

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1006 be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999,
- 3 SECTION 53 (CURRENT VERSION), IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) Except as
- 5 provided in subsection (b), the sum of all tax rates for all political
- 6 subdivisions imposed on tangible property within a political
- 7 subdivision may not exceed:
- 8 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
- 9 dollars (\$100) of assessed valuation in territory outside the
- 10 corporate limits of a city or town; or
- 11 (2) two dollars (\$2) on each one hundred dollars (\$100) of
- 12 assessed valuation in territory inside the corporate limits of a city
- 13 or town.
- 14 (b) The proper officers of a political subdivision shall fix tax rates
- 15 which are sufficient to provide funds for the purposes itemized in this
- 16 subsection. The portion of a tax rate fixed by a political subdivision
- 17 shall not be considered in computing the tax rate limits prescribed in
- 18 subsection (a) if that portion is to be used for one (1) of the following
- 19 purposes:
- 20 (1) To pay the principal or interest on a funding, refunding, or
- 21 judgment funding obligation of the political subdivision.
- 22 (2) To pay the principal or interest on an outstanding obligation
- 23 issued by the political subdivision if notice of the sale of the
- 24 obligation was published before March 9, 1937.

- 1 (3) To pay the principal or interest upon:
 2 (A) an obligation issued by the political subdivision to meet an
 3 emergency which results from a flood, fire, pestilence, war, or
 4 any other major disaster; or
 5 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 6 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county
 7 to acquire necessary equipment or facilities for municipal or
 8 county government.
- 9 (4) To pay the principal or interest upon an obligation issued in
 10 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 11 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- 12 (5) To pay a judgment rendered against the political subdivision.
- 13 ~~(6) To meet the requirements of the family and children's fund for~~
 14 ~~child services (as defined in IC 12-19-7-1).~~
- 15 ~~(7) To meet the requirements of the county hospital care for the~~
 16 ~~indigent fund.~~
- 17 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a
 18 county board of tax adjustment, a county auditor, or the state board of
 19 tax commissioners may review the portion of a tax rate described in
 20 subsection (b) only to determine if it exceeds the portion actually
 21 needed to provide for one (1) of the purposes itemized in that
 22 subsection.
- 23 SECTION 2. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999,
 24 SECTION 54 (DELAYED VERSION), IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as
 26 provided in subsection (b), the sum of all tax rates for all political
 27 subdivisions imposed on tangible property within a political
 28 subdivision may not exceed:
- 29 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
 30 one hundred dollars (\$100) of assessed valuation in territory
 31 outside the corporate limits of a city or town; or
 32 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
 33 one hundred dollars (\$100) of assessed valuation in territory
 34 inside the corporate limits of a city or town.
- 35 (b) The proper officers of a political subdivision shall fix tax rates
 36 which are sufficient to provide funds for the purposes itemized in this
 37 subsection. The portion of a tax rate fixed by a political subdivision
 38 shall not be considered in computing the tax rate limits prescribed in
 39 subsection (a) if that portion is to be used for one (1) of the following
 40 purposes:
- 41 (1) To pay the principal or interest on a funding, refunding, or
 42 judgment funding obligation of the political subdivision.
 43 (2) To pay the principal or interest on an outstanding obligation
 44 issued by the political subdivision if notice of the sale of the
 45 obligation was published before March 9, 1937.
 46 (3) To pay the principal or interest upon:

- 1 (A) an obligation issued by the political subdivision to meet an
 2 emergency which results from a flood, fire, pestilence, war, or
 3 any other major disaster; or
 4 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 5 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county
 6 to acquire necessary equipment or facilities for municipal or
 7 county government.
- 8 (4) To pay the principal or interest upon an obligation issued in
 9 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 10 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- 11 (5) To pay a judgment rendered against the political subdivision.
- 12 ~~(6) To meet the requirements of the family and children's fund for~~
 13 ~~child services (as defined in IC 12-19-7-1).~~
- 14 ~~(7) To meet the requirements of the county hospital care for the~~
 15 ~~indigent fund.~~
- 16 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a
 17 county board of tax adjustment, a county auditor, or the state board of
 18 tax commissioners may review the portion of a tax rate described in
 19 subsection (b) only to determine if it exceeds the portion actually
 20 needed to provide for one (1) of the purposes itemized in that
 21 subsection.
- 22 SECTION 3. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.273-1999,
 23 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2001]: Sec. 9.7. (a) The ad valorem property tax levy
 25 limits imposed by section 3 of this chapter do not apply to ad valorem
 26 property taxes imposed under ~~any of the following:~~
- 27 ~~(1) IC 12-16, except IC 12-16-1.~~
 28 ~~(2) IC 12-19-5.~~
 29 ~~(3) IC 12-19-7.~~
 30 ~~(4) IC 12-20-24 or to ad valorem property taxes imposed to~~
 31 ~~repay bonded indebtedness issued under IC 12-19 before~~
 32 ~~January 1, 2001.~~
- 33 (b) For purposes of computing the ad valorem property tax levy
 34 limits imposed under section 3 of this chapter, a county's or township's
 35 ad valorem property tax levy for a particular calendar year does not
 36 include that part of the levy imposed under ~~the citations listed in~~
 37 ~~subsection (a): IC 12-20-24 or that part of the levy imposed to repay~~
 38 ~~bonded indebtedness issued under IC 12-19 before January 1,~~
 39 ~~2001.~~
- 40 ~~(c) Section 8(b) of this chapter does not apply to bonded~~
 41 ~~indebtedness that will be repaid through property taxes imposed under~~
 42 ~~IC 12-19.~~
- 43 SECTION 4. IC 6-1.1-20.9-2 IS AMENDED TO READ AS
 44 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) Except as
 45 otherwise provided in section 5 of this chapter, an individual who on
 46 March 1 of a particular year either owns or is buying a homestead

1 under a contract that provides the individual is to pay the property taxes
 2 on the homestead is entitled each calendar year to a credit against the
 3 property taxes which the individual pays on the individual's homestead.
 4 However, only one (1) individual may receive a credit under this
 5 chapter for a particular homestead in a particular year.

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

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

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

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

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

21 YEAR	22 PERCENTAGE OF THE CREDIT
23 1996	8%
24 1997	6%
25 1998 through 2001 and thereafter	10%
26 2002 and thereafter	4%

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

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

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

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

3 (1) an individual uses the residence as the individual's principal
4 place of residence;

5 (2) the residence is located in Indiana;

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

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

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

14 SECTION 5. IC 6-1.1-21-2 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. As used in this
16 chapter:

17 (a) "Taxpayer" means a person who is liable for taxes on property
18 assessed under this article.

19 (b) "Taxes" means taxes payable in respect to property assessed
20 under this article. The term does not include special assessments,
21 penalties, or interest, but does include any special charges which a
22 county treasurer combines with all other taxes in the preparation and
23 delivery of the tax statements required under IC 6-1.1-22-8(a).

