



Reprinted
February 16, 1999

HOUSE BILL No. 1761

DIGEST OF HB 1761 (Updated February 15, 1999 8:23 pm - DI 92)

Citations Affected: IC 6-3; IC 12-7; IC 12-10; IC 12-14; IC 12-15; IC 12-16; IC 12-17; IC 12-20; noncode.

Synopsis: Holocaust survivors settlement. Exempts from the Indiana individual adjusted gross income tax amounts received as a Holocaust settlement payment and included in an individual's adjusted gross income for federal income tax purposes. Excludes a Holocaust victim's settlement payment from the eligibility considerations of the following programs: (1) AFDC. (2) Supplemental assistance for the blind, aged, and disabled. (3) Township poor relief. (4) Hospital care for the indigent. (5) Destitute children. (6) Medicaid. (7) Residential care assistance. (8) Energy assistance.

Effective: January 1, 1998 (retroactive).

**Kruzan, Atterholt, Welch, Ayres,
Day, Buck, Young M, Avery, Leuck**

January 26, 1999, read first time and referred to Committee on Ways and Means.
February 10, 1999, reported — Do Pass.
February 15, 1999, read second time, amended, ordered engrossed.

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First Regular Session 111th General Assembly (1999)

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

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

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

HOUSE BILL No. 1761

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

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

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

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

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

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

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

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



- 1 January 1, 1985.
- 2 (12) Subtract an amount equal to the amount of federal Social
3 Security and Railroad Retirement benefits included in a taxpayer's
4 federal gross income by Section 86 of the Internal Revenue Code.
- 5 (13) In the case of a nonresident taxpayer or a resident taxpayer
6 residing in Indiana for a period of less than the taxpayer's entire
7 taxable year, the total amount of the deductions allowed pursuant
8 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
9 which bears the same ratio to the total as the taxpayer's income
10 taxable in Indiana bears to the taxpayer's total income.
- 11 (14) In the case of an individual who is a recipient of assistance
12 under IC 12-10-6-1, IC 12-10-6-2, IC 12-10-6-3, IC 12-15-2-2, or
13 IC 12-15-7, subtract an amount equal to that portion of the
14 individual's adjusted gross income with respect to which the
15 individual is not allowed under federal law to retain an amount to
16 pay state and local income taxes.
- 17 **(15) In the case of an eligible individual, subtract the amount**
18 **of a Holocaust victim's settlement payment included in the**
19 **individual's federal adjusted gross income.**
- 20 (b) In the case of corporations, the same as "taxable income" (as
21 defined in Section 63 of the Internal Revenue Code) adjusted as
22 follows:
- 23 (1) Subtract income that is exempt from taxation under IC 6-3 by
24 the Constitution and statutes of the United States.
- 25 (2) Add an amount equal to any deduction or deductions allowed
26 or allowable pursuant to Section 170 of the Internal Revenue
27 Code.
- 28 (3) Add an amount equal to any deduction or deductions allowed
29 or allowable pursuant to Section 63 of the Internal Revenue Code
30 for taxes based on or measured by income and levied at the state
31 level by any state of the United States or for taxes on property
32 levied by any subdivision of any state of the United States.
- 33 (4) Subtract an amount equal to the amount included in the
34 corporation's taxable income under Section 78 of the Internal
35 Revenue Code.
- 36 (c) In the case of trusts and estates, "taxable income" (as defined for
37 trusts and estates in Section 641(b) of the Internal Revenue Code)
38 reduced by income that is exempt from taxation under IC 6-3 by the
39 Constitution and statutes of the United States.
- 40 SECTION 2. IC 6-3-1-29 IS ADDED TO THE INDIANA CODE
41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 29. As used in this**



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chapter, "eligible individual" means:

- (1) a person who was systematically persecuted for racial or religious reasons by Nazi Germany or any other Axis regime;**
- or**
- (2) an heir of a person described in subdivision (1).**

SECTION 3. IC 6-3-1-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 30. As used in this chapter, "Holocaust victim's settlement payment" means a payment received:**

