15 (A) that part of the individual's adjusted gross income (as
 16 defined in Section 62 of the Internal Revenue Code) for that
 17 taxable year that is subject to a tax that is imposed by a
 18 political subdivision of another state and that is imposed on or
 19 measured by income; or
- 20 (B) two thousand dollars (\$2,000).
- 21 (7) Add an amount equal to the total capital gain portion of a
 22 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 23 Internal Revenue Code), if the lump sum distribution is received
 24 by the individual during the taxable year and if the capital gain
 25 portion of the distribution is taxed in the manner provided in
 26 Section 402 of the Internal Revenue Code.
- 27 (8) Subtract any amounts included in federal adjusted gross
 28 income under Internal Revenue Code Section 111 as a recovery
 29 of items previously deducted as an itemized deduction from
 30 adjusted gross income.
- 31 (9) Subtract any amounts included in federal adjusted gross
 32 income under the Internal Revenue Code which amounts were
 33 received by the individual as supplemental railroad retirement
 34 annuities under 45 U.S.C. 231 and which are not deductible under
 35 subdivision (1).
- 36 (10) Add an amount equal to the deduction allowed under Section
 37 221 of the Internal Revenue Code for married couples filing joint
 38 returns if the taxable year began before January 1, 1987.
- 39 (11) Add an amount equal to the interest excluded from federal
 40 gross income by the individual for the taxable year under Section
 41 128 of the Internal Revenue Code, if the taxable year began
 42 before January 1, 1985.
- 43 (12) Subtract an amount equal to the amount of federal Social
 44 Security and Railroad Retirement benefits included in a taxpayer's
 45 federal gross income by Section 86 of the Internal Revenue Code.
- 46 (13) In the case of a nonresident taxpayer or a resident taxpayer

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

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

12 **(15) Subtract an amount equal to fifty percent (50%) of the**
 13 **amount of property taxes (excluding excise taxes in lieu of**
 14 **property taxes) that are paid by the individual and for which**
 15 **a deduction is not allowed or allowable pursuant to Section 62**
 16 **of the Internal Revenue Code.**

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

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

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

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

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

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

37 SECTION 9. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
 38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 1999 (RETROACTIVE)]:

40 **Chapter 20. Credit for Property Taxes Paid on Inventory**

41 **Sec. 1. As used in this chapter, "assessed value" means the**
 42 **assessed value of inventory determined under IC 6-1.1-3.**

43 **Sec. 2. As used in this chapter, "inventory" has the meaning set**
 44 **forth in IC 6-1.1-3-11.**

45 **Sec. 3. As used in this chapter, "pass through entity" means:**

46 (1) a corporation that is exempt from the adjusted gross

1 income tax under IC 6-3-2-2.8(2); or
 2 (2) a partnership.
 3 Sec. 4. As used in this chapter, "state tax liability" means a
 4 taxpayer's total tax liability that is incurred under:
 5 (1) IC 6-2.1 (gross income tax);
 6 (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
 7 (3) IC 6-3-8 (supplemental net income tax);
 8 (4) IC 6-5.5 (financial institutions tax); and
 9 (5) IC 27-1-18-2 (insurance premiums tax);
 10 as computed after the application of the credits that under
 11 IC 6-3.1-1-2 are to be applied before the credit provided by this
 12 chapter.
 13 Sec. 5. As used in this chapter, "taxpayer" means an individual
 14 or entity that has state tax liability.
 15 Sec. 6. (a) A taxpayer is entitled to a credit against the
 16 taxpayer's state tax liability for a taxable year for the ad valorem
 17 property taxes paid by the taxpayer in the taxable year on
 18 inventory.
 19 (b) The amount of the credit is equal to the product of:
 20 (1) the appropriate percentage specified in subsection (c);
 21 multiplied by
 22 (2) the amount of property taxes paid on inventory by the
 23 taxpayer during the taxable year.
 24 (c) The percentage described in subsection (b)(1) is determined
 25 by the calendar year in which the property taxes on inventory are
 26 paid and is set forth in the following table:
 27

| CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID | PERCENTAGE OF INVENTORY TAXES ALLOWED AS A CREDIT |
|---|---|
| 28 1999 | 10% |
| 29 2000 | 20% |
| 30 2001 | 30% |
| 31 2002 | 40% |
| 32 2003 | 50% |
| 33 2004 | 60% |
| 34 2005 | 70% |
| 35 2006 | 80% |
| 36 2007 | 90% |
| 37 2008 and thereafter | 100% |

 38
 39
 40 (d) If a taxpayer pays property taxes in two (2) different
 41 calendar years during the taxpayer's same taxable year, the
 42 taxpayer shall apply the appropriate percentage specified for each
 43 calendar year to the property taxes paid in each calendar year to
 44 compute the credit for the taxable year.
 45 Sec. 7. (a) If the amount determined under section 6(b) of this
 46 chapter for a taxpayer in a taxable year exceeds the taxpayer's

1 state tax liability for that taxable year, the taxpayer may carry the
 2 excess over to the following taxable years. The amount of the credit
 3 carryover from a taxable year shall be reduced to the extent that
 4 the carryover is used by the taxpayer to obtain a credit under this
 5 chapter for any subsequent taxable year. A taxpayer is not entitled
 6 to a carryback.

7 (b) A taxpayer is not entitled to a refund of any unused credit.

8 **Sec. 8.** If a pass through entity does not have state income tax
 9 liability against which the tax credit may be applied, a shareholder
 10 or partner of the pass through entity is entitled to a tax credit equal
 11 to:

12 (1) the tax credit determined for the pass through entity for
 13 the taxable year; multiplied by

14 (2) the percentage of the pass through entity's distributive
 15 income to which the shareholder or partner is entitled.

16 **Sec. 9.** To receive the credit provided by this chapter, a taxpayer
 17 must claim the credit on the taxpayer's state tax return or returns
 18 in the manner prescribed by the department. The taxpayer shall
 19 submit to the department proof of payment of an ad valorem
 20 property tax and all information that the department determines
 21 is necessary for the calculation of the credit provided by this
 22 chapter.

23 SECTION 10. IC 6-3.1-21 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 1999 (RETROACTIVE)]:

26 **Chapter 21. Elementary and Secondary Education Tax Credit
 27 for Education Expenses**

28 **Sec. 1.** As used in this chapter, "accredited nonpublic school"
 29 means a nonpublic school that:

30 (1) voluntarily seeks; and

31 (2) receives;

32 accreditation as authorized under IC 20-1-1-6(a)(5).

33 **Sec. 2.** As used in this chapter, "eligible dependent" means a
 34 dependent, as defined in Section 151(c)(1)(B) of the Internal
 35 Revenue Code, who is enrolled in kindergarten through grade 12
 36 in a public school or an accredited nonpublic school.

37 **Sec. 3.** As used in this chapter, "nonpublic school" has the
 38 meaning set forth in IC 20-10.1-1-3.

39 **Sec. 4.** As used in this chapter, "public school" has the meaning
 40 set forth in IC 20-10.1-1-2.

41 **Sec. 5.** As used in this chapter, "qualified education expense"
 42 means any of the following expenses incurred by a taxpayer during
 43 the taxable year and paid to others for an eligible dependent:

44 (1) Expense for textbooks and instructional materials. This
 45 subdivision excludes an expense for textbooks and
 46 instructional materials for the teaching of religious tenets,

- 1 doctrines, or worship when the purpose of the teaching is to
- 2 instill religious tenets, doctrines, or worship.
- 3 **(2) Personal computer expense for:**
- 4 (A) personal computer hardware, excluding single purpose
- 5 processors; and
- 6 (B) educational software that assists an eligible dependent
- 7 to improve or expand knowledge and skills in core
- 8 curriculum areas, including language arts, mathematics,
- 9 science, or social studies;
- 10 purchased for use in the eligible dependent's home and not
- 11 used in trade or business.

12 **Sec. 6. As used in this chapter, "taxpayer" means an individual**
 13 **who has any adjusted gross income tax liability.**

14 **Sec. 7. A taxpayer who incurs a qualified education expense is**
 15 **entitled to a credit against the adjusted gross income tax imposed**
 16 **by IC 6-3 for the taxable year during which the taxpayer incurs the**
 17 **qualified education expense. The credit is equal to the lesser of:**

- 18 (1) the taxpayer's qualified education expense multiplied by
- 19 fifty percent (50%); or
- 20 (2) fifty dollars (\$50) per eligible dependent.