24 (c) "Department" means the department of state revenue.

25 (d) "Auditor's abstract" means the annual report prepared by each
26 county auditor which under IC 6-1.1-22-5, is to be filed on or before
27 March 1 of each year with the auditor of state.

28 (e) "Mobile home assessments" means the assessments of mobile
29 homes made under IC 6-1.1-7.

30 (f) "Postabstract adjustments" means adjustments in taxes made
31 subsequent to the filing of an auditor's abstract which change
32 assessments therein or add assessments of omitted property affecting
33 taxes for such assessment year.

34 (g) "Total county tax levy" means the sum of:

35 (1) the remainder of:

36 (A) the aggregate levy of all taxes for all taxing units in a county
37 which are to be paid in the county for a stated assessment year as
38 reflected by the auditor's abstract for the assessment year,
39 adjusted, however, for any postabstract adjustments which
40 change the amount of the aggregate levy; minus

41 (B) the sum of any increases in property tax levies of taxing units
42 of the county that result from appeals described in:

43 (i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after
44 December 31, 1982; plus

45 (ii) the sum of any increases in property tax levies of taxing
46 units of the county that result from any other appeals

- 1 described in IC 6-1.1-18.5-13 filed after December 31,
 2 1983; plus
 3 (iii) ~~IC 6-1.1-18.6-3~~ (children in need of services and
 4 delinquent children who are wards of the county); minus
 5 (C) the total amount of property taxes imposed for the stated
 6 assessment year by the taxing units of the county under the
 7 authority of ~~IC 12-1-11.5~~ (repealed); IC 12-2-4.5 (repealed),
 8 IC 12-19-5 (**before its repeal**), or IC 12-20-24; minus
 9 (D) the total amount of property taxes to be paid during the
 10 stated assessment year that will be used to pay for interest or
 11 principal due on debt that:
 12 (i) is entered into after December 31, 1983;
 13 (ii) is not debt that is issued under IC 5-1-5 to refund debt
 14 incurred before January 1, 1984; and
 15 (iii) does not constitute debt entered into for the purpose of
 16 building, repairing, or altering school buildings for which
 17 the requirements of IC 20-5-52 were satisfied prior to
 18 January 1, 1984; minus
 19 (E) the amount of property taxes imposed in the county for the
 20 stated assessment year under the authority of IC 21-2-6 or any
 21 citation listed in IC 6-1.1-18.5-9.8 for a cumulative building
 22 fund whose property tax rate was initially established or
 23 reestablished for a stated assessment year that succeeds the 1983
 24 stated assessment year; minus
 25 (F) the remainder of:
 26 (i) the total property taxes imposed in the county for the
 27 stated assessment year under authority of IC 21-2-6
 28 (**repealed**) or any citation listed in IC 6-1.1-18.5-9.8 for a
 29 cumulative building fund whose property tax rate was not
 30 initially established or reestablished for a stated assessment
 31 year that succeeds the 1983 stated assessment year; minus
 32 (ii) the total property taxes imposed in the county for the
 33 1984 stated assessment year under the authority of
 34 IC 21-2-6 (**repealed**) or any citation listed in
 35 IC 6-1.1-18.5-9.8 for a cumulative building fund whose
 36 property tax rate was not initially established or
 37 reestablished for a stated assessment year that succeeds the
 38 1983 stated assessment year; minus
 39 (G) the amount of property taxes imposed in the county for the
 40 stated assessment year under:
 41 (i) IC 21-2-15 for a capital projects fund; plus
 42 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 43 (iii) IC 20-14-13 for a library capital projects fund; plus
 44 (iv) IC 20-5-17.5-3 for an art association fund; plus
 45 (v) IC 21-2-17 for a special education preschool fund; plus
 46 (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in

- 1 a school corporation's maximum permissible general fund
 2 levy for certain transfer tuition costs; plus
 3 (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
 4 a school corporation's maximum permissible general fund
 5 levy for transportation operating costs; minus
 6 (H) the amount of property taxes imposed by a school
 7 corporation that is attributable to the passage, after 1983, of a
 8 referendum for an excessive tax levy under IC 6-1.1-19,
 9 including any increases in these property taxes that are
 10 attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a)~~
 11 ~~STEP ONE~~ or any other law; minus
 12 (I) for each township in the county, the lesser of:
 13 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 14 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
 15 whichever is applicable, plus the part, if any, of the
 16 township's ad valorem property tax levy for calendar year
 17 1989 that represents increases in that levy that resulted from
 18 an appeal described in IC 6-1.1-18.5-13(5) filed after
 19 December 31, 1982; or
 20 (ii) the amount of property taxes imposed in the township
 21 for the stated assessment year under the authority of
 22 IC 36-8-13-4; minus
 23 (J) for each participating unit in a fire protection territory
 24 established under IC 36-8-19-1, the amount of property taxes
 25 levied by each participating unit under IC 36-8-19-8 and
 26 IC 36-8-19-8.5 less the maximum levy limit for each of the
 27 participating units that would have otherwise been available for
 28 fire protection services under IC 6-1.1-18.5-3 and
 29 IC 6-1.1-18.5-19 for that same year; minus
 30 ~~(K) for each county, the sum of:~~
 31 ~~(i) the amount of property taxes imposed in the county for~~
 32 ~~the repayment of loans under IC 12-19-5-6 that is included~~
 33 ~~in the amount determined under IC 12-19-7-4(a) STEP~~
 34 ~~SEVEN for property taxes payable in 1995; or for property~~
 35 ~~taxes payable in each year after 1995; the amount~~
 36 ~~determined under IC 12-19-7-4(b); and~~
 37 ~~(ii) the amount of property taxes imposed in the county~~
 38 ~~attributable to appeals granted under IC 6-1.1-18.6-3 that is~~
 39 ~~included in the amount determined under IC 12-19-7-4(a)~~
 40 ~~STEP SEVEN for property taxes payable in 1995; or the~~
 41 ~~amount determined under IC 12-19-7-4(b) for property~~
 42 ~~taxes payable in each year after 1995; plus~~
 43 (2) all taxes to be paid in the county in respect to mobile home
 44 assessments currently assessed for the year in which the taxes
 45 stated in the abstract are to be paid; plus
 46 (3) the amounts, if any, of county adjusted gross income taxes that

1 were applied by the taxing units in the county as property tax
 2 replacement credits to reduce the individual levies of the taxing
 3 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 4 (4) the amounts, if any, by which the maximum permissible ad
 5 valorem property tax levies of the taxing units of the county were
 6 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 7 assessment year; plus
 8 (5) the difference between:

9 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 10 minus

11 (B) the amount the civil taxing units' levies were increased
 12 because of the reduction in the civil taxing units' base year
 13 certified shares under IC 6-1.1-18.5-3(e).