- (1) as a result of the settlement of the action entitled "In re Holocaust Victims' Asset Litigation", (E.D. NY) C.A. No. 96-4849;**
- (2) under the German Act Regulating Unresolved Property Claims;**
- (3) under any other foreign law providing payments for Holocaust claims; or**
- (4) as a result of the settlement of any other Holocaust claim, including:**
 - (A) insurance claims;**
 - (B) claims relating to looted art;**
 - (C) claims relating to looted financial assets; or**
 - (D) claims relating to slave labor wages.**

SECTION 4. IC 12-7-2-76 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 76. (a) "Eligible individual", for purposes of IC 12-10-10, has the meaning set forth in IC 12-10-10-4.**

(b) "Eligible individual" has the meaning set forth in IC 12-14-18-1.5 for purposes of the following:

- (1) IC 12-10-6.**
- (2) IC 12-14-2.**
- (3) IC 12-14-11.**
- (4) IC 12-14-18.**
- (5) IC 12-14-19.**
- (6) IC 12-15-2.**
- (7) IC 12-15-3.**
- (8) IC 12-16-3.**
- (9) IC 12-17-1.**
- (10) IC 12-20-5.5.**

SECTION 5. IC 12-7-2-104.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 104.5.**



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1 **"Holocaust victim's settlement payment" has the meaning set forth**
 2 **in IC 12-14-18-1.7 for purposes of the following:**

- 3 (1) **IC 12-10-6.**
 4 (2) **IC 12-14-2**
 5 (3) **IC 12-14-18.**
 6 (4) **IC 12-14-19.**
 7 (5) **IC 12-15-2.**
 8 (6) **IC 12-15-3.**
 9 (7) **IC 12-16-3.**
 10 (8) **IC 12-17-1.**
 11 (9) **IC 12-20-5.5.**

12 SECTION 6. IC 12-10-6-1 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:

14 Sec. 1. (a) An individual who:

- 15 (1) is at least sixty-five (65) years of age, blind, or disabled; and
 16 (2) is a resident of a county home;

17 is eligible to receive assistance payments from the state if the
 18 individual would be eligible for assistance under the federal
 19 Supplemental Security Income program except for the fact that the
 20 individual is residing in a county home.

21 (b) The amount of nonmedical assistance to be paid on behalf of a
 22 resident in a county home must be based on the daily rate established
 23 by the division. The rate for facilities under this section and licensed
 24 under IC 16-28 may not exceed an upper rate limit established by a rule
 25 adopted by the division.

26 (c) The rate for facilities under this section but not licensed under
 27 IC 16-28 must be the lesser of:

- 28 (1) an upper rate limit established by a rule adopted by the
 29 division; or
 30 (2) a reasonable and adequate rate to meet the costs, determined
 31 by generally accepted accounting principles, that are incurred by
 32 efficiently and economically operated facilities in order to provide
 33 care and services in conformity with quality and safety standards
 34 and applicable laws and rules.

35 (d) The recipient shall be paid or allowed to retain from the
 36 recipient's income a personal allowance in an amount to be established
 37 by the division. The amount:

- 38 (1) may be not less than twenty-eight dollars and fifty cents
 39 (\$28.50) and not more than thirty-five dollars (\$35) monthly;
 40 (2) is exempt from income eligibility consideration by the
 41 division; and
 42 (3) may be exclusively used by the recipient for personal needs.

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1 (e) In addition to the amount that may be retained as a personal
 2 allowance under this section, an individual is allowed to retain an
 3 amount equal to the individual's state and local income tax liability.
 4 The amount that may be retained during a month may not exceed
 5 one-third (1/3) of the individual's state and local income tax liability for
 6 the calendar quarter in which the month occurs. This amount is exempt
 7 from income eligibility consideration by the division. The amount
 8 retained shall be used by the individual to pay state or local income
 9 taxes owed.

10 **(f) In addition to the amounts that may be retained under**
 11 **subsections (d) and (e), an eligible individual may retain a**
 12 **Holocaust victim's settlement payment. The payment is exempt**
 13 **from income eligibility consideration by the division.**

14 ~~(g)~~ (g) The division of disability, aging, and rehabilitative services,
 15 in cooperation with the state department of health taking into account
 16 licensure requirements under IC 16-28, shall adopt rules under
 17 IC 4-22-2 governing the reimbursement to facilities under this section.
 18 The rules must be designed to determine the costs that must be incurred
 19 by efficiently and economically operated facilities to provide room,
 20 board, laundry, and other services, along with minimal administrative
 21 direction to individuals who receive residential care in the facilities
 22 under this section. A rule adopted under this subsection by:

- 23 (1) the division; or
- 24 (2) the state department of health;

25 must conform to the rules for residential care facilities that are licensed
 26 under IC 16-28.