21 **Sec. 8. If both spouses reside in the same household, only one (1)**
 22 **credit may be claimed by the spouses under this chapter for the**
 23 **taxable year. However, in the case of a husband and wife who incur**
 24 **a qualified education expense and file separate tax returns, the**
 25 **husband and wife may take the credit in equal shares or one (1)**
 26 **spouse may take the entire credit.**

27 **Sec. 9. If the amount of the credit provided by this chapter that**
 28 **a taxpayer uses during a particular taxable year exceeds the sum**
 29 **of the taxes imposed by IC 6-3 for the taxable year after the**
 30 **application of all credits that under IC 6-3.1-1-2 are to be applied**
 31 **before the credit provided by this chapter, the excess shall be**
 32 **returned to the taxpayer as a refund.**

33 SECTION 11. IC 6-1.1-18-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) Except as
 35 provided in subsection (b), the sum of all tax rates for all political
 36 subdivisions imposed on tangible property within a political
 37 subdivision may not exceed:

- 38 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
- 39 dollars (\$100) of assessed valuation in territory outside the
- 40 corporate limits of a city or town; or
- 41 (2) two dollars (\$2) on each one hundred dollars (\$100) of
- 42 assessed valuation in territory inside the corporate limits of a city
- 43 or town.

44 (b) The proper officers of a political subdivision shall fix tax rates
 45 which are sufficient to provide funds for the purposes itemized in this
 46 subsection. The portion of a tax rate fixed by a political subdivision

1 shall not be considered in computing the tax rate limits prescribed in
2 subsection (a) if that portion is to be used for one (1) of the following
3 purposes:

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

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

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

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

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

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

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

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

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

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

33 SECTION 12. IC 6-1.1-18-3 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as
35 provided in subsection (b), the sum of all tax rates for all political
36 subdivisions imposed on tangible property within a political
37 subdivision may not exceed:

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

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

44 (b) The proper officers of a political subdivision shall fix tax rates
45 which are sufficient to provide funds for the purposes itemized in this
46 subsection. The portion of a tax rate fixed by a political subdivision

1 shall not be considered in computing the tax rate limits prescribed in
2 subsection (a) if that portion is to be used for one (1) of the following
3 purposes:

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

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

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

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

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

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

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

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

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

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

33 SECTION 13. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9.7. (a) The ad
35 valorem property tax levy limits imposed by section 3 of this chapter
36 do not apply to ad valorem property taxes imposed under ~~any of the~~
37 ~~following:~~

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

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

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

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

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

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

44 (b) For purposes of computing the ad valorem property tax levy
45 limits imposed under section 3 of this chapter, a county's or township's
46 ad valorem property tax levy for a particular calendar year does not

- 1 include that part of the levy imposed under ~~the citations listed in~~
- 2 ~~subsection (a): IC 12-20-24.~~
- 3 (c) Section 8(b) of this chapter does not apply to bonded
- 4 indebtedness that **was issued to cover obligations incurred before**
- 5 **January 1, 2000, and that** will be repaid through property taxes
- 6 imposed under IC 12-19.
- 7 SECTION 14. IC 6-1.1-21-2 IS AMENDED TO READ AS
- 8 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. As used in this
- 9 chapter:
- 10 (a) "Taxpayer" means a person who is liable for taxes on property
- 11 assessed under this article.
- 12 (b) "Taxes" means taxes payable in respect to property assessed
- 13 under this article. The term does not include special assessments,
- 14 penalties, or interest, but does include any special charges which a
- 15 county treasurer combines with all other taxes in the preparation and
- 16 delivery of the tax statements required under IC 6-1.1-22-8(a).
- 17 (c) "Department" means the department of state revenue.
- 18 (d) "Auditor's abstract" means the annual report prepared by each
- 19 county auditor which under IC 6-1.1-22-5, is to be filed on or before
- 20 March 1 of each year with the auditor of state.
- 21 (e) "Mobile home assessments" means the assessments of mobile
- 22 homes made under IC 6-1.1-7.
- 23 (f) "Postabstract adjustments" means adjustments in taxes made
- 24 subsequent to the filing of an auditor's abstract which change
- 25 assessments therein or add assessments of omitted property affecting
- 26 taxes for such assessment year.
- 27 (g) "Total county tax levy" means the sum of:
- 28 (1) the remainder of:
- 29 (A) the aggregate levy of all taxes for all taxing units in a
- 30 county which are to be paid in the county for a stated
- 31 assessment year as reflected by the auditor's abstract for the
- 32 assessment year, adjusted, however, for any postabstract
- 33 adjustments which change the amount of the aggregate levy;
- 34 minus
- 35 (B) the sum of any increases in property tax levies of taxing
- 36 units of the county that result from appeals described in:
- 37 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after
- 38 December 31, 1982; plus
- 39 (ii) the sum of any increases in property tax levies of taxing
- 40 units of the county that result from any other appeals
- 41 described in IC 6-1.1-18.5-13 filed after December 31,
- 42 1983; ~~plus~~
- 43 ~~(iii) IC 6-1.1-18.6-3 (children in need of services and~~
- 44 ~~delinquent children who are wards of the county);~~ minus
- 45 (C) the total amount of property taxes imposed for the stated
- 46 assessment year by the taxing units of the county under the

- 1 authority of ~~IC 12-1-11.5 (repealed)~~; IC 12-2-4.5 (repealed)
 2 ~~IC 12-19-5~~ or IC 12-20-24; minus
 3 (D) the total amount of property taxes to be paid during the
 4 stated assessment year that will be used to pay for interest or
 5 principal due on debt that:
 6 (i) is entered into after December 31, 1983;
 7 (ii) is not debt that is issued under IC 5-1-5 to refund debt
 8 incurred before January 1, 1984; and
 9 (iii) does not constitute debt entered into for the purpose of
 10 building, repairing, or altering school buildings for which
 11 the requirements of IC 20-5-52 were satisfied prior to
 12 January 1, 1984; minus
 13 (E) the amount of property taxes imposed in the county for the
 14 stated assessment year under the authority of IC 21-2-6 or any
 15 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 16 fund whose property tax rate was initially established or
 17 reestablished for a stated assessment year that succeeds the
 18 1983 stated assessment year; minus
 19 (F) the remainder of:
 20 (i) the total property taxes imposed in the county for the
 21 stated assessment year under authority of IC 21-2-6 or any
 22 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 23 fund whose property tax rate was not initially established or
 24 reestablished for a stated assessment year that succeeds the
 25 1983 stated assessment year; minus
 26 (ii) the total property taxes imposed in the county for the
 27 1984 stated assessment year under the authority of IC 21-2-6
 28 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative
 29 building fund whose property tax rate was not initially
 30 established or reestablished for a stated assessment year that
 31 succeeds the 1983 stated assessment year; minus
 32 (G) the amount of property taxes imposed in the county for the
 33 stated assessment year under:
 34 (i) IC 21-2-15 for a capital projects fund; plus
 35 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 36 (iii) IC 20-14-13 for a library capital projects fund; plus
 37 (iv) IC 20-5-17.5-3 for an art association fund; plus
 38 (v) IC 21-2-17 for a special education preschool fund; plus
 39 (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in
 40 a school corporation's maximum permissible general fund
 41 levy for certain transfer tuition costs; plus
 42 (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
 43 a school corporation's maximum permissible general fund
 44 levy for transportation operating costs; minus
 45 (H) the amount of property taxes imposed by a school
 46 corporation that is attributable to the passage, after 1983, of a

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

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

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

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

13 SECTION 15. IC 6-1.1-29-9 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) A county
 15 council may adopt an ordinance to abolish the county board of tax
 16 adjustment. This ordinance must be adopted by July 1 and may not be
 17 rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17,
 18 IC 6-1.1-18, IC 6-1.1-19, ~~IC 12-19-3~~, ~~IC 12-19-7~~, IC 21-2-14,
 19 IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4,
 20 and IC 36-9-13, if such an ordinance is adopted, this section governs
 21 the treatment of tax rates, tax levies, and budgets that would otherwise
 22 be reviewed by a county board of tax adjustment under IC 6-1.1-17.

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

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

30 SECTION 16. IC 6-3.5-6-18.5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 18.5. (a) This
 32 section applies to a county containing a consolidated city.