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

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

20 SECTION 6. IC 6-1.1-21-3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) On or
 22 before March 1 of each year, the state board of tax commissioners shall
 23 certify to the department on a form approved by the state board of
 24 accounts, an estimate of the total county tax levy collectible in that
 25 calendar year for each county in the state. The estimate shall be based
 26 on the tax collections for the preceding calendar year, adjusted as
 27 necessary to reflect the total county tax levy (as defined in section 2(g)
 28 of this chapter) from the budgets, tax levies, and rates as finally
 29 determined and acted upon by the state board of tax commissioners.
 30 The department, with the assistance of the auditor of state, shall
 31 determine on the basis of the report an amount equal to ~~twenty~~
 32 **thirty-five** percent (~~20%~~) (**35%**) of the total county tax levy, which is
 33 the estimated property tax replacement.

34 (b) In the same report containing the estimate of a county's total
 35 county tax levy, the state board of tax commissioners shall also certify
 36 the amount of homestead credits provided under IC 6-1.1-20.9 which
 37 are allowed by the county for the particular calendar year.

38 (c) If there are one (1) or more taxing districts in the county that
 39 contain all or part of an economic development district that meets the
 40 requirements of section 5.5 of this chapter, the state board of tax
 41 commissioners shall estimate an additional distribution for the county
 42 in the same report required under subsection (a). This additional
 43 distribution equals the sum of the amounts determined under the
 44 following STEPS for all taxing districts in the county that contain all
 45 or part of an economic development district:

46 STEP ONE: Estimate that part of the sum of the amounts under

- 1 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 2 to the taxing district.
- 3 STEP TWO: Divide:
- 4 (A) that part of the estimated property tax replacement
 5 determined under subsection (a) that is attributable to the taxing
 6 district; by
- 7 (B) the STEP ONE sum.
- 8 STEP THREE: Multiply:
- 9 (A) the STEP TWO quotient; times
- 10 (B) the property taxes levied in the taxing district that are
 11 allocated to a special fund under IC 6-1.1-39-5.
- 12 (d) The sum of the amounts determined under subsections (a)
 13 through (c) is the particular county's estimated distribution for the
 14 calendar year.
- 15 SECTION 7. IC 6-1.1-21-4 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Each year
 17 the department shall allocate from the property tax replacement fund
 18 an amount equal to the sum of:
- 19 (1) ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of each county's total
 20 county tax levy payable that year; plus
- 21 (2) the total amount of homestead tax credits that are provided
 22 under IC 6-1.1-20.9 and allowed by each county for that year; plus
- 23 (3) an amount for each county that has one (1) or more taxing
 24 districts that contain all or part of an economic development
 25 district that meets the requirements of section 5.5 of this chapter.
 26 This amount is the sum of the amounts determined under the
 27 following STEPS for all taxing districts in the county that contain
 28 all or part of an economic development district:
- 29 STEP ONE: Determine that part of the sum of the amounts under
 30 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 31 to the taxing district.
- 32 STEP TWO: Divide:
- 33 (A) that part of the subdivision (1) amount that is
 34 attributable to the taxing district; by
- 35 (B) the STEP ONE sum.
- 36 STEP THREE: Multiply:
- 37 (A) the STEP TWO quotient; times
- 38 (B) the property taxes levied in the taxing district that are
 39 allocated to a special fund under IC 6-1.1-39-5.
- 40 (b) Between March 1 and August 31 of each year, the department
 41 shall distribute to each county treasurer from the property tax
 42 replacement fund one-half (1/2) of the estimated distribution for that
 43 year for the county. Between September 1 and December 15 of that
 44 year, the department shall distribute to each county treasurer from the
 45 property tax replacement fund the remaining one-half (1/2) of each
 46 estimated distribution for that year. The amount of the distribution for

1 each of these periods shall be according to a schedule determined by
2 the property tax replacement fund board under section 10 of this
3 chapter. The estimated distribution for each county may be adjusted
4 from time to time by the department to reflect any changes in the total
5 county tax levy upon which the estimated distribution is based.

6 (c) On or before December 31 of each year or as soon thereafter as
7 possible, the department shall make a final determination of the amount
8 which should be distributed from the property tax replacement fund to
9 each county for that calendar year. This determination shall be known
10 as the final determination of distribution. The department shall
11 distribute to the county treasurer or receive back from the county
12 treasurer any deficit or excess, as the case may be, between the sum of
13 the distributions made for that calendar year based on the estimated
14 distribution and the final determination of distribution. The final
15 determination of distribution shall be based on the auditor's abstract
16 filed with the auditor of state, adjusted for postabstract adjustments
17 included in the December settlement sheet for the year, and such
18 additional information as the department may require.

19 (d) All distributions provided for in this section shall be made on
20 warrants issued by the auditor of state drawn on the treasurer of state.
21 If the amounts allocated by the department from the property tax
22 replacement fund exceed in the aggregate the balance of money in the
23 fund, then the amount of the deficiency shall be transferred from the
24 state general fund to the property tax replacement fund, and the auditor
25 of state shall issue a warrant to the treasurer of state ordering the
26 payment of that amount. However, any amount transferred under this
27 section from the general fund to the property tax replacement fund
28 shall, as soon as funds are available in the property tax replacement
29 fund, be retransferred from the property tax replacement fund to the
30 state general fund, and the auditor of state shall issue a warrant to the
31 treasurer of state ordering the replacement of that amount.

32 SECTION 8. IC 6-1.1-21-5 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) Each year
34 the taxpayers of each county shall receive a credit for property tax
35 replacement in the amount of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**)
36 of the tax liability (as defined in this section) of each taxpayer for taxes
37 which under IC 6-1.1-22-9 are due and payable in May and November
38 of that year. The credit shall be applied to each installment of taxes.
39 The dollar amount of the credit for each taxpayer shall be determined
40 by the county auditor, based on data furnished by the state board of tax
41 commissioners. The tax liability of a taxpayer for the purpose of
42 computing the credit for a particular year shall be based upon the
43 taxpayer's tax liability as is evidenced by the tax duplicate for the taxes
44 payable in that year, plus the amount by which the tax payable by the
45 taxpayer had been reduced due to the application of county adjusted
46 gross income tax revenues to the extent the county adjusted gross

1 income tax revenues were included in the determination of the total
 2 county tax levy for that year as provided in sections 2(g) and 3 of this
 3 chapter, adjusted, however, for any change in assessed valuation which
 4 may have been made pursuant to a post-abstract adjustment if the
 5 change is set forth on the tax statement or on a corrected tax statement
 6 stating the taxpayer's tax liability, as prepared by the county treasurer
 7 in accordance with IC 6-1.1-22-8(a). However, the tax liability of a
 8 taxpayer does not include the amount of any property tax owed by the
 9 taxpayer that is attributable to that part of any property tax levy
 10 subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E),
 11 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), or 2(g)(1)(J) of this
 12 chapter in computing the total county tax levy.