27 ~~(g)~~ (h) A rate established under this section may be appealed
 28 according to the procedures under IC 4-21.5.

29 ~~(h)~~ (i) The division shall annually review each facility's rate using
 30 the following:

- 31 (1) Generally accepted accounting principles.
- 32 (2) The costs incurred by efficiently and economically operated
 33 facilities in order to provide care and services in conformity with
 34 quality and safety standards and applicable laws and rules.

35 SECTION 7. IC 12-10-6-2 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:

37 Sec. 2. (a) An individual who is incapable of residing in the individual's
 38 own home may apply for residential care assistance under this section.
 39 The determination of eligibility for residential care assistance is the
 40 responsibility of the division. Except as provided in subsections ~~(f)~~ (g)
 41 and ~~(h)~~ (i), an individual is eligible for residential care assistance if the
 42 division determines that the individual:



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- 1 (1) is a recipient of Medicaid or the federal Supplemental Security
 2 Income program;
 3 (2) is incapable of residing in the individual's own home because
 4 of dementia, mental illness, or a physical disability;
 5 (3) requires a degree of care less than that provided by a health
 6 care facility licensed under IC 16-28; and
 7 (4) can be adequately cared for in a residential care setting.
- 8 (b) Individuals suffering from mental retardation may not be
 9 admitted to a home or facility that provides residential care under this
 10 section.
- 11 (c) A service coordinator employed by the division may:
 12 (1) evaluate a person seeking admission to a home or facility
 13 under subsection (a); or
 14 (2) evaluate a person who has been admitted to a home or facility
 15 under subsection (a), including a review of the existing
 16 evaluations in the person's record at the home or facility.
- 17 If the service coordinator determines the person evaluated under this
 18 subsection is mentally retarded, the service coordinator may
 19 recommend an alternative placement for the person.
- 20 (d) Except as provided in section 5 of this chapter, residential care
 21 consists of only room, board, and laundry, along with minimal
 22 administrative direction. State financial assistance may be provided for
 23 such care in a boarding or residential home of the applicant's choosing
 24 that is licensed under IC 16-28 or a Christian Science facility listed and
 25 certified by the Commission for Accreditation of Christian Science
 26 Nursing Organizations/Facilities, Inc., that meets certain life safety
 27 standards considered necessary by the state fire marshal. Payment for
 28 such care shall be made to the provider of the care according to
 29 division directives and supervision. The amount of nonmedical
 30 assistance to be paid on behalf of a recipient living in a boarding home,
 31 residential home, or Christian Science facility shall be based on the
 32 daily rate established by the division. The rate for facilities that are
 33 referred to in this section and licensed under IC 16-28 may not exceed
 34 an upper rate limit established by a rule adopted by the division. The
 35 recipient may retain from the recipient's income a personal allowance
 36 in an amount to be established by the division, but not less than
 37 twenty-eight dollars and fifty cents (\$28.50) or more than thirty-five
 38 dollars (\$35) monthly. This amount is exempt from income eligibility
 39 consideration by the division and may be exclusively used by the
 40 recipient for the recipient's personal needs. However, if the recipient's
 41 income is less than the amount of the personal allowance, the division
 42 shall pay to the recipient the difference between the amount of the

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1 personal allowance and the recipient's income. A reserve or an
 2 accumulated balance from such a source, together with other sources,
 3 may not be allowed to exceed the state's resource allowance allowed for
 4 adults eligible for state supplemental assistance or Medicaid as
 5 established by the rules of the office of Medicaid policy and planning.

6 (e) In addition to the amount that may be retained as a personal
 7 allowance under this section, an individual shall be allowed to retain
 8 an amount equal to the individual's state and local income tax liability.
 9 The amount that may be retained during a month may not exceed
 10 one-third (1/3) of the individual's state and local income tax liability for
 11 the calendar quarter in which that month occurs. This amount is
 12 exempt from income eligibility consideration by the division. The
 13 amount retained shall be used by the individual to pay any state or local
 14 income taxes owed.

