Reprinted
February 2, 1999

SENATE BILL No. 307

DIGEST OF SB307 (Updated February 1, 1999 2:28 pm - DI 73)

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: Exemption for Holocaust survivor settlement awards. 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).

Clark, Simpson, Meeks R, Miller

January 7, 1999, read first time and referred to Committee on Finance.
January 28, 1999, reported favorably — Do Pass.
February 1, 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.

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SENATE BILL No. 307

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

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

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

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

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

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

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

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January 1, 1985.

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

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

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

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

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

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

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

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

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

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

SECTION 2. IC 6-3-1-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE 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 12-14-18.

(4) IC 12-14-19.

(5) IC 12-15-2.

(6) IC 12-15-3.

(7) IC 12-16-3.

(8) IC 12-17-1.

(9) 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. "Holocaust victim's settlement payment" has the meaning set forth**

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in IC 12-14-18-1.7 for purposes of the following:

(1) IC 12-10-6.

(2) IC 12-14-2

(3) IC 12-14-18.

(4) IC 12-14-19.

(5) IC 12-15-2.

(6) IC 12-15-3.

(7) IC 12-16-3.

(8) IC 12-17-1.

(9) IC 12-20-5.5.

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

(1) is at least sixty-five (65) years of age, blind, or disabled; and

(2) is a resident of a county home;

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

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

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

(1) an upper rate limit established by a rule adopted by the division; or

(2) a reasonable and adequate rate to meet the costs, determined by generally accepted accounting principles, that are incurred by efficiently and economically operated facilities in order to provide care and services in conformity with quality and safety standards and applicable laws and rules.

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

(1) may be not less than twenty-eight dollars and fifty cents ($28.50) and not more than thirty-five dollars ($35) monthly;

(2) is exempt from income eligibility consideration by the division; and

(3) may be exclusively used by the recipient for personal needs.

(e) In addition to the amount that may be retained as a personal

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

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

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

(1) the division; or

(2) the state department of health;

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

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

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

(1) Generally accepted accounting principles.

(2) The costs incurred by efficiently and economically operated facilities in order to provide care and services in conformity with quality and safety standards and applicable laws and rules.

SECTION 7. IC 12-10-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 2. (a) An individual who is incapable of residing in the individual's own home may apply for residential care assistance under this section. The determination of eligibility for residential care assistance is the responsibility of the division. Except as provided in subsections ~~(f)~~ **(g)** and ~~(h),~~ **(i),** an individual is eligible for residential care assistance if the division determines that the individual:

(1) is a recipient of Medicaid or the federal Supplemental Security

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Income program;

(2) is incapable of residing in the individual's own home because of dementia, mental illness, or a physical disability;

(3) requires a degree of care less than that provided by a health care facility licensed under IC 16-28; and

(4) can be adequately cared for in a residential care setting.

(b) Individuals suffering from mental retardation may not be admitted to a home or facility that provides residential care under this section.

(c) A service coordinator employed by the division may:

(1) evaluate a person seeking admission to a home or facility under subsection (a); or

(2) evaluate a person who has been admitted to a home or facility under subsection (a), including a review of the existing evaluations in the person's record at the home or facility.

If the service coordinator determines the person evaluated under this subsection is mentally retarded, the service coordinator may recommend an alternative placement for the person.

(d) Except as provided in section 5 of this chapter, residential care consists of only room, board, and laundry, along with minimal administrative direction. State financial assistance may be provided for such care in a boarding or residential home of the applicant's choosing that is licensed under IC 16-28 or a Christian Science facility listed and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc., that meets certain life safety standards considered necessary by the state fire marshal. Payment for such care shall be made to the provider of the care according to division directives and supervision. The amount of nonmedical assistance to be paid on behalf of a recipient living in a boarding home, residential home, or Christian Science facility shall be based on the daily rate established by the division. The rate for facilities that are referred to in this section and licensed under IC 16-28 may not exceed an upper rate limit established by a rule adopted by the division. The recipient may retain from the recipient's income a personal allowance in an amount to be established by the division, but not less than twenty-eight dollars and fifty cents ($28.50) or more than thirty-five dollars ($35) monthly. This amount is exempt from income eligibility consideration by the division and may be exclusively used by the recipient for the recipient's personal needs. However, if the recipient's income is less than the amount of the personal allowance, the division shall pay to the recipient the difference between the amount of the personal allowance and the recipient's income. A reserve or an

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accumulated balance from such a source, together with other sources, may not be allowed to exceed the state's resource allowance allowed for adults eligible for state supplemental assistance or Medicaid as established by the rules of the office of Medicaid policy and planning.

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

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

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

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

(1) gross earned income for that month; minus

(2) the sum of:

(A) sixteen dollars ($16); plus

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

(C) transportation expenses for that month.

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~~(h)~~ **(i)** An individual who, before September 1, 1983, has been admitted to a home or facility that provides residential care under this section is eligible for residential care in the home or facility.

~~(i)~~ **(j)** The director of the division may contract with the division of mental health or the division of disability, aging, and rehabilitative services to purchase services for individuals suffering from mental illness or a developmental disability by providing money to supplement the appropriation for community residential care programs established under IC 12-22-2 or community residential programs established under IC 12-11-1-1.

~~(j)~~ **(k)** A person with a mental illness may not be placed in a Christian Science facility listed and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc., unless the facility is licensed under IC 16-28.

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.