13 (b) The credit for taxes payable in a particular year with respect to
 14 mobile homes which are assessed under IC 6-1.1-7 is ~~twenty~~
 15 **thirty-five percent (20%) (35%)** of the taxes payable with respect to
 16 the assessments plus the adjustments stated in this section.

17 (c) Each taxpayer in a taxing district that contains all or part of an
 18 economic development district that meets the requirements of section
 19 5.5 of this chapter is entitled to an additional credit for property tax
 20 replacement. This credit is equal to the product of:

- 21 (1) the STEP TWO quotient determined under section 4(a)(3) of
- 22 this chapter for the taxing district; multiplied by
- 23 (2) the taxpayer's property taxes levied in the taxing district that
- 24 are allocated to a special fund under IC 6-1.1-39-5.

25 SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999,
 26 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2001]: Sec. 9. (a) A county council may adopt an
 28 ordinance to abolish the county board of tax adjustment. This ordinance
 29 must be adopted by July 1 and may not be rescinded in the year it is
 30 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19,
 31 ~~IC 12-19-7~~, IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11,
 32 IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted,
 33 this section governs the treatment of tax rates, tax levies, and budgets
 34 that would otherwise be reviewed by a county board of tax adjustment
 35 under IC 6-1.1-17.

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

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

43 SECTION 10. IC 6-1.1-39-6 IS AMENDED TO READ AS
 44 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) An
 45 economic development district may be enlarged by the fiscal body by
 46 following the same procedure for the creation of an economic

1 development district specified in this chapter. Property taxes that are
 2 attributable to the additional area and allocable to the economic
 3 development district are not eligible for the property tax replacement
 4 credit provided by IC 6-1.1-21-5. However, subject to subsection (c),
 5 each taxpayer in an additional area is entitled to an additional credit for
 6 property taxes that under IC 6-1.1-22-9 are due and payable in May and
 7 November of that year. One-half (1/2) of the credit shall be applied to
 8 each installment of property taxes. This credit equals the amount
 9 determined under the following STEPS for each taxpayer in a taxing
 10 district in a county that contains all or part of the additional area:

11 STEP ONE: Determine that part of the sum of the amounts under
 12 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable
 13 to the taxing district.

14 STEP TWO: Divide:

15 (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of the
 16 county's total county tax levy payable that year as determined
 17 under IC 6-1.1-21-4 that is attributable to the taxing district; by

18 (B) the STEP ONE sum.

19 STEP THREE: Multiply:

20 (A) the STEP TWO quotient; times

21 (B) the total amount of the taxpayer's property taxes levied in the
 22 taxing district that would have been allocated to a special fund
 23 under section 5 of this chapter had the additional credit
 24 described in this section not been given.

25 The additional credit reduces the amount of proceeds allocated to the
 26 economic development district and paid into a special fund under
 27 section 5(a) of this chapter.

28 (b) If the additional credit under subsection (a) is not reduced under
 29 subsection (c) or (d), the credit for property tax replacement under
 30 IC 6-1.1-21-5 and the additional credit under subsection (a) shall be
 31 computed on an aggregate basis for all taxpayers in a taxing district
 32 that contains all or part of an additional area. The credit for property
 33 tax replacement under IC 6-1.1-21-5 and the additional credit under
 34 subsection (a) shall be combined on the tax statements sent to each
 35 taxpayer.

36 (c) The county fiscal body may, by ordinance, provide that the
 37 additional credit described in subsection (a):

38 (1) does not apply in a specified additional area; or

39 (2) is to be reduced by a uniform percentage for all taxpayers in a
 40 specified additional area.

41 (d) Whenever the county fiscal body determines that granting the
 42 full additional credit under subsection (a) would adversely affect the
 43 interests of the holders of bonds or other contractual obligations that
 44 are payable from allocated tax proceeds in that economic development
 45 district in a way that would create a reasonable expectation that those
 46 bonds or other contractual obligations would not be paid when due, the

1 county fiscal body must adopt an ordinance under subsection (c) to
2 deny the additional credit or reduce the additional credit to a level that
3 creates a reasonable expectation that the bonds or other obligations will
4 be paid when due. An ordinance adopted under subsection (c) denies
5 or reduces the additional credit for property taxes first due and payable
6 in any year following the year in which the ordinance is adopted.

7 (e) An ordinance adopted under subsection (c) remains in effect
8 until the ordinance is rescinded by the body that originally adopted the
9 ordinance. However, an ordinance may not be rescinded if the
10 rescission would adversely affect the interests of the holders of bonds
11 or other obligations that are payable from allocated tax proceeds in that
12 economic development district in a way that would create a reasonable
13 expectation that the principal of or interest on the bonds or other
14 obligations would not be paid when due. If an ordinance is rescinded
15 and no other ordinance is adopted, the additional credit described in
16 subsection (a) applies to property taxes first due and payable in each
17 year following the year in which the resolution is rescinded.

18 SECTION 11. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2000 (RETROACTIVE)]:

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

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

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

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

- 27 (1) a corporation that is exempt from the adjusted gross
28 income tax under IC 6-3-2-2.8(2); or
- 29 (2) a partnership.

30 **Sec. 4. As used in this chapter, "state tax liability" means a**
31 **taxpayer's total tax liability that is incurred under:**

- 32 (1) IC 6-2.1 (gross income tax);
- 33 (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- 34 (3) IC 6-3-8 (supplemental net income tax);
- 35 (4) IC 6-5.5 (financial institutions tax); and
- 36 (5) IC 27-1-18-2 (insurance premiums tax);

37 **as computed after the application of the credits that under**
38 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
39 **chapter, including the credit under IC 6-1.1-20.5.**

40 **Sec. 5. As used in this chapter, "taxpayer" means an individual**
41 **or entity that has state tax liability.**

42 **Sec. 6. (a) A taxpayer is entitled to a credit against the**
43 **taxpayer's state tax liability for a taxable year for the ad valorem**
44 **property taxes paid by the taxpayer in the taxable year on**
45 **inventory.**

46 **(b) The amount of the credit is equal to the product of:**

- 47 (1) the appropriate percentage specified in subsection (c);

1 multiplied by
2 (2) the amount of property taxes paid on inventory by the
3 taxpayer during the taxable year.

4 (c) The percentage described in subsection (b)(1) is determined
5 by the calendar year in which the property taxes on inventory are
6 paid and is set forth in the following table:

7 CALENDAR YEAR IN 8 WHICH INVENTORY 9 TAXES ARE PAID	10 PERCENTAGE OF 11 INVENTORY TAXES 12 ALLOWED AS A CREDIT
13 2000	14 10%
15 2001	16 20%
17 2002	18 30%
19 2003	20 40%
21 2004	22 50%
23 2005	24 60%
25 2006	26 70%
27 2007	28 80%
29 2008	30 90%
31 2009 and thereafter	32 100%

33 (d) If a taxpayer pays property taxes in two (2) different
34 calendar years during the taxpayer's same taxable year, the
35 taxpayer shall apply the appropriate percentage specified for each
36 calendar year to the property taxes paid in each calendar year to
37 compute the credit for the taxable year.