15 **(f) In addition to the amounts that may be retained under**
 16 **subsections (d) and (e), an eligible individual may retain a**
 17 **Holocaust victim's settlement payment. The payment is exempt**
 18 **from income eligibility consideration by the division.**

19 (f) (g) The rate of payment to the provider shall be determined in
 20 accordance with a prospective prenegotiated payment rate predicated
 21 on a reasonable cost related basis, with a growth of profit factor, as
 22 determined in accordance with generally accepted accounting
 23 principles and methods, and written standards and criteria, as
 24 established by the division. The division shall establish an
 25 administrative appeal procedure to be followed if rate disagreement
 26 occurs if the provider can demonstrate to the division the necessity of
 27 costs in excess of the allowed or authorized fee for the specific
 28 boarding or residential home. The amount may not exceed the
 29 maximum established under subsection (d).

30 (g) (h) The personal allowance for one (1) month for an individual
 31 described in subsection (a) whose employment is part of the
 32 individual's personal habilitation plan or who is working in a sheltered
 33 workshop or day activity center is the amount that an individual would
 34 be entitled to retain under subsection (d) plus an amount equal to
 35 one-half (1/2) of the remainder of:

36 (1) gross earned income for that month; minus

37 (2) the sum of:

38 (A) sixteen dollars (\$16); plus

39 (B) the amount withheld from the person's paycheck for that
 40 month for payment of state income tax, federal income tax,
 41 and the tax prescribed by the federal Insurance Contribution
 42 Act (26 U.S.C. 3101 et seq.); plus



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- 1 (C) transportation expenses for that month.
- 2 ~~(h)~~ (i) An individual who, before September 1, 1983, has been
3 admitted to a home or facility that provides residential care under this
4 section is eligible for residential care in the home or facility.
- 5 ~~(i)~~ (j) The director of the division may contract with the division of
6 mental health or the division of disability, aging, and rehabilitative
7 services to purchase services for individuals suffering from mental
8 illness or a developmental disability by providing money to supplement
9 the appropriation for community residential care programs established
10 under IC 12-22-2 or community residential care programs established under
11 IC 12-11-1-1.
- 12 ~~(j)~~ (k) A person with a mental illness may not be placed in a
13 Christian Science facility listed and certified by the Commission for
14 Accreditation of Christian Science Nursing Organizations/Facilities,
15 Inc., unless the facility is licensed under IC 16-28.
- 16 SECTION 8. IC 12-10-6-6 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
18 Sec. 6. (a) To obtain assistance under this chapter, an ~~eligible~~
19 individual must apply to the local administrative unit designated by the
20 division. The application must be:
- 21 (1) in writing or reduced to writing;
- 22 (2) made in the manner and upon the form prescribed by the
23 division; and
- 24 (3) verified by the oath of the applicant.
- 25 (b) If an individual applying for assistance is mentally or physically
26 unable to sign an application verified by the oath of the applicant, an
27 application may be made by an interested individual acting in the
28 applicant's behalf, and the application shall be verified upon the basis
29 of information and belief of the interested individual.
- 30 (c) Each application must contain a statement of all of the following:
- 31 (1) The amount of property, both personal and real, in which the
32 applicant has an interest.
- 33 (2) All income that the applicant has at the time of the filing of
34 the application.
- 35 (3) Any other information prescribed by the division.
- 36 SECTION 9. IC 12-14-2-1 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
38 Sec. 1. (a) After the investigation under IC 12-14-1-6, the county office
39 shall decide the following:
- 40 (1) Whether the child is eligible for assistance under this article.
- 41 (2) The amount of assistance.
- 42 (3) The date assistance begins.

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1 (b) The county office may not consider:
 2 (1) money in an individual development account under IC 4-4-28
 3 that belongs to the child or a member of the child's family; ~~or~~
 4 (2) five thousand dollars (\$5,000) of equity value (as defined in
 5 470 IAC 10.1-3-1) in one (1) motor vehicle that belongs to a
 6 member of the child's family; **or**
 7 **(3) a Holocaust victim's settlement payment received by the**
 8 **child or a member of the child's family;**
 9 when determining whether the child is eligible for assistance under this
 10 article.