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

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

| | | |
|----|---------------------|--------|
| 39 | Center Township | .0251 |
| 40 | Decatur Township | .00217 |
| 41 | Franklin Township | .0023 |
| 42 | Lawrence Township | .01177 |
| 43 | Perry Township | .01130 |
| 44 | Pike Township | .01865 |
| 45 | Warren Township | .01359 |
| 46 | Washington Township | .01346 |

| | | |
|----|---|-------------|
| 1 | Wayne Township | .01307 |
| 2 | Lawrence-City | .00858 |
| 3 | Beech Grove | .00845 |
| 4 | Southport | .00025 |
| 5 | Speedway | .00722 |
| 6 | Indianapolis/Marion County | .86409 |
| 7 | (2) Notwithstanding subdivision (1), for the calendar year | |
| 8 | beginning January 1, 1995, the distributive shares for each civil | |
| 9 | taxing unit in a county containing a consolidated city shall be not | |
| 10 | less than the following: | |
| 11 | Center Township | \$1,898,145 |
| 12 | Decatur Township | \$ 164,103 |
| 13 | Franklin Township | \$ 173,934 |
| 14 | Lawrence Township | \$ 890,086 |
| 15 | Perry Township | \$ 854,544 |
| 16 | Pike Township | \$1,410,375 |
| 17 | Warren Township | \$1,027,721 |
| 18 | Washington Township | \$1,017,890 |
| 19 | Wayne Township | \$ 988,397 |
| 20 | Lawrence-City | \$ 648,848 |
| 21 | Beech Grove | \$ 639,017 |
| 22 | Southport | \$ 18,906 |
| 23 | Speedway | \$ 546,000 |
| 24 | (3) For each year after 1995, calculate the total amount of | |
| 25 | revenues that are to be distributed as distributive shares during | |
| 26 | that month as follows: | |
| 27 | STEP ONE: Determine the total amount of revenues that | |
| 28 | were distributed as distributive shares during that month in | |
| 29 | calendar year 1995. | |
| 30 | STEP TWO: Determine the total amount of revenue that the | |
| 31 | department has certified as distributive shares for that | |
| 32 | month under section 17 of this chapter for the calendar year. | |
| 33 | STEP THREE: Subtract the STEP ONE result from the | |
| 34 | STEP TWO result. | |
| 35 | STEP FOUR: If the STEP THREE result is less than or | |
| 36 | equal to zero (0), multiply the STEP TWO result by the | |
| 37 | ratio established under subdivision (1). | |
| 38 | STEP FIVE: Determine the ratio of: | |
| 39 | (A) the maximum permissible property tax levy under | |
| 40 | IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing | |
| 41 | unit for the calendar year in which the month falls; | |
| 42 | divided by | |
| 43 | (B) the sum of the maximum permissible property tax | |
| 44 | levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all | |
| 45 | civil taxing units of the county during the calendar year | |
| 46 | in which the month falls. | |

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

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

7 STEP EIGHT: For each civil taxing unit determine the
8 difference between the STEP SEVEN amount minus the
9 product of the STEP ONE amount multiplied by the ratio
10 established under subdivision (1). The STEP THREE
11 excess shall be distributed as provided in STEP NINE only
12 to the civil taxing units that have a STEP EIGHT difference
13 greater than or equal to zero (0).

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

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

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

26 SECTION 17. IC 12-7-2-45 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 45. "County
28 office" refers to a county office of family and children **within the**
29 **division of family and children.**

30 SECTION 18. IC 12-7-2-91 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 91. "Fund" means
32 the following:

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

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

37 ~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in
38 IC 12-15-20-1.

39 ~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in
40 IC 12-17-12-4.

41 ~~(5)~~ (4) For purposes of IC 12-18-4, the meaning set forth in
42 IC 12-18-4-1.

43 ~~(6)~~ (5) For purposes of IC 12-18-5, the meaning set forth in
44 IC 12-18-5-1.

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

- 1 ~~(8)~~ For purposes of ~~IC 12-19-4~~, the meaning set forth in
 2 ~~IC 12-19-4-1~~.
 3 ~~(9)~~ For purposes of ~~IC 12-19-7~~, the meaning set forth in
 4 ~~IC 12-19-7-2~~.
 5 ~~(10)~~ **(6)** For purposes of IC 12-23-2, the meaning set forth in
 6 IC 12-23-2-1.
 7 ~~(11)~~ For purposes of ~~IC 12-24-6~~, the meaning set forth in
 8 ~~IC 12-24-6-1~~.
 9 ~~(12)~~ **(7)** For purposes of IC 12-24-14, the meaning set forth in
 10 IC 12-24-14-1.
 11 ~~(13)~~ **(8)** For purposes of IC 12-30-7, the meaning set forth in
 12 IC 12-30-7-3.

13 SECTION 19. IC 12-7-2-95 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 95. (a)
 15 "Grant-in-aid", for purposes of the statutes listed in subsection (b),
 16 means any money paid by the federal government to the state ~~or any~~
 17 **money paid by the state to a county** for the purpose of defraying any of
 18 the expenses, claims, allowances, assistance, or obligations authorized
 19 by this title.

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

- 21 (1) IC 12-13.
 22 (2) IC 12-14.
 23 (3) IC 12-15.
 24 (4) IC 12-17-1.
 25 (5) IC 12-17-2.
 26 (6) IC 12-17-3.
 27 (7) IC 12-17-9.
 28 (8) IC 12-17-10.
 29 (9) IC 12-17-11.
 30 ~~(10) IC 12-19~~.

31 SECTION 20. IC 12-7-2-200 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 200. (a)
 33 "Warrant", for purposes of the statutes listed in subsection (b), means
 34 an instrument that is:

- 35 (1) the equivalent of a money payment; and
 36 (2) immediately convertible into cash by the payee for the full
 37 face amount of the instrument.
 38 (b) This section applies to the following statutes:
 39 (1) IC 12-10-6.
 40 (2) IC 12-13.
 41 (3) IC 12-14.
 42 (4) IC 12-15.
 43 (5) IC 12-17-1.
 44 (6) IC 12-17-9.
 45 (7) IC 12-17-10.
 46 (8) IC 12-17-11.

- 1 ~~(9) IC 12-19.~~
2 SECTION 21. IC 12-13-5-1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. The division
4 shall administer or supervise the public welfare activities of the state.
5 The division has the following powers and duties:
6 (1) The administration of old age assistance, aid to dependent
7 children, and assistance to the needy blind and persons with
8 disabilities, excluding assistance to children with special health
9 care needs.
10 (2) The administration of the following:
11 (A) Any public child welfare service.
12 (B) The licensing and inspection under IC 12-17.2 and
13 IC 12-17.4.
14 (C) The care of dependent and neglected children in foster
15 family homes or institutions, especially children placed for
16 adoption or those born out of wedlock.
17 (D) The interstate placement of children.
18 (3) The provision of services to county governments, including
19 the following:
20 ~~(A) Organizing and supervising county offices for the~~
21 ~~effective administration of public welfare functions.~~
22 ~~(B)~~ (A) Compiling statistics and necessary information
23 concerning public welfare problems throughout Indiana.
24 ~~(C)~~ (B) Researching and encouraging research into crime,
25 delinquency, physical and mental disability, and the cause
26 of dependency.
27 (4) Prescribing the form of, printing, and supplying to the county
28 departments blanks for applications, reports, affidavits, and other
29 forms the division considers necessary and advisable.
30 (5) Cooperating with the federal Social Security Administration
31 and with any other agency of the federal government in any
32 reasonable manner necessary and in conformity with IC 12-13
33 through IC 12-19 to qualify for federal aid for assistance to
34 persons who are entitled to assistance under the federal Social
35 Security Act. The responsibilities include the following:
36 (A) Making reports in the form and containing the
37 information that the federal Social Security Administration
38 Board or any other agency of the federal government
39 requires.
40 (B) Complying with the requirements that a board or agency
41 finds necessary to assure the correctness and verification of
42 reports.
43 (6) Appointing from eligible lists established by the state
44 personnel board employees of the division necessary to
45 effectively carry out IC 12-13 through IC 12-19. The division
46 may not appoint a person who is not a citizen of the United