38 Sec. 7. (a) If the amount determined under section 6(b) of this
39 chapter for a taxpayer in a taxable year exceeds the taxpayer's
40 state tax liability for that taxable year, the taxpayer may carry the
41 excess over to the following taxable years. The amount of the credit
42 carryover from a taxable year shall be reduced to the extent that
43 the carryover is used by the taxpayer to obtain a credit under this
44 chapter for any subsequent taxable year. A taxpayer is not entitled
45 to a carryback.

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

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

- 48 (1) the tax credit determined for the pass through entity for
- 49 the taxable year; multiplied by
- 50 (2) the percentage of the pass through entity's distributive
- 51 income to which the shareholder or partner is entitled.

52 Sec. 9. To receive the credit provided by this chapter, a taxpayer
53 must claim the credit on the taxpayer's state tax return or returns
54 in the manner prescribed by the department. The taxpayer shall
55 submit to the department proof of payment of an ad valorem
56 property tax and all information that the department determines
57 is necessary for the calculation of the credit provided by this

1 **chapter.**

2 SECTION 12. IC 6-3.5-1.1-15, AS AMENDED BY P.L.273-1999,
3 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2001]: Sec. 15. (a) As used in this section, "attributed
5 levy" of a civil taxing unit means the sum of:

6 (1) the ad valorem property tax levy of the civil taxing unit that is
7 currently being collected at the time the allocation is made; plus

8 (2) the current ad valorem property tax levy of any special taxing
9 district, authority, board, or other entity formed to discharge
10 governmental services or functions on behalf of or ordinarily
11 attributable to the civil taxing unit; plus

12 (3) the amount of federal revenue sharing funds and certified
13 shares that were used by the civil taxing unit (or any special
14 taxing district, authority, board, or other entity formed to
15 discharge governmental services or functions on behalf of or
16 ordinarily attributable to the civil taxing unit) to reduce its ad
17 valorem property tax levies below the limits imposed by
18 IC 6-1.1-18.5; plus

19 (4) in the case of a county, an amount equal to the property taxes
20 imposed by the county in 1999 for the county's welfare fund and
21 welfare administration fund; **plus**

22 **(5) in the case of a county, an amount equal to the property**
23 **taxes imposed by the county in 2000 for the county's family**
24 **and children's fund, county medical assistance to wards,**
25 **county hospital care for the indigent, and children with**
26 **special health care needs.**

27 (b) The part of a county's certified distribution that is to be used as
28 certified shares shall be allocated only among the county's civil taxing
29 units. Each civil taxing unit of a county is entitled to receive a
30 percentage of the certified shares to be distributed in the county equal
31 to the ratio of its attributed levy to the total attributed levies of all civil
32 taxing units of the county.

33 (c) The local government tax control board established by
34 IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing
35 units that are entitled to receive certified shares during a calendar year.
36 If the ad valorem property tax levy of any special taxing district,
37 authority, board, or other entity is attributed to another civil taxing unit
38 under subsection (b)(2), then the special taxing district, authority,
39 board, or other entity shall not be treated as having an attributed levy
40 of its own. The local government tax control board shall certify the
41 attributed levy amounts to the appropriate county auditor. The county
42 auditor shall then allocate the certified shares among the civil taxing
43 units of his county.

44 (d) Certified shares received by a civil taxing unit shall be treated
45 as additional revenue for the purpose of fixing its budget for the
46 calendar year during which the certified shares will be received. The

1 certified shares may be allocated to or appropriated for any purpose,
2 including property tax relief or a transfer of funds to another civil
3 taxing unit whose levy was attributed to the civil taxing unit in the
4 determination of its attributed levy.

5 SECTION 13. IC 6-3.5-6-17.6, AS AMENDED BY P.L.273-1999,
6 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2001]: Sec. 17.6. (a) This section applies to a county
8 containing a consolidated city.

9 (b) On or before July 15 of each year, the budget agency shall make
10 the following calculation:

11 STEP ONE: Determine the cumulative balance in a county's
12 account established under section 16 of this chapter as of the end
13 of the current calendar year.

14 STEP TWO: Divide the amount estimated under section 17(b) of
15 this chapter before any adjustments are made under section 17(c)
16 or 17(d) of this chapter by twelve (12).

17 STEP THREE: Multiply the STEP TWO amount by three (3).

18 STEP FOUR: Subtract the amount determined in STEP THREE
19 from the amount determined in STEP ONE.

20 (c) For 1995, the budget agency shall certify the STEP FOUR
21 amount to the county auditor on or before July 15, 1994. Not later than
22 January 31, 1995, the auditor of state shall distribute the STEP FOUR
23 amount to the county auditor to be used to retire outstanding
24 obligations for a qualified economic development tax project (as
25 defined in IC 36-7-27-9).

26 (d) After 1995, the STEP FOUR amount shall be distributed to the
27 county auditor in January of the ensuing calendar year. The STEP
28 FOUR amount shall be distributed by the county auditor to the civil
29 taxing units within thirty (30) days after the county auditor receives the
30 distribution. Each civil taxing unit's share equals the STEP FOUR
31 amount multiplied by the quotient of:

32 (1) the maximum permissible property tax levy under
33 IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an
34 amount equal to the property taxes imposed by the county in 1999
35 for the county's welfare administration fund **and an amount**
36 **equal to the property taxes imposed by the county in 2000 for**
37 **the county's family and children's fund, county medical**
38 **assistance to wards, county hospital care for the indigent, and**
39 **children with special health care needs;** divided by

40 (2) the sum of the maximum permissible property tax levies under
41 IC 6-1.1-18.5 for all civil taxing units of the county, plus an
42 amount equal to the property taxes imposed by the county in 1999
43 for the county's welfare administration fund **and an amount**
44 **equal to the property taxes imposed by the county in 2000 for**
45 **the county's family and children's fund, county medical**
46 **assistance to wards, county hospital care for the indigent, and**

1 **children with special health care needs.**

2 SECTION 14. IC 6-3.5-6-18, AS AMENDED BY P.L.273-1999,
3 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2001]: Sec. 18. (a) The revenue a county auditor
5 receives under this chapter shall be used to:

- 6 (1) replace the amount, if any, of property tax revenue lost due to
- 7 the allowance of an increased homestead credit within the county;
- 8 (2) fund the operation of a public communications system and
- 9 computer facilities district as provided in an election, if any, made
- 10 by the county fiscal body under IC 36-8-15-19(b);
- 11 (3) fund the operation of a public transportation corporation as
- 12 provided in an election, if any, made by the county fiscal body
- 13 under IC 36-9-4-42;
- 14 (4) make payments permitted under IC 36-7-15.1-17.5;
- 15 (5) make payments permitted under subsection ~~(f)~~; **(i)**; and
- 16 (6) make distributions of distributive shares to the civil taxing
- 17 units of a county.