11 SECTION 10. IC 12-14-2-3 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 13 Sec. 3. (a) Except as provided in subsection (b), when determining the
 14 amount of assistance, an accounting must be taken of any income or
 15 property of the child that the child may receive from another source.

16 (b) The ~~money in an individual development account established~~
 17 ~~under IC 4-4-28 that belongs to a child or a member of the child's~~
 18 ~~family following~~ may not be considered as income or property of the
 19 child when determining the amount of assistance for the child:

- 20 (1) **Money in an individual development account established**
 21 **under IC 4-4-28 that belongs to a child or a member of the**
 22 **child's family.**
 23 (2) **A Holocaust victim's settlement payment received by the**
 24 **child or a member of the child's family.**

25 SECTION 11. IC 12-14-2-4 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 27 Sec. 4. The division shall determine the amount of assistance granted
 28 for a dependent child considering the following:

- 29 (1) The resources and necessary expenditures of the family.
 30 (2) The conditions existing in each case and in accordance with
 31 the rules adopted under IC 4-22-2 by the director of the division.

32 **However, a Holocaust victim's settlement payment received by the**
 33 **child or a member of the child's family may not be considered a**
 34 **resource of the family when determining the amount of assistance**
 35 **for the child.**

36 SECTION 12. IC 12-14-11-8.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 8.5.**
 39 **Except as provided by federal law, if an eligible individual receives**
 40 **a Holocaust victim's settlement payment:**

- 41 (1) **the individual is not required to report the payment as**
 42 **income or as a resource of the individual when applying for**

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1 assistance under this chapter; and

2 (2) the payment may not be considered as income or a
3 resource of the individual in determining initial or continuing
4 eligibility for assistance under this chapter.

5 SECTION 13. IC 12-14-18-1.5 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.5. As
8 used in this chapter, "eligible individual" means:**

9 (1) a person who was systematically persecuted for racial or
10 religious reasons by Nazi Germany or any other Axis regime;
11 or

12 (2) an heir of a person described in subdivision (1).

13 SECTION 14. IC 12-14-18-1.7 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.7. As
16 used in this chapter, "Holocaust victim's settlement payment"
17 means a payment received:**

18 (1) as a result of the settlement of the action entitled "In re
19 Holocaust Victims' Asset Litigation", (E.D. NY) C.A. No.
20 96-4849;

21 (2) under the German Act Regulating Unresolved Property
22 Claims;

23 (3) under any other foreign law providing payments for
24 Holocaust claims; or

25 (4) as a result of the settlement of any other Holocaust claim,
26 including:

27 (A) insurance claims;

28 (B) claims relating to looted art;

29 (C) claims relating to looted financial assets; or

30 (D) claims relating to slave labor wages.

31 SECTION 15. IC 12-14-18-2 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
33 Sec. 2. (a) If while receiving supplemental assistance a recipient
34 obtains property or income in excess of the amount stated in the
35 application, the recipient shall notify the division or county office, if
36 the recipient receives supplemental assistance to the aged, immediately
37 of the receipt or possession of the property or income.

38 (b) The division may, after investigation, cancel or alter the amount
39 of the assistance in accordance with the circumstances.

40 (c) Excess supplemental assistance paid is recoverable by the county
41 as a debt due to the state.

42 (d) However, an eligible individual is not required to notify the



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1 **division or county office of a Holocaust victim's settlement**
 2 **payment received by the individual. The division may not alter the**
 3 **amount of supplemental assistance paid to the individual after the**
 4 **individual's receipt of the payment.**

5 SECTION 16. IC 12-14-19-1 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 7 Sec. 1. If an applicant for or recipient of assistance under Title XVI of
 8 the federal Social Security Act (42 U.S.C. 1381 et seq.):

9 (1) establishes one (1) irrevocable trust that has a value not
 10 greater than one thousand dollars (\$1,000) exclusive of interest
 11 and is established for the sole purpose of providing money for the
 12 burial of the applicant or recipient;

13 (2) enters into an irrevocable prepaid funeral agreement that has
 14 a value not greater than one thousand dollars (\$1,000); **or**

15 (3) owns a life insurance policy with a face value not greater than
 16 one thousand dollars (\$1,000) and with respect to which provision
 17 is made to pay not more than one thousand dollars (\$1,000)
 18 toward the applicant's or recipient's funeral expenses; **or**

19 **(4) receives a Holocaust victim's settlement payment;**

20 the value of the trust, prepaid funeral agreement, **or** life insurance
 21 policy, **or Holocaust victim's settlement payment** may not be
 22 considered as a resource in determining the applicant's or recipient's
 23 eligibility for the assistance.