1 States and who has not been a resident of Indiana for at least one
2 (1) year immediately preceding the person's appointment unless
3 a qualified person cannot be found in Indiana for a position as a
4 result of holding an open competitive examination.
5 (7) Assisting the office of Medicaid policy and planning in fixing
6 fees to be paid to ophthalmologists and optometrists for the
7 examination of applicants for and recipients of assistance as
8 needy blind persons.
9 (8) When requested, assisting other departments, agencies,
10 divisions, and institutions of the state and federal government in
11 performing services consistent with this article.
12 (9) Acting as the agent of the federal government for the
13 following:
14 (A) In welfare matters of mutual concern under IC 12-13
15 through IC 12-19.
16 (B) In the administration of federal money granted to
17 Indiana in aiding welfare functions of the state government.
18 (10) Administering additional public welfare functions vested in
19 the division by law and providing for the progressive
20 codification of the laws the division is required to administer.
21 ~~(11) Transferring to each county that is required to submit a~~
22 ~~schedule under IC 12-19-1-9(d) an amount equal to the~~
23 ~~scheduled amount of the county's lease and rental obligations as~~
24 ~~provided in IC 12-19-1-9.~~
25 ~~(12)~~ **(11)** Supervising day care centers and child placing
26 agencies.
27 ~~(13)~~ **(12)** Supervising the licensing and inspection of all public
28 child caring agencies.
29 ~~(14)~~ **(13)** Supervising the care of delinquent children and
30 children in need of services.
31 ~~(15)~~ **(14)** Assisting juvenile courts as required by IC 31-30
32 through IC 31-40.
33 ~~(16)~~ **(15)** Supervising the care of dependent children and
34 children placed for adoption.
35 ~~(17)~~ **(16)** Compiling information and statistics concerning the
36 ethnicity and gender of a program or service recipient.
37 ~~(18)~~ **(17)** Providing permanency planning services for children
38 in need of services, including:
39 (A) making children legally available for adoption; and
40 (B) placing children in adoptive homes;
41 in a timely manner.
42 **(18) Operating each county office as an administrative unit**
43 **within the division.**
44 SECTION 22. IC 12-13-5-3 IS AMENDED TO READ AS
45 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. The division
46 may ~~do the following:~~

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

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

9 SECTION 23. IC 12-13-5-5 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Each county
11 auditor shall keep records and make reports relating to the ~~county~~
12 ~~welfare fund, the family and children's fund, and other~~ financial
13 transactions as required under IC 12-13 through IC 12-19 and as
14 required by the division.

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

18 SECTION 24. IC 12-13-7-8 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 8. (a) The
20 treasurer of state may receive money:

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

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

24 ~~(3) (2) that under IC 12-13 through IC 12-19 the division and~~
25 county offices are authorized to collect, receive, and administer.

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

31 SECTION 25. IC 12-13-7-17 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 17. The part of
33 the care and maintenance of the inmates of the Plainfield Juvenile
34 Correctional Facility and the Indianapolis Juvenile Correctional
35 Facility that under law is to be charged back to the counties shall be
36 paid from the county general fund. ~~and not the county welfare fund or~~
37 ~~the county family and children's fund, unless otherwise provided by~~
38 law.

39 SECTION 26. IC 12-13-9-2 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. The division
41 shall ~~administer the state medical assistance to wards fund and shall~~
42 ~~use money in the fund to~~ defray the expenses and obligations incurred
43 by the division for medical assistance to wards and associated
44 administrative costs.

45 SECTION 27. IC 12-14-1-2 IS AMENDED TO READ AS
46 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. An application

1 for a dependent child under this article must be made to the county
2 office ~~of~~ in the county where the dependent child resides.

3 SECTION 28. IC 12-14-2-5.4 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5.4. (a) Subject
5 to IC 12-8-1-12 and except as provided in subsection (d), the AFDC
6 grant for a person who:

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

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

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

13 (b) At:

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

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

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

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

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

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

27 whichever occurs first.

28 (d) A person:

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

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

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

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

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

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

42 whichever occurs first.

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

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

1 SECTION 29. IC 12-14-2-12 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 12. The county
 3 office shall notify the applicant ~~and the division~~ of the county office's
 4 decision concerning assistance in writing.

5 SECTION 30. IC 12-14-2-14 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14. ~~Except in~~
 7 ~~counties that are automated under IC 12-14-9.5~~; Assistance shall be
 8 paid monthly ~~to the recipient upon warrant of the county auditor from~~
 9 ~~the county welfare fund upon a verified schedule of the recipients and~~
 10 ~~the amount payable to each recipient prepared and verified by the~~
 11 ~~county director; in accordance with the awards made by the county~~
 12 ~~office. A schedule shall be filed in the form required by the division. by~~
 13 **the division.**

14 SECTION 31. IC 12-14-3-2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. The county
 16 office shall prepare ~~four (4)~~ **three (3)** copies of the certificate.

17 SECTION 32. IC 12-14-3-4 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. The copies of
 19 the certificate shall be distributed as follows:

- 20 (1) One (1) copy retained by and filed in the office of the county
 21 office.
- 22 (2) One (1) copy filed with the **central office of the** division.
- 23 ~~(3) One (1) copy filed in the office of the county auditor.~~
- 24 ~~(4) (3) One (1) copy given to the recipient.~~

25 SECTION 33. IC 12-14-4-2 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. If a move
 27 occurs, the county office **in the county** from which the recipient moves
 28 shall:

- 29 (1) give written notice; and
- 30 (2) immediately transfer all of the records relating to the
 31 recipient;

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

34 SECTION 34. IC 12-14-4-3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. The county
 36 office ~~of in~~ **in the county** to which a child has moved or been taken is
 37 responsible for determining the eligibility and the payment of
 38 assistance to the recipient.

39 SECTION 35. IC 12-14-9-1 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. ~~Except in~~
 41 ~~counties that are automated under IC 12-14-9.5~~, a county office shall
 42 ~~monthly present claims for state reimbursement under IC 12-14-1~~
 43 ~~through IC 12-14-9 to the division at the time and in the manner the~~
 44 ~~division requires. Assistance shall be paid monthly to the recipient~~
 45 **by warrant of the auditor of state from the state general fund after**
 46 **receipt of a schedule of the recipients, the amount payable to each**

1 **recipient, and the purposes for the payment. The schedule must be**
 2 **prepared and verified by the director of the division or the**
 3 **director's designee according to the awards made by the division.**
 4 **All schedules must be filed in the form prescribed by the auditor of**
 5 **state. Payment shall be made from the aid to dependent children**
 6 **account of the state general fund.**

7 SECTION 36. IC 12-14-13-5 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. The copies of
 9 the certificate shall be distributed as follows:

- 10 (1) One (1) copy retained by and filed in the **central office of**
 11 **the division.**
 12 (2) One (1) copy filed with the **state auditor of state.**
 13 (3) One (1) copy filed in the office of the county recorder.
 14 (4) One (1) copy given to the recipient.

15 SECTION 37. IC 12-14-20-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) The
 17 division may accept voluntary contributions from a person desiring to
 18 contribute to the support of a parent or other person who receives
 19 public assistance.

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

23 SECTION 38. IC 12-14-22-7 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) A schedule
 25 of payments made to or for the benefit of each recipient under this
 26 article shall be filed by the ~~county office~~ **division** each month with the
 27 ~~county auditor and the~~ prosecuting attorney.

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

31 SECTION 39. IC 12-15-15-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) For each
 33 state fiscal year beginning on or after July 1, 1997, a hospital is entitled
 34 to a payment under this section.

35 (b) Total payments to hospitals under this section for a state fiscal
 36 year shall be equal to all amounts transferred from the hospital care for
 37 the indigent fund for Medicaid current obligations during the state
 38 fiscal year, including amounts of the fund appropriated for Medicaid
 39 current obligations.

40 (c) The payment due to a hospital under this section must be based
 41 on a policy developed by the office. The policy:

- 42 (1) is not required to provide for equal payments to all hospitals;
 43 ~~(2) must attempt, to the extent practicable as determined by the~~
 44 ~~office, to establish a payment rate that minimizes the difference~~
 45 ~~between the aggregate amount paid under this section to all~~
 46 ~~hospitals in a county for a state fiscal year and the amount of the~~

1 county's hospital care for the indigent property tax levy for that
 2 state fiscal year; and
 3 ~~(3)~~ (2) must provide that no hospital will receive a payment
 4 under this section less than the amount the hospital received
 5 under IC 12-15-15-8 for the state fiscal year ending June 30,
 6 1997.

7 (d) Following the transfer of funds under subsection (b), an
 8 amount equal to the amount determined in the following STEPS shall
 9 be deposited in the Medicaid indigent care trust fund under
 10 IC 12-15-20-2(1) and used to pay the state's share of the enhanced
 11 disproportionate share payments to providers for the state fiscal year:

- 12 STEP ONE: Determine the difference between:
 13 (A) the amount transferred from the state hospital care for
 14 the indigent fund under subsection (b); and
 15 (B) thirty-five million dollars (\$35,000,000).
 16 STEP TWO: Multiply the amount determined under STEP ONE
 17 by the federal medical assistance percentage for the state fiscal
 18 year.