SECTION 9. IC 12-14-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 1. (a) After the investigation under IC 12-14-1-6, the county office shall decide the following:

(1) Whether the child is eligible for assistance under this article.

(2) The amount of assistance.

(3) The date assistance begins.

(b) The county office may not consider:

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(1) money in an individual development account under IC 4-4-28 that belongs to the child or a member of the child's family; ~~or~~

(2) five thousand dollars ($5,000) of equity value (as defined in 470 IAC 10.1-3-1) in one (1) motor vehicle that belongs to a member of the child's family; **or**

(3) a Holocaust victim's settlement payment received by the child or a member of the child's family;

when determining whether the child is eligible for assistance under this article.

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

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

(1) Money in an individual development account established under IC 4-4-28 that belongs to a child or a member of the child's family.

(2) A Holocaust victim's settlement payment received by the child or a member of the child's family.

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

(1) The resources and necessary expenditures of the family.

(2) The conditions existing in each case and in accordance with the rules adopted under IC 4-22-2 by the director of the division.

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

SECTION 12. IC 12-14-11-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.5. As used in this 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).

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SECTION 13. IC 12-14-11-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.7. As used 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 14. IC 12-14-11-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 8.5. Except as provided by federal law, if an eligible individual receives a Holocaust victim's settlement payment:**

(1) the individual is not required to report the payment as income or as a resource of the individual when applying for assistance under this chapter; and

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

SECTION 15. IC 12-14-18-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.5. As used in this 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 16. IC 12-14-18-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: **Sec. 1.7. As used this chapter, "Holocaust victim's settlement payment" means a payment received:**

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

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

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

(d) However, an eligible individual is not required to notify the division or county office of a Holocaust victim's settlement payment received by the individual. The division may not alter the amount of supplemental assistance paid to the individual after the individual's receipt of the payment.

SECTION 18. IC 12-14-19-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 1. If an applicant for or recipient of assistance under Title XVI of the federal Social Security Act (42 U.S.C. 1381 et seq.):

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

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

(3) owns a life insurance policy with a face value not greater than one thousand dollars ($1,000) and with respect to which provision is made to pay not more than one thousand dollars ($1,000)

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toward the applicant's or recipient's funeral expenses; **or**

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

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

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

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

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

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

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

SECTION 20. IC 12-15-2-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 19. (a) If, while receiving Medicaid, a recipient becomes the owner of any:

(1) property;

(2) income; or

(3) resources;

in excess of the amount owned when the recipient's eligibility was determined, the recipient shall immediately notify the county office of the receipt of possession of the property or income.

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

(c) Assistance paid after the recipient acquires possession of:

(1) property;

(2) income; or

(3) resources;

in excess of the recipient's needs is recoverable by the office from the recipient or the estate of the recipient.

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

SECTION 21. IC 12-15-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 1. **(a) Except as provided in subsection (b),** an applicant for or recipient of Medicaid is ineligible for assistance if the total cash value of money, stock, bonds, and life insurance owned by:

(1) the applicant or recipient is more than one thousand five hundred dollars ($1,500) for assistance to the aged, blind, or disabled; or

(2) the applicant or recipient and the applicant's or recipient's spouse is more than two thousand two hundred fifty dollars ($2,250) for medical assistance to the aged, blind, or disabled.

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

SECTION 22. IC 12-15-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 2. **(a)** If the parent of an applicant for or a recipient of assistance to the blind or disabled who is less than eighteen (18) years of age owns money, stock, bonds, and life insurance whose total cash value is more than one thousand five hundred dollars ($1,500), the amount of the excess shall be added to the total cash value of money, stock, bonds, and life insurance owned by the applicant or recipient to determine the recipient's eligibility for Medicaid under section 1 of this chapter.

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

SECTION 23. IC 12-16-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 3. (a) The division shall adopt rules under IC 4-22-2 to establish income and resource eligibility standards for patients whose care is to

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be paid under the hospital care for the indigent program.

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

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

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

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

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

SECTION 24. IC 12-17-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 2. The county office shall determine the amount of assistance to be granted to a destitute child. In determining the amount under rules adopted by the division director, the county office shall consider the following:

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

(2) The conditions existing in each case.

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

However, a Holocaust victim's settlement payment received by the child may not be considered a resource of the child by the county office when determining the amount of assistance for the destitute child.

SECTION 25. IC 12-20-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]: Sec. 2. **(a)** Standards for the administration of poor relief must contain the following:

(1) Criteria for determining poor relief eligibility.

(2) Minimum requirements of township trustee accessibility.

(3) Other information as needed, including the following:

(A) Township office locations, hours, and days of availability.

(B) Initial eligibility criteria.

(C) Continuing eligibility criteria.

(D) Workfare requirements.

(E) Essential and nonessential assets.

(F) Available resources.

(G) Income exemptions.

C o p y

(H) Application process.
(I) Countable income.
(J) Countable assets.
(K) Wasted resources.

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

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

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

SECTION 27. [EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 1997.**

SECTION 28. **An emergency is declared for this act.**

C o p y

SENATE MOTION

Mr. President: I move that Senator Simpson be added as second author of Senate Bill 307.

CLARK

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 307, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 307 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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SENATE MOTION

Mr. President: I move that Senators Meeks R and Miller be added as coauthors of Senate Bill 307.

CLARK

SENATE MOTION

Mr. President: I move that Senate Bill 307 be amended to read as follows:

Page 9, between lines 14 and 15, 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 SB 307 as printed January 29, 1999.)

CLARK

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