24 SECTION 17. IC 12-14-19-2 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 26 Sec. 2. (a) If:

27 (1) an applicant for or recipient of assistance under Title XVI of
 28 the federal Social Security Act (42 U.S.C. 1381 et seq.) owns
 29 resources described in ~~section 1~~ **section 1(1), 1(2), or 1(3)** of this
 30 chapter; and

31 (2) the total face value of the resources exceeds one thousand
 32 dollars (\$1,000);

33 the value of the resources greater than one thousand dollars (\$1,000)
 34 may be considered as a resource in determining the applicant's or
 35 recipient's eligibility for the assistance.

36 **(b) However, a Holocaust victim's settlement payment received**
 37 **by an eligible individual may not be considered as a resource in**
 38 **determining the applicant's or recipient's eligibility for the**
 39 **assistance under this section.**

40 SECTION 18. IC 12-15-2-19 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 42 Sec. 19. (a) If, while receiving Medicaid, a recipient becomes the



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1 owner of any:
 2 (1) property;
 3 (2) income; or
 4 (3) resources;
 5 in excess of the amount owned when the recipient's eligibility was
 6 determined, the recipient shall immediately notify the county office of
 7 the receipt of possession of the property or income.

8 (b) After an investigation of circumstances under subsection (a), the
 9 county office shall recommend to the office the cancellation or
 10 alteration of the amount of Medicaid in accordance with the
 11 circumstances.

12 (c) Assistance paid after the recipient acquires possession of:
 13 (1) property;
 14 (2) income; or
 15 (3) resources;
 16 in excess of the recipient's needs is recoverable by the office from the
 17 recipient or the estate of the recipient.

18 **(d) However, an eligible individual is not required to notify the**
 19 **division or county office of a Holocaust victim's settlement**
 20 **payment received by the individual. A county office may not cancel**
 21 **or alter the amount of Medicaid received by the individual after**
 22 **the individual's receipt of the payment. Assistance paid after the**
 23 **individual's receipt of the payment is not recoverable by the office**
 24 **from the individual or the estate of the individual.**

25 SECTION 19. IC 12-15-3-1 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 27 Sec. 1. **(a) Except as provided in subsection (b),** an applicant for or
 28 recipient of Medicaid is ineligible for assistance if the total cash value
 29 of money, stock, bonds, and life insurance owned by:

- 30 (1) the applicant or recipient is more than one thousand five
 31 hundred dollars (\$1,500) for assistance to the aged, blind, or
 32 disabled; or
- 33 (2) the applicant or recipient and the applicant's or recipient's
 34 spouse is more than two thousand two hundred fifty dollars
 35 (\$2,250) for medical assistance to the aged, blind, or disabled.

36 **(b) In the case of an applicant who is an eligible individual, a**
 37 **Holocaust victim's settlement payment received by the applicant or**
 38 **the applicant's spouse may not be considered when calculating the**
 39 **total cash value of money, stock, bonds, and life insurance owned**
 40 **by the applicant or the applicant's spouse.**

41 SECTION 20. IC 12-15-3-2 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:



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1 Sec. 2. (a) If the parent of an applicant for or a recipient of assistance
 2 to the blind or disabled who is less than eighteen (18) years of age
 3 owns money, stock, bonds, and life insurance whose total cash value is
 4 more than one thousand five hundred dollars (\$1,500), the amount of
 5 the excess shall be added to the total cash value of money, stock,
 6 bonds, and life insurance owned by the applicant or recipient to
 7 determine the recipient's eligibility for Medicaid under section 1 of this
 8 chapter.