19 SECTION 40. IC 12-16-4-1 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. To receive
 21 payment from the division for the costs incurred in providing care to an
 22 indigent person, a hospital must file an application with the county
 23 office ~~of~~ in the county in which the hospital is located.

24 SECTION 41. IC 12-16-7-2 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. ~~(a)~~ Except as
 26 provided in section 5 of this chapter, claims for payment shall be
 27 segregated by year using the patient's admission date.

28 ~~(b) Each year the division shall pay claims as provided in section~~
 29 ~~4 of this chapter, without regard to the county of admission or that~~
 30 ~~county's transfer to the state fund:~~

31 SECTION 42. IC 12-16-7-3 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. A payment
 33 made to a hospital under the hospital care for the indigent program
 34 must be on a warrant drawn on the state ~~hospital care for the indigent~~
 35 ~~fund established by IC 12-16-14:~~ **general fund.**

36 SECTION 43. IC 12-16-7-4 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) Each year
 38 the division shall pay two-thirds (2/3) of each claim upon submission
 39 and approval of the claim.

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

46 ~~(1) The amount transferred to the state hospital care for the~~

- 1 indigent fund from county hospital care for the indigent funds in
- 2 that year under IC 12-16-14:
- 3 ~~(2)~~ (1) Any contribution to the fund in that year.
- 4 ~~(3)~~ (2) Any amount that was appropriated to the state hospital
- 5 care for the indigent fund program for that year by the general
- 6 assembly.
- 7 ~~(4)~~ Any amount that was carried over to the state hospital care
- 8 for the indigent fund from a preceding year.
- 9 (c) This section does not obligate the general assembly to
- 10 appropriate money to the state hospital care for the indigent fund.

11 SECTION 44. IC 12-16-7-5 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. Before the end
 13 of each state fiscal year, the division shall, to the extent there is money
 14 in appropriated to the state hospital care for the indigent fund;
 15 program, pay each provider under the hospital care for the indigent
 16 program a pro rata part of the one-third (1/3) balance on each approved
 17 claim for patients admitted during the preceding year.

18 SECTION 45. IC 12-17-1-7 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. An application
 20 for assistance for a destitute child under this chapter must be made to
 21 the county office of in the county in which the destitute child resides.
 22 The application must be in writing. The division shall prescribe the
 23 manner and the form upon which the application must be made.

24 SECTION 46. IC 12-17-1-10 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) Upon the
 26 completion of an investigation under section 9 of this chapter, the
 27 county office shall do the following:

- 28 (1) Determine whether the child is eligible for assistance under
- 29 this chapter and the division's rules.
- 30 (2) Determine the amount of the assistance and the date on
- 31 which the assistance is to begin.
- 32 (3) Make an award, including any subsequent modification of
- 33 the award, with which the county office shall comply until the
- 34 award or modified award is vacated.
- 35 (4) Notify the applicant and the division of the county office's
- 36 decision in writing.

37 (b) The county office shall provide assistance to the recipient at
 38 least monthly upon warrant of the county auditor. The assistance must
 39 be

- 40 ~~(1)~~ made from the county welfare fund; and
- 41 ~~(2)~~ based upon a verified schedule of the recipients.

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

46 SECTION 47. IC 12-17-1-12 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 12. (a) If
 2 assistance is granted to a destitute child under this chapter, facts
 3 supporting the award of assistance, as prescribed by the division, must
 4 be entered on a certificate.

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

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

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

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

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

17 ~~(4) (3) One (1) copy must be given to the recipient.~~

18 SECTION 48. IC 12-17-3-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. ~~(a) This section~~
 20 ~~does not apply to a county department's:~~

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

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

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

27 SECTION 49. IC 12-19-1-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. A county office
 29 of family and children is established in each county **as an office within**
 30 **the division of family and children.**

31 SECTION 50. IC 12-19-1-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) The
 33 division shall provide the necessary facilities to house the county
 34 office.

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

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

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

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

45 (d) Each county that has a rental or lease obligation described in
 46 subsection (c) shall provide to the division a lease or rental payment

1 schedule showing the date and amount of each payment.
2 SECTION 51. IC 12-19-1-10 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) ~~Subject to~~
4 ~~the rules adopted by the director of~~ The division a county office shall
5 administer the following **through a county office**:
6 (1) Assistance to dependent children in the homes of the
7 dependent children.
8 (2) Assistance and services to elderly persons.
9 (3) Assistance to persons with disabilities.
10 (4) Care and treatment of the following persons:
11 (A) Children in need of services.
12 (B) Dependent children.
13 (C) Children with disabilities.
14 (5) Licensing of foster family homes for the placement of
15 children in need of services.
16 (6) Supervision of the care and treatment of children in need of
17 services in foster family homes.
18 (7) Licensing of foster family homes for the placement of
19 delinquent children.
20 (8) Supervision of the care and treatment of delinquent children
21 in foster family homes.
22 (9) Provision of family preservation services.
23 (10) Any other welfare activities that are delegated to the county
24 office by the division under this chapter, including services
25 concerning assistance to the blind.
26 **(b) The division shall pay the expenses and obligations**
27 **incurred after December 31, 1999, to carry out responsibilities of**
28 **the county office.**
29 SECTION 52. IC 12-19-1-13 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 13. (a) A county
31 office **or the division** may sue and be sued under the name of "The
32 County Office of Family and Children of _____ County".
33 (b) The county office has all other rights and powers and shall
34 perform all other duties necessary to administer this chapter.
35 (c) A suit brought against **the division that involves** a county
36 office may be filed in the following:
37 (1) The circuit court with jurisdiction in the county.
38 (2) A superior court or any other court of the county.
39 (d) A notice or summons in a suit brought against the **division**
40 **that involves** a county office must be served on the county director **or**
41 **the director of the division of family and children.** It is not required
42 to name the individual employees of the county office as either plaintiff
43 or defendant.
44 SECTION 53. IC 12-19-1-14 IS AMENDED TO READ AS
45 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14. (a) A county
46 office may charge the following adoption fees:

1 (1) An adoption placement fee that may not exceed the actual
 2 costs incurred by the county office for medical expenses of
 3 children and mothers.
 4 (2) A fee that does not exceed the time and travel costs incurred
 5 by the county office for home study and investigation concerning
 6 a contemplated adoption.
 7 (b) Fees charged under this section shall be deposited in a separate
 8 account in the ~~county~~ **state** welfare trust clearance fund established
 9 under section 16 of this chapter. Money deposited under this subsection
 10 ~~shall be expended by~~ **is annually appropriated to** the county office for
 11 the following purposes: ~~without further appropriation:~~
 12 (1) The care of children whose adoption is contemplated.
 13 (2) The improvement of adoption services provided by the
 14 county departments.
 15 (c) The director of the division may adopt rules governing the
 16 expenditure of money under this section.
 17 (d) The division may provide written authorization allowing a
 18 county office to reduce or waive charges authorized under this section
 19 in hardship cases or for other good cause after investigation. The
 20 division may adopt forms on which the written authorization is
 21 provided.
 22 SECTION 54. IC 12-19-1-16 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 16. (a) ~~This~~
 24 ~~section does not apply to money received to reimburse the county~~
 25 ~~welfare fund for expenditures made from the appropriations of the~~
 26 ~~county office.~~ **The state welfare trust clearance fund is established.**
 27 **The fund shall be administered by the division. Money in the fund**
 28 **at the end of a state fiscal year does not revert to the state general**
 29 **fund.**
 30 (b) A county office may receive and administer money available
 31 to or for the benefit of a person receiving payments or services from the
 32 county office. The following applies to all money received under this
 33 section:
 34 (1) The money shall be kept in a special fund known as the
 35 ~~county~~ **state** welfare trust clearance fund and may not be
 36 commingled with any other fund or with money received from
 37 taxation.
 38 (2) The money may be expended by the county office in any
 39 manner consistent with the following:
 40 (A) The purpose of the ~~county~~ **state** welfare trust clearance
 41 fund or with the intention of the donor of the money.
 42 (B) Indiana law.
 43 (C) **The policies of the division.**
 44 SECTION 55. IC 12-19-1-18 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 18. (a) After
 46 petition to and with the approval of the judge of the circuit court, a