18 (b) The county auditor shall retain from the payments of the county's
19 certified distribution, an amount equal to the revenue lost, if any, due
20 to the increase of the homestead credit within the county. This money
21 shall be distributed to the civil taxing units and school corporations of
22 the county as though they were property tax collections and in such a
23 manner that no civil taxing unit or school corporation shall suffer a net
24 revenue loss due to the allowance of an increased homestead credit.

25 (c) The county auditor shall retain the amount, if any, specified by
26 the county fiscal body for a particular calendar year under subsection
27 ~~(f)~~; **(i)**, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the
28 county's certified distribution for that same calendar year. The county
29 auditor shall distribute amounts retained under this subsection to the
30 county.

31 (d) All certified distribution revenues that are not retained and
32 distributed under subsections (b) and (c) shall be distributed to the civil
33 taxing units of the county as distributive shares.

34 (e) The amount of distributive shares that each civil taxing unit in
35 a county is entitled to receive during a month equals the product of the
36 following:

- 37 (1) The amount of revenue that is to be distributed as distributive
- 38 shares during that month; multiplied by
- 39 (2) A fraction. The numerator of the fraction equals the total
- 40 property taxes that are first due and payable to the civil taxing
- 41 unit during the calendar year in which the month falls, plus, for a
- 42 county, an amount equal to the property taxes imposed by the
- 43 county in 1999 for the county's welfare fund and welfare
- 44 administration fund **and an amount equal to the property taxes**
- 45 **imposed by the county in 2000 for the county's family and**
- 46 **children's fund, county medical assistance to wards, county**

1 **hospital care for the indigent, and children with special health**
 2 **care needs.** The denominator of the fraction equals the sum of the
 3 total property taxes that are first due and payable to all civil taxing
 4 units of the county during the calendar year in which the month
 5 falls, plus an amount equal to the property taxes imposed by the
 6 county in 1999 for the county's welfare fund and welfare
 7 administration fund **and an amount equal to the property taxes**
 8 **imposed by the county in 2000 for the county's family and**
 9 **children's fund, county medical assistance to wards, county**
 10 **hospital care for the indigent, and children with special health**
 11 **care needs.**

12 (f) The state board of tax commissioners shall provide each county
 13 auditor with the fractional amount of distributive shares that each civil
 14 taxing unit in the auditor's county is entitled to receive monthly under
 15 this section.

16 (g) Notwithstanding subsection (e), if a civil taxing unit of an
 17 adopting county does not impose a property tax levy that is first due
 18 and payable in a calendar year in which distributive shares are being
 19 distributed under this section, that civil taxing unit is entitled to receive
 20 a part of the revenue to be distributed as distributive shares under this
 21 section within the county. The fractional amount such a civil taxing
 22 unit is entitled to receive each month during that calendar year equals
 23 the product of the following:

- 24 (1) The amount to be distributed as distributive shares during that
 25 month; multiplied by
- 26 (2) A fraction. The numerator of the fraction equals the budget of
 27 that civil taxing unit for that calendar year. The denominator of
 28 the fraction equals the aggregate budgets of all civil taxing units
 29 of that county for that calendar year.

30 (h) If for a calendar year a civil taxing unit is allocated a part of a
 31 county's distributive shares by subsection (g), then the formula used in
 32 subsection (e) to determine all other civil taxing units' distributive
 33 shares shall be changed each month for that same year by reducing the
 34 amount to be distributed as distributive shares under subsection (e) by
 35 the amount of distributive shares allocated under subsection (g) for that
 36 same month. The state board of tax commissioners shall make any
 37 adjustments required by this subsection and provide them to the
 38 appropriate county auditors.

39 (†) (i) Notwithstanding any other law, a county fiscal body may
 40 pledge revenues received under this chapter to the payment of bonds
 41 or lease rentals to finance a qualified economic development tax
 42 project under IC 36-7-27 in that county or in any other county if the
 43 county fiscal body determines that the project will promote significant
 44 opportunities for the gainful employment or retention of employment
 45 of the county's residents.

46 SECTION 15. IC 6-3.5-6-18.5, AS AMENDED BY P.L.273-1999,

1 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JANUARY 1, 2001]: Sec. 18.5. (a) This section applies to a county
 3 containing a consolidated city.

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

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

10	Center Township	.0251
11	Decatur Township	.00217
12	Franklin Township	.0023
13	Lawrence Township	.01177
14	Perry Township	.01130
15	Pike Township	.01865
16	Warren Township	.01359
17	Washington Township	.01346
18	Wayne Township	.01307
19	Lawrence-City	.00858
20	Beech Grove	.00845
21	Southport	.00025
22	Speedway	.00722
23	Indianapolis/Marion County	.86409

24 (2) Notwithstanding subdivision (1), for the calendar year
 25 beginning January 1, 1995, the distributive shares for each civil
 26 taxing unit in a county containing a consolidated city shall be not
 27 less than the following:

28	Center Township	\$1,898,145
29	Decatur Township	\$164,103
30	Franklin Township	\$173,934
31	Lawrence Township	\$890,086
32	Perry Township	\$854,544
33	Pike Township	\$1,410,375
34	Warren Township	\$1,027,721
35	Washington Township	\$1,017,890
36	Wayne Township	\$988,397
37	Lawrence-City	\$648,848
38	Beech Grove	\$639,017
39	Southport	\$18,906
40	Speedway	\$546,000

41 (3) For each year after 1995, calculate the total amount of
 42 revenues that are to be distributed as distributive shares during
 43 that month as follows:

44 STEP ONE: Determine the total amount of revenues that were
 45 distributed as distributive shares during that month in calendar
 46 year 1995.