9 **(b) However, a Holocaust victim's settlement payment received**
 10 **by the parent of an applicant for or a recipient of assistance may**
 11 **not be added to the total cash value of money, stock, bonds, and life**
 12 **insurance owned by the applicant or recipient to determine the**
 13 **recipient's eligibility for Medicaid under section 1 of this chapter.**

14 SECTION 21. IC 12-16-3-3 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 16 Sec. 3. (a) The division shall adopt rules under IC 4-22-2 to establish
 17 income and resource eligibility standards for patients whose care is to
 18 be paid under the hospital care for the indigent program.

19 (b) To the extent possible, rules adopted under this section must
 20 meet the following conditions:

21 (1) Be consistent with IC 12-15-21-2 and IC 12-15-21-3.

22 (2) Be adjusted at least one (1) time every two (2) years.

23 (c) The income and eligibility standards established under this
 24 section do not include any spend down provisions available under
 25 IC 12-15-21-2 or IC 12-15-21-3.

26 **(d) In addition to the conditions imposed under subsection (b),**
 27 **rules adopted under this section must exclude a Holocaust victim's**
 28 **settlement payment received by an eligible individual from the**
 29 **income and eligibility standards for patients whose care is to be**
 30 **paid for under the hospital care for the indigent program.**

31 SECTION 22. IC 12-17-1-2 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
 33 Sec. 2. The county office shall determine the amount of assistance to
 34 be granted to a destitute child. In determining the amount under rules
 35 adopted by the division director, the county office shall consider the
 36 following:

37 (1) The resources and necessary expenditures of the child.

38 (2) The conditions existing in each case.

39 (3) Whether the amount is sufficient when added to all other
 40 income and support available to provide the child with a
 41 reasonable subsistence.

42 **However, a Holocaust victim's settlement payment received by the**

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1 **child may not be considered a resource of the child by the county**
2 **office when determining the amount of assistance for the destitute**
3 **child.**

4 SECTION 23. IC 12-20-5.5-2 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
6 Sec. 2. (a) Standards for the administration of poor relief must contain
7 the following:

- 8 (1) Criteria for determining poor relief eligibility.
- 9 (2) Minimum requirements of township trustee accessibility.
- 10 (3) Other information as needed, including the following:
 - 11 (A) Township office locations, hours, and days of availability.
 - 12 (B) Initial eligibility criteria.
 - 13 (C) Continuing eligibility criteria.
 - 14 (D) Workfare requirements.
 - 15 (E) Essential and nonessential assets.
 - 16 (F) Available resources.
 - 17 (G) Income exemptions.
 - 18 (H) Application process.
 - 19 (I) Countable income.
 - 20 (J) Countable assets.
 - 21 (K) Wasted resources.

22 **(b) Standards for the administration of poor relief must exclude**
23 **a Holocaust victim's settlement payment received by an eligible**
24 **individual from countable assets and countable income.**

25 SECTION 24. IC 12-20-5.5-6 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]:
27 Sec. 6. (a) A township trustee shall set income standards for the
28 township that provide for financial eligibility in an amount consistent
29 with reasonable costs of basic necessities in the trustee's particular
30 township.

31 **(b) A township trustee may not consider a Holocaust victim's**
32 **settlement payment received by an eligible individual when setting**
33 **income standards under this section.**

34 SECTION 25. [EFFECTIVE JANUARY 1, 1998
35 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to**
36 **taxable years beginning after December 31, 1997.**

37 SECTION 26. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1761, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 26, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1761 be amended to read as follows:

Page 9, between lines 15 and 16, begin a new paragraph and insert: "SECTION 8. IC 12-10-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 6. (a) To obtain assistance under this chapter, an ~~eligible~~ individual must apply to the local administrative unit designated by the division. The application must be:

- (1) in writing or reduced to writing;
 - (2) made in the manner and upon the form prescribed by the division; and
 - (3) verified by the oath of the applicant.
- (b) If an individual applying for assistance is mentally or physically unable to sign an application verified by the oath of the applicant, an application may be made by an interested individual acting in the applicant's behalf, and the application shall be verified upon the basis of information and belief of the interested individual.
- (c) Each application must contain a statement of all of the following:
- (1) The amount of property, both personal and real, in which the applicant has an interest.
 - (2) All income that the applicant has at the time of the filing of the application.
 - (3) Any other information prescribed by the division."
- Renumber all SECTIONS consecutively.

(Reference is to HB 1761 as printed February 11, 1999.)

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