- 1 ~~county office~~ **the division** may take the actions described in subsection
 2 (b) if:
- 3 (1) an applicant for public assistance is physically or mentally
 - 4 incapable of completing an application for assistance; or
 - 5 (2) a recipient of public assistance:
 - 6 (A) is incapable of managing the recipient's affairs; or
 - 7 (B) refuses to:
 - 8 (i) take care of the recipient's money properly; or
 - 9 (ii) comply with the director of the division's rules and
 - 10 policies.
- 11 (b) If the conditions of subsection (a) are satisfied, the ~~county~~
 12 **office division** may designate a responsible person to do the following:
- 13 (1) Act for the applicant or recipient.
 - 14 (2) Receive on behalf of the recipient the assistance the recipient
 - 15 is eligible to receive under any of the following:
 - 16 (A) This chapter.
 - 17 (B) IC 12-10-6.
 - 18 (C) IC 12-14-1 through IC 12-14-9.
 - 19 (D) IC 12-14-13 through IC 12-14-19.
 - 20 (E) IC 12-15.
 - 21 (F) IC 12-17-1 through IC 12-17-3.
 - 22 (G) IC 16-35-2.
- 23 (c) A fee for services provided under this section may be paid to
 24 the responsible person in an amount not to exceed ten dollars (\$10)
 25 each month. The fee may be allowed:
- 26 (1) in the monthly assistance award; or
 - 27 (2) by vendor payment if the fee would cause the amount of
 - 28 assistance to be increased beyond the maximum amount
 - 29 permitted by statute.
- 30 SECTION 56. IC 12-19-1-21 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2000]: **Sec. 21. (a) As used in this**
 33 **chapter, "child services" means child welfare services specifically**
 34 **provided for children who:**
- 35 (1) **are adjudicated to be:**
 - 36 (A) **children in need of services; or**
 - 37 (B) **delinquent children; or**
 - 38 (2) **are recipients of or are eligible for:**
 - 39 (A) **informal adjustments;**
 - 40 (B) **service referral agreements; and**
 - 41 (C) **adoption assistance;**
- 42 **including the costs of using an institution or facility for providing**
 43 **educational services as described in either IC 20-8.1-3-36 (if**
 44 **applicable) or IC 20-8.1-6.1-8 (if applicable), all services required**
 45 **to be paid by the division under IC 31-40-1, and all costs required**
 46 **to be paid by the division under IC 20-8.1-6.1-7.**

1 **(b) The division shall pay the expenses and obligations**
 2 **incurred after December 31, 1999, to deliver child services.**

3 SECTION 57. IC 12-19-1-22 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 1999]: **Sec. 22. (a) This section applies**
 6 **notwithstanding the repeal of IC 12-19-3 through IC 12-19-7**
 7 **(effective January 1, 2000).**

8 **(b) All bonds issued under IC 12-1-11 (before its repeal) or this**
 9 **article before January 1, 2000, or under subsection (c):**

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

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

15 **(c) If the county welfare fund established under IC 12-19-3**
 16 **(repealed January 1, 2000) or family and children's fund**
 17 **established under IC 12-19-7 (repealed January 1, 2000) is**
 18 **exhausted before January 1, 2000, the county may obtain loans and**
 19 **issue bonds under IC 12-19-3 or IC 12-19-7, as appropriate, to**
 20 **provide money for the fund as if IC 12-19-3 and IC 12-19-7 had not**
 21 **been repealed.**

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

30 SECTION 58. IC 16-33-3-10 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. Whenever the
 32 circuit court having jurisdiction finds, upon application by the county
 33 office of family and children, that the parent or guardian of a client
 34 placed in the center is unable to meet the costs that the parent or
 35 guardian is required to pay for the services of the center, the court shall
 36 order payment of the costs ~~from the county general fund:~~ **by the**
 37 **division of family and children.**

38 SECTION 59. IC 16-33-4-17 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 17. (a) Each child,
 40 the estate of the child, the parent or parents of the child, or the guardian
 41 of the child, individually or collectively, are liable for the payment of
 42 the costs of maintenance of the child of up to one hundred percent
 43 (100%) of the per capita cost, except as otherwise provided. The cost
 44 shall be computed annually by dividing the total annual cost of
 45 operation for the fiscal year, exclusive of the cost of education
 46 programs, construction, and equipment, by the total child days each

- 1 year. The maintenance cost shall be referred to as maintenance charges.
2 The charge may not be levied against any of the following:
- 3 (1) The division of family and children or ~~the county office of~~
4 ~~family and children to be derived from~~ county tax sources.
 - 5 (2) A child orphaned by reason of the death of the natural
6 parents.
- 7 (b) The billing and collection of the maintenance charges as
8 provided for in subsection (a) shall be made by the superintendent of
9 the home based on the per capita cost for the preceding fiscal year. All
10 money collected shall be deposited in a fund to be known as the
11 Indiana soldiers' and sailors' children's home maintenance fund. The
12 fund shall be used by the state health commissioner for the:
- 13 (1) preventative maintenance; and
 - 14 (2) repair and rehabilitation;
- 15 of buildings of the home that are used for housing, food service, or
16 education of the children of the home.
- 17 (c) The superintendent of the home may, with the approval of the
18 state health commissioner, agree to accept payment at a lesser rate than
19 that prescribed in subsection (a). The superintendent of the home shall,
20 in determining whether or not to accept the lesser amount, take into
21 consideration the amount of money that is necessary to maintain or
22 support any member of the family of the child. All agreements to
23 accept a lesser amount are subject to cancellation or modification at
24 any time by the superintendent of the home with the approval of the
25 state health commissioner.
- 26 (d) A person who has been issued a statement of amounts due as
27 maintenance charges may petition the superintendent of the home for
28 a release from or modification of the statement and the superintendent
29 shall provide for hearings to be held on the petition. The superintendent
30 of the home may, with the approval of the state health commissioner
31 and after the hearing, cancel or modify the former statement and at any
32 time for due cause may increase the amounts due for maintenance
33 charges to an amount not to exceed the maximum cost as determined
34 under subsection (a).
- 35 (e) The superintendent of the home may arrange for the
36 establishment of a graduation or discharge trust account for a child by
37 arranging to accept a lesser rate of maintenance charge. The trust fund
38 must be of sufficient size to provide for immediate expenses upon
39 graduation or discharge.
- 40 (f) The superintendent may make agreements with
41 instrumentalities of the federal government for application of any
42 monetary awards to be applied toward the maintenance charges in a
43 manner that provides a sufficient amount of the periodic award to be
44 deposited in the child's trust account to meet the immediate personal
45 needs of the child and to provide a suitable graduation or discharge
46 allowance. The amount applied toward the settlement of maintenance

- 1 charges may not exceed the amount specified in subsection (a).
 2 (g) The superintendent of the home may do the following:
 3 (1) Investigate, either with the superintendent's own staff or on
 4 a contractual or other basis, the financial condition of each
 5 person liable under this chapter.
 6 (2) Make determinations of the ability of:
 7 (A) the estate of the child;
 8 (B) the legal guardian of the child; or
 9 (C) each of the responsible parents of the child;
 10 to pay maintenance charges.
 11 (3) Set a standard as a basis of judgment of ability to pay that
 12 shall be recomputed periodically to do the following:
 13 (A) Reflect changes in the cost of living and other pertinent
 14 factors.
 15 (B) Provide for unusual and exceptional circumstances in
 16 the application of the standard.
 17 (4) Issue to any person liable under this chapter statements of
 18 amounts due as maintenance charges, requiring the person to pay
 19 monthly, quarterly, or otherwise as may be arranged, an amount
 20 not exceeding the maximum cost as determined under this
 21 chapter.

22 SECTION 60. IC 20-8.1-3-36 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 36. (a) It is
 24 unlawful for a person operating or responsible for an educational,
 25 correctional, charitable, or benevolent institution or training school to
 26 fail to ensure that a child under his authority attends school as required
 27 under this chapter. Each day of violation of this section constitutes a
 28 separate offense.

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

35 SECTION 61. IC 20-8.1-6.1-7 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) If a student
 37 is transferred under section 2 of this chapter from a school corporation
 38 in Indiana to a public school corporation in another state, the transferor
 39 corporation shall pay the transferee corporation the full tuition fee
 40 charged by the transferee corporation. However, the amount of the full
 41 tuition fee must not exceed the amount charged by the transferor
 42 corporation for the same class of school, or if the school has no such
 43 classification, the amount must not exceed the amount charged by the
 44 geographically nearest school corporation in Indiana which has such
 45 classification.