- 1 STEP TWO: Determine the total amount of revenue that the
 2 department has certified as distributive shares for that month
 3 under section 17 of this chapter for the calendar year.
- 4 STEP THREE: Subtract the STEP ONE result from the STEP
 5 TWO result.
- 6 STEP FOUR: If the STEP THREE result is less than or equal
 7 to zero (0), multiply the STEP TWO result by the ratio
 8 established under subdivision (1).
- 9 STEP FIVE: Determine the ratio of:
- 10 (A) the maximum permissible property tax levy under
 11 IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for each civil taxing unit for
 12 the calendar year in which the month falls, plus, for a
 13 county, an amount equal to the property taxes imposed by
 14 the county in 1999 for the county's welfare fund and welfare
 15 administration fund **plus the property taxes imposed by**
 16 **the county in 2000 for a county family and children's**
 17 **fund, county medical assistance to wards, county hospital**
 18 **care for the indigent, and children with special health**
 19 **care needs;** divided by
- 20 (B) the sum of the maximum permissible property tax levies
 21 under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all civil taxing
 22 units of the county during the calendar year in which the
 23 month falls, and an amount equal to the property taxes
 24 imposed by the county in 1999 for the county's welfare fund
 25 and welfare administration fund **plus the property taxes**
 26 **imposed by the county in 2000 for a county family and**
 27 **children's fund, county medical assistance to wards,**
 28 **county hospital care for the indigent, and children with**
 29 **special health care needs.**
- 30 STEP SIX: If the STEP THREE result is greater than zero (0),
 31 the STEP ONE amount shall be distributed by multiplying the
 32 STEP ONE amount by the ratio established under subdivision
 33 (1).
- 34 STEP SEVEN: For each taxing unit determine the STEP FIVE
 35 ratio multiplied by the STEP TWO amount.
- 36 STEP EIGHT: For each civil taxing unit determine the
 37 difference between the STEP SEVEN amount minus the
 38 product of the STEP ONE amount multiplied by the ratio
 39 established under subdivision (1). The STEP THREE excess
 40 shall be distributed as provided in STEP NINE only to the civil
 41 taxing units that have a STEP EIGHT difference greater than
 42 or equal to zero (0).
- 43 STEP NINE: For the civil taxing units qualifying for a
 44 distribution under STEP EIGHT, each civil taxing unit's share
 45 equals the STEP THREE excess multiplied by the ratio of:
- 46 (A) the maximum permissible property tax levy under

1 IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for the qualifying civil
 2 taxing unit during the calendar year in which the month
 3 falls, plus, for a county, an amount equal to the property
 4 taxes imposed by the county in 1999 for the county's welfare
 5 fund and welfare administration fund **plus the property**
 6 **taxes imposed by the county in 2000 for a county family**
 7 **and children's fund, county medical assistance to wards,**
 8 **county hospital care for the indigent, and children with**
 9 **special health care needs; divided by**
 10 (B) the sum of the maximum permissible property tax levies
 11 under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all qualifying civil
 12 taxing units of the county during the calendar year in which
 13 the month falls, and an amount equal to the property taxes
 14 imposed by the county in 1999 for the county's welfare fund
 15 and welfare administration fund **plus the property taxes**
 16 **imposed by the county in 2000 for a county family and**
 17 **children's fund, county medical assistance to wards,**
 18 **county hospital care for the indigent, and children with**
 19 **special health care needs.**

20 SECTION 16. IC 6-3.5-7-12, AS AMENDED BY P.L.124-1999,
 21 SECTION 1, AND AS AMENDED BY P.L.273-1999, SECTION 74,
 22 IS AMENDED AND IS CORRECTED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2001]: Sec. 12. (a) Except as provided in
 24 section 23 of this chapter, the county auditor shall distribute in the
 25 manner specified in this section the certified distribution to the county.

26 (b) Except as provided in subsections (c) and (h) and section 15 of
 27 this chapter, the amount of the certified distribution that the county and
 28 each city or town in a county is entitled to receive during May and
 29 November of each year equals the product of the following:

30 (1) The amount of the certified distribution for that month;
 31 multiplied by

32 (2) A fraction. The numerator of the fraction equals the sum of the
 33 following:

34 (A) Total property taxes that are first due and payable to the
 35 county, city, or town during the calendar year in which the
 36 month falls; plus

37 (B) For a county, an amount equal to the property taxes
 38 imposed by the county in 1999 for the county's welfare fund
 39 and welfare administration fund **and an amount equal to the**
 40 **property taxes imposed by the county in 2000 for the**
 41 **county's family and children's fund, county medical**
 42 **assistance to wards, county hospital care for the indigent,**
 43 **and children with special health care needs.**

44 The denominator of the fraction equals the sum of the total
 45 property taxes that are first due and payable to the county and all
 46 cities and towns of the county during the calendar year in which

1 the month falls, plus an amount equal to the property taxes
 2 imposed by the county in 1999 for the county's welfare fund and
 3 welfare administration fund **and an amount equal to the**
 4 **property taxes imposed by the county in 2000 for the county's**
 5 **family and children's fund, county medical assistance to**
 6 **wards, county hospital care for the indigent, and children**
 7 **with special health care needs.**

8 (c) This subsection applies to a county council or county income tax
 9 council that imposes a tax under this chapter after June 1, 1992. The
 10 body imposing the tax may adopt an ordinance before July 1 of a year
 11 to provide for the distribution of certified distributions under this
 12 subsection instead of a distribution under subsection (b). The following
 13 apply if an ordinance is adopted under this subsection:

14 (1) The ordinance is effective January 1 of the following year.
 15 (2) The amount of the certified distribution that the county and
 16 each city and town in the county is entitled to receive during May
 17 and November of each year equals the product of:

18 (A) the amount of the certified distribution for the month;
 19 multiplied by

20 (B) a fraction. For a city or town, the numerator of the fraction
 21 equals the population of the city or the town. For a county, the
 22 numerator of the fraction equals the population of the part of
 23 the county that is not located in a city or town. The
 24 denominator of the fraction equals the sum of the population
 25 of all cities and towns located in the county and the population
 26 of the part of the county that is not located in a city or town.

27 (3) The ordinance may be made irrevocable for the duration of
 28 specified lease rental or debt service payments.

29 (d) The body imposing the tax may not adopt an ordinance under
 30 subsection (c) if, before the adoption of the proposed ordinance, any of
 31 the following have pledged the county economic development income
 32 tax for any purpose permitted by IC 5-1-14 or any other statute:

33 (1) The county.
 34 (2) A city or town in the county.
 35 (3) A commission, a board, a department, or an authority that is
 36 authorized by statute to pledge the county economic development
 37 income tax.

38 (e) The state board of tax commissioners shall provide each county
 39 auditor with the fractional amount of the certified distribution that the
 40 county and each city or town in the county is entitled to receive under
 41 this section.

42 (f) Money received by a county, city, or town under this section
 43 shall be deposited in the unit's economic development income tax fund.

44 (g) Except as provided in subsection (b)(2)(B), in determining the
 45 fractional amount of the certified distribution the county and its cities
 46 and towns are entitled to receive under subsection (b) during a calendar

1 year, the state board of tax commissioners shall consider only property
2 taxes imposed on tangible property subject to assessment in that
3 county.

4 (h) In a county having a consolidated city, only the consolidated city
5 is entitled to the certified distribution, subject to the requirements of
6 section 15 of this chapter.