46 (b) If a child is:

- 1 (1) placed by a court order in an out-of-state institution or other
 2 facility; and
 3 (2) provided all educational programs and services by a public
 4 school corporation in the state where the child is placed, whether
 5 at the facility, the public school, or another location;
 6 the ~~county office~~ **division** of family and children ~~for the county placing~~
 7 ~~the child~~ shall pay ~~from the county family and children's fund~~ to the
 8 public school corporation in which the child is enrolled the amount of
 9 transfer tuition specified in subsection (c).
 10 (c) The transfer tuition for which a ~~county office~~ **the division of**
 11 **family and children** is obligated under subsection (b) is equal to the
 12 following:
 13 (1) The amount under a written agreement among the ~~county~~
 14 ~~office,~~ **division of family and children**, the institution or other
 15 facility, and the governing body of the public school corporation
 16 in the other state that specifies the amount and method of
 17 computing transfer tuition.
 18 (2) The full tuition fee charged by the transferee corporation, if
 19 subdivision (1) does not apply. However, the amount of the full
 20 tuition fee must not exceed the amount charged by the transferor
 21 corporation for the same class of school, or if the school has no
 22 such classification, the amount must not exceed the amount
 23 charged by the geographically nearest school corporation in
 24 Indiana which has such classification.
 25 (d) If a child is:
 26 (1) placed by a court order in an out-of-state institution or other
 27 facility; and
 28 (2) provided:
 29 (A) onsite educational programs and services either through
 30 the facility's employees or by contract with another person
 31 or organization that is not a public school corporation; or
 32 (B) educational programs and services by a nonpublic
 33 school;
 34 the ~~county office~~ **division** of family and children ~~for the county placing~~
 35 ~~the child~~ shall pay ~~from the county family and children's fund~~ in an
 36 amount ~~and~~ in the manner specified in a written agreement between the
 37 ~~county office~~ **division** and the institution or other facility.
 38 (e) ~~An agreement described in subsection (c) or (d) is subject to~~
 39 ~~the approval of the director of the division of family and children:~~
 40 ~~However,~~ For purposes of IC 4-13-2, ~~the an~~ agreement **described in**
 41 **subsection (c) or (d)** shall not be treated as a contract.
 42 SECTION 62. IC 20-8.1-6.1-8 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 8. (a) As used in
 44 this section, the following terms have the following meanings:
 45 (1) "Class of school" refers to a classification of each school or
 46 program in the transferee corporation by the grades or special

1 programs taught at the school. Generally, these classifications
 2 are denominated as kindergarten, elementary school, middle
 3 school or junior high school, high school, and special schools or
 4 classes, such as schools or classes for special education,
 5 vocational training, or career education.

6 (2) "ADM" means the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (A) The following state distributions that are computed in
8 any part using ADM or other pupil count in which the
9 student is included:

- 10 (i) Primetime grant under IC 21-1-30.
- 11 (ii) Tuition support for basic programs and at-risk
12 weights under IC 21-3-1.7-8 (before January 1, 1996)
13 and only for basic programs (after December 31,
14 1995).
- 15 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- 16 (iv) At-risk grant under IC 21-3-1.7-9.7.
- 17 (v) Academic honors diploma award under
18 IC 21-3-1.7-9.8.
- 19 (vi) Vocational education grant under IC 21-3-1.8-3.
- 20 (vii) Special education grant under ~~IC 21-3-1.8~~
21 **IC 21-3-1.8-2** (repealed January 1, 1996) or
22 IC 21-3-10.
- 23 (viii) The portion of the ADA flat grant that is
24 available for the payment of general operating
25 expenses under IC 21-3-4.5-2(b)(1).

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

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

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

33 STEP THREE: Determine the greater of:

- 34 (A) zero (0); or
- 35 (B) the result of subtracting the STEP TWO amount from
36 the STEP ONE amount.

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

43 (c) Operating costs shall be determined for each class of school
44 where a transfer student is enrolled. The operating cost for each class
45 of school is based on the total expenditures of the transferee
46 corporation for the class of school from its general fund expenditures

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

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

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

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

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

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

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

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

33 SECTION 63. IC 20-8.1-6.1-12 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 12. (a) Annually
35 before the date specified in the rules adopted by the Indiana state board
36 of education, each school corporation shall report the information
37 specified in subsection (b) for each student:

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

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

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

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

46 (b) Each school corporation shall provide the following

1 information for each school year beginning with the school year
 2 beginning July 1, 1994, for each category of student described in
 3 subsection (a):

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

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

8 (3) Special equipment expenditures that are directly related to
 9 educating students described in subsection (a).

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

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

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

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

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

29 (1) The name of the child.

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

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

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

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

44 SECTION 64. IC 31-19-26-1 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) When a
 46 petition for adoption is filed seeking a subsidy and the payment of a

1 subsidy is ordered by the court, the order must contain the following
2 information:

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

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

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

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

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

14 SECTION 65. IC 31-40-1-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. This article
16 applies to a financial burden sustained by **the state and** a county as the
17 result of costs paid ~~by the county~~ under section 2 of this chapter,
18 including costs resulting from the institutional placement of a child
19 adjudicated a delinquent child or a child in need of services.

20 SECTION 66. IC 31-40-1-2 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) The ~~county~~
22 **state** shall pay the cost of:

23 (1) any services ordered by the juvenile court for any child or the
24 child's parent, guardian, or custodian; and

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

26 **except for probation, guardian ad litem, and court appointed**
27 **special advocate services. The county shall pay the cost of**
28 **probation, guardian ad litem, and court appointed special advocate**
29 **services.**

30 (b) The **state and** the county fiscal body shall provide sufficient
31 money to meet the court's requirements.

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

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

41 SECTION 67. IC 31-40-1-4 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. The parent or
43 guardian of the estate of any child returned to Indiana under the
44 interstate compact on juveniles under IC 31-37-23 shall reimburse the
45 **state and** county for all costs involved in returning the child that the
46 court orders the parent or guardian to pay under section 3 of this

1 chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child
2 has been adjudicated a delinquent child or a child in need of services.

3 SECTION 68. IC 31-40-1-5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Whenever
5 the court orders institutional placement of a child:

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

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

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

16 (b) When implementing this section, the ~~county office~~ **division** of
17 family and children shall:

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

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

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

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

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

28 SECTION 69. THE FOLLOWING ARE REPEALED
29 [EFFECTIVE JANUARY 1, 2000]: IC 6-1.1-17-18; IC 6-1.1-18.6;
30 IC 12-7-2-117; IC 12-13-7-10; IC 12-13-7-11; IC 12-13-7-14;
31 IC 12-13-7-15; IC 12-13-7-16; IC 12-13-7-20; IC 12-13-8;
32 IC 12-13-9-1; IC 12-13-9-3; IC 12-13-9-4; IC 12-14-2-13;
33 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;
34 IC 12-16-14; IC 12-16-15; IC 12-17-1-15; IC 12-17-3-3;
35 IC 12-19-1-15; IC 12-19-1-17; IC 12-19-3; IC 12-19-4; IC 12-19-5;
36 IC 12-19-6; IC 12-19-7; IC 12-24-6; IC 12-24-9-2; IC 12-24-9-3;
37 IC 12-24-9-4; IC 12-24-13-6; IC 16-35-3; IC 16-35-4.

38 SECTION 70. [EFFECTIVE JULY 1, 1999] (a) **As used in this**
39 **SECTION, "county office property tax levies" means the property**
40 **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) Notwithstanding any other law, after December 31, 1999,**
 4 **the state shall fund one hundred percent (100%) of the programs,**
 5 **services, and activities paid from county office property tax levies**
 6 **before January 1, 2000.**
- 7 **(c) Notwithstanding any other law, after December 31, 2000,**
 8 **a county may not impose a county office property tax levy. The**
 9 **maximum permissible levy for any fund:**
- 10 **(1) that is not terminated after December 31, 1999; and**
 11 **(2) for which a county office property tax levy was imposed**
 12 **before January 1, 2000;**
 13 **shall be reduced to eliminate the part of the maximum levy related**
 14 **to a county office property tax levy before January 1, 2000.**
- 15 **SECTION 71. [EFFECTIVE JULY 1, 1999] (a) As used in this**
 16 **SECTION, "county office property tax levies" means the property**
 17 **tax levies under or for any of the following:**
- 18 **(1) IC 12-13-8 (county medical assistance to wards fund).**
 19 **(2) IC 12-16-14 (county hospital care for the indigent fund).**
 20 **(3) IC 12-19-3 (county welfare fund and tax levy).**
 21 **(4) IC 12-19-4 (county welfare administration fund and tax**
 22 **levy).**
 23 **(5) IC 12-19-7 (county family and children's fund).**
 24 **(6) IC 16-35-3 (children with special health care needs**
 25 **county fund and tax levy).**
- 26 **(b) As used in this SECTION, "miscellaneous revenue" means**
 27 **tax revenue that is distributed under:**
- 28 **(1) the bank tax (IC 6-5-10);**
 29 **(2) the savings and loan association tax (IC 6-5-11);**
 30 **(3) the production credit association tax (IC 6-5-12);**
 31 **(4) the financial institutions tax (IC 6-5.5); or**
 32 **(5) any other statute providing for a distribution of revenue;**
 33 **to a political subdivision based in any part on the ad valorem**
 34 **property tax levy imposed by the political subdivision.**
- 35 **(c) For calendar year 2000 and any other year that in any part**
 36 **conditions a distribution of miscellaneous revenue on the county**
 37 **property tax levies first due and payable in calendar year 1999 or**
 38 **a previous year, the distribution must be made based on the**
 39 **adjusted property tax levy determined under this SECTION.**
- 40 **(d) The state board of tax commissioners shall determine an**
 41 **adjusted property tax levy for each year on which a distribution**
 42 **described in subsection (c) is based. The adjusted property tax levy**
 43 **must exclude the county office property tax levies imposed in that**
 44 **year.**
- 45 **(e) Before July 15, 1999, the state board of tax commissioners**
 46 **shall certify the adjusted levy determined under subsection (d) to**

1 the auditor of state, each county auditor, and the department of
2 state revenue.

3 (f) For purposes of property tax levies first due and payable
4 after December 31, 1999, the state board of tax commissioners shall
5 adjust property tax levies of a political subdivision to eliminate that
6 part of a property tax levy that was imposed before January 1,
7 2000, to make a transfer described in IC 12-15-18-5.1.

8 (g) The unallotted balance on December 31, 1999, of any
9 county office property tax levies in a fund other than the state
10 general fund shall, on January 1, 2000, be transferred to the state
11 general fund to carry out the programs for which the money was
12 levied. The unallotted balance on December 31, 1999, of each
13 county welfare trust clearance fund shall be transferred on
14 January 1, 2000, to an account in the state welfare trust clearance
15 fund. However, by agreement between a county executive and the
16 division of family and children, a county may retain a balance of
17 county office property tax levies after December 31, 1999, in a fund
18 to pay obligations incurred but not allotted for payment before
19 January 1, 2000. The amount and time that balances shall be
20 retained shall be governed by the agreement. Money transferred
21 to the state under this subsection shall be treated as money from
22 state revenues.

23 (h) The state board of tax commissioners shall reduce the
24 maximum permissible ad valorem property tax levy of a county to
25 reflect the transfer by this act of expenditures payable from a
26 county general fund to the state.

27 (i) This SECTION expires December 31, 2000.

28 SECTION 72. [EFFECTIVE JULY 1, 1999] (a) After December
29 31, 1999, a reference in a law, rule, or other document to a county
30 office of family and children shall be treated as a reference to:

- 31 (1) the county office of family and children within the
32 division of family and children; or
33 (2) the division of family and children.

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

- 38 (1) A replacement interim guideline is adopted under this
39 SECTION.
40 (2) A rule is adopted under IC 4-22-2 to replace the interim
41 guideline.
42 (3) January 1, 2001.

43 (c) To the extent that the personnel, agreements and other
44 obligations, and records and other property of a county office are
45 not the personnel, agreements and other obligations, and records
46 and other property of the division, after December 31, 1999, the:

1 (1) personnel;
 2 (2) agreements and other obligations; and
 3 (3) records and other property;
 4 of a county office of family and children on December 31, 1999,
 5 shall be treated as the personnel, agreements and other obligations,
 6 and records and other property of the division of family and
 7 children.

8 (d) After December 31, 1999, a court order issued before
 9 January 1, 2000, and requiring or authorizing a county office of
 10 family and children to take an action shall be treated as an order
 11 requiring or authorizing the division of family and children to take
 12 the action. However, this subsection does not authorize the division
 13 of family and children to impose a property tax levy.

14 (e) After December 31, 1999:
 15 (1) trust funds administered by; and
 16 (2) wardships and guardianships granted to;
 17 a county office of family and children before January 1, 2000, shall
 18 be administered by the division of family and children.

19 (f) The following funds are abolished:
 20 (1) State medical assistance to wards fund.
 21 (2) The state welfare fund.
 22 (3) Institution clothing fund established under IC 12-24-6-1
 23 (repealed by this act).

24 Unallotted money in a fund described in this subsection on
 25 December 31, 1999, shall on January 1, 2000, be transferred to an
 26 account in the state general fund.

27 (g) The unallotted balances on December 31, 1999, of any trust
 28 fund established under IC 12-19-1-15, as repealed by this act, shall
 29 be transferred to an appropriate trust fund under the
 30 administration of the division of family and children. The amount
 31 transferred shall be used only in a manner consistent with the
 32 intention of the donor of the property and for the following
 33 purposes:

34 (1) For the benefit of a home or an institution in which
 35 dependent or neglected children are cared for under the
 36 supervision of the county office.
 37 (2) For the benefit of children who are committed to the care
 38 or supervision of the county office.

39 SECTION 73. [EFFECTIVE JULY 1, 1999] (a) As used in this
 40 SECTION, "committee" refers to the human services committee.

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

43 (1) Four (4) members of the senate finance committee to be
 44 appointed by the president pro tempore of the senate.
 45 (2) Four (4) members of the senate finance committee to be
 46 appointed by the minority leader of the senate.

- 1 **(3) Six (6) members of the house ways and means committee**
2 **to be appointed by the speaker of the house of**
3 **representatives.**
- 4 **(4) Six (6) members of the house ways and means committee**
5 **to be appointed by the minority leader of the house of**
6 **representatives.**
- 7 **(c) A member appointed under this SECTION serves at the**
8 **pleasure of the appointing authority. If a vacancy exists on the**
9 **committee, the vacancy shall be filled by the person who made the**
10 **original appointment.**
- 11 **(d) The chairman of the legislative council shall name the**
12 **chairperson of the committee. The chairperson of the committee**
13 **serves at the pleasure of the chairman of the legislative council.**
- 14 **(e) The committee shall meet at least eight (8) times each year.**
15 **The chairperson shall call the first meeting of the committee before**
16 **August 31, 1999.**
- 17 **(f) The committee shall provide for the introduction of**
18 **legislation in the 2000 and 2001 regular sessions of the general**
19 **assembly to do the following:**
- 20 **(1) Make appropriate changes to references in statutes that**
21 **are required by this act.**
- 22 **(2) Revise and consolidate the statutes relating to the**
23 **reorganization of county offices of family and children under**
24 **this act.**
- 25 **(3) Otherwise implement this act.**
- 26 **(g) The committee may study any issue related to its**
27 **responsibilities.**
- 28 **(h) The affirmative votes of a majority of the members**
29 **appointed to the committee are required for the committee to take**
30 **action on any measure, including final reports.**
- 31 **(i) The committee shall operate under the direction of the**
32 **legislative council. The legislative services agency shall staff the**
33 **committee. The office of the secretary of family and social services**
34 **shall assist the committee as directed by the chairperson of the**
35 **committee.**
- 36 **(j) The committee shall issue:**
- 37 **(1) an interim report before November 2, 1999, and at other**
38 **times as determined by the legislative council; and**
39 **(2) a final report before November 2, 2000.**
- 40 **Copies of each report shall be given to the governor and the**
41 **legislative council.**
- 42 **(k) Each member of the committee is entitled to receive the**
43 **same per diem, mileage, and travel allowances paid to members of**
44 **the general assembly serving on interim study committees**
45 **established by the legislative council.**
- 46 **(l) This SECTION expires December 31, 2000.**

- 1 SECTION 74. [EFFECTIVE JANUARY 1, 1999
- 2 (RETROACTIVE)] **IC 6-3.1-20, as added by this act, applies only to**
- 3 **taxable years that begin after December 31, 1998.**
- 4 SECTION 75. [EFFECTIVE JANUARY 1, 1999
- 5 (RETROACTIVE)] **IC 6-3.1-21, as added by this act, applies to a**
- 6 **taxable year beginning after December 31, 1998.**
- 7 SECTION 76. [EFFECTIVE JULY 1, 1999] **IC 6-1.1-18.5-2, as**
- 8 **amended by this act, applies to maximum property tax levies after**
- 9 **1999.**
- 10 SECTION 77. [EFFECTIVE JANUARY 1, 1999
- 11 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to**
- 12 **taxable years beginning after December 31, 1998.**
- 13 SECTION 78. **An emergency is declared for this act."**
- 14 Delete pages 2 through 3.
- 15 Renumber all SECTIONS consecutively.
- (Reference is to ESB 297 as printed April 6, 1999.)

Representative Espich