7 SECTION 17. IC 12-7-2-45 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 45. "County
9 office" refers to a county office of family and children **within the**
10 **division of family and children.**

11 SECTION 18. IC 12-7-2-91, AS AMENDED BY P.L.273-1999,
12 SECTION 60, AND AS AMENDED BY P.L.273-1999, SECTION
13 164, IS AMENDED AND CORRECTED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2001]: Sec. 91. "Fund" means the
15 following:

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

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

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

22 ~~(4) (3)~~ For purposes of IC 12-17-12, the meaning set forth in
23 IC 12-17-12-4.

24 ~~(5) (4)~~ For purposes of IC 12-17.6, the meaning set forth in
25 IC 12-17.6-1-3.

26 (5) ~~(6)~~ For purposes of IC 12-18-4, the meaning set forth in
27 IC 12-18-4-1.

28 (6) ~~(7)~~ For purposes of IC 12-18-5, the meaning set forth in
29 IC 12-18-5-1.

30 ~~(7) (8)~~ For purposes of IC 12-19-3, the meaning set forth in
31 IC 12-19-3-1.

32 ~~(8) (9)~~ For purposes of IC 12-19-4, the meaning set forth in
33 IC 12-19-4-1.

34 ~~(9) (10)~~ (7) For purposes of IC 12-19-7, the meaning set forth in
35 IC 12-19-7-2.

36 ~~(10) (11)~~ (8) For purposes of IC 12-23-2, the meaning set forth in
37 IC 12-23-2-1.

38 ~~(11) (12)~~ (9) For purposes of IC 12-24-6, the meaning set forth in
39 IC 12-24-6-1.

40 ~~(12) (13)~~ (10) For purposes of IC 12-24-14, the meaning set forth
41 in IC 12-24-14-1.

42 ~~(13) (14)~~ (11) For purposes of IC 12-30-7, the meaning set forth
43 in IC 12-30-7-3.

44 SECTION 19. IC 12-13-5-1, AS AMENDED BY P.L.273-1999,
45 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
46 JANUARY 1, 2001]: Sec. 1. The division shall administer or supervise

1 the public welfare activities of the state. The division has the following
2 powers and duties:

3 (1) The administration of old age assistance, aid to dependent
4 children, and assistance to the needy blind and persons with
5 disabilities, excluding assistance to children with special health
6 care needs.

7 (2) The administration of the following:

8 (A) Any public child welfare service.

9 (B) The licensing and inspection under IC 12-17.2 and
10 IC 12-17.4.

11 (C) The care of dependent and neglected children in foster
12 family homes or institutions, especially children placed for
13 adoption or those born out of wedlock.

14 (D) The interstate placement of children.

15 (3) The provision of services to county governments, including
16 the following:

17 (A) Organizing and supervising county offices for the effective
18 administration of public welfare functions.

19 (B) Compiling statistics and necessary information concerning
20 public welfare problems throughout Indiana.

21 (C) Researching and encouraging research into crime,
22 delinquency, physical and mental disability, and the cause of
23 dependency.

24 (4) Prescribing the form of, printing, and supplying to the county
25 departments blanks for applications, reports, affidavits, and other
26 forms the division considers necessary and advisable.

27 (5) Cooperating with the federal Social Security Administration
28 and with any other agency of the federal government in any
29 reasonable manner necessary and in conformity with IC 12-13
30 through IC 12-19 to qualify for federal aid for assistance to
31 persons who are entitled to assistance under the federal Social
32 Security Act. The responsibilities include the following:

33 (A) Making reports in the form and containing the information
34 that the federal Social Security Administration Board or any
35 other agency of the federal government requires.

36 (B) Complying with the requirements that a board or agency
37 finds necessary to assure the correctness and verification of
38 reports.

39 (6) Appointing from eligible lists established by the state
40 personnel board employees of the division necessary to effectively
41 carry out IC 12-13 through IC 12-19. The division may not
42 appoint a person who is not a citizen of the United States and who
43 has not been a resident of Indiana for at least one (1) year
44 immediately preceding the person's appointment unless a
45 qualified person cannot be found in Indiana for a position as a
46 result of holding an open competitive examination.

- 1 (7) Assisting the office of Medicaid policy and planning in fixing
 2 fees to be paid to ophthalmologists and optometrists for the
 3 examination of applicants for and recipients of assistance as
 4 needy blind persons.
- 5 (8) When requested, assisting other departments, agencies,
 6 divisions, and institutions of the state and federal government in
 7 performing services consistent with this article.
- 8 (9) Acting as the agent of the federal government for the
 9 following:
- 10 (A) In welfare matters of mutual concern under IC 12-13
 11 through IC 12-19.
- 12 (B) In the administration of federal money granted to Indiana
 13 in aiding welfare functions of the state government.
- 14 (10) Administering additional public welfare functions vested in
 15 the division by law and providing for the progressive codification
 16 of the laws the division is required to administer.
- 17 (11) Supervising day care centers and child placing agencies.
- 18 (12) Supervising the licensing and inspection of all public child
 19 caring agencies.
- 20 (13) Supervising the care of delinquent children and children in
 21 need of services.
- 22 (14) Assisting juvenile courts as required by IC 31-30 through
 23 IC 31-40.
- 24 (15) Supervising the care of dependent children and children
 25 placed for adoption.
- 26 (16) Compiling information and statistics concerning the ethnicity
 27 and gender of a program or service recipient.
- 28 (17) Providing permanency planning services for children in need
 29 of services, including:
- 30 (A) making children legally available for adoption; and
 31 (B) placing children in adoptive homes;
 32 in a timely manner.
- 33 **(18) Operating each county office as an administrative unit**
 34 **within the division.**
- 35 SECTION 20. IC 12-13-5-5, AS AMENDED BY P.L.273-1999,
 36 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2001]: Sec. 5. (a) Each county auditor shall keep records
 38 and make reports relating to the county welfare fund (before July 1,
 39 2001), the family and children's fund (**before July 1, 2002**), and other
 40 financial transactions as required under IC 12-13 through IC 12-19 and
 41 as required by the division.
- 42 (b) All records provided for in IC 12-13 through IC 12-19 shall be
 43 kept, prepared, and submitted in the form required by the division and
 44 the state board of accounts.
- 45 SECTION 21. IC 12-13-9-2 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. The division

1 shall ~~administer the state medical assistance to wards fund and shall~~
 2 ~~use money in the fund to~~ defray the expenses and obligations incurred
 3 by the division for medical assistance to wards and associated
 4 administrative costs.

5 SECTION 22. IC 12-14-20-1 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) The
 7 division may accept voluntary contributions from a person desiring to
 8 contribute to the support of a parent or other person who receives
 9 public assistance.

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

12 SECTION 23. IC 12-14-22-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) A schedule
 14 of payments made to or for the benefit of each recipient under this
 15 article shall be filed by the ~~county office~~ **division** each month with the
 16 ~~county auditor and the~~ prosecuting attorney.

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

20 SECTION 24. IC 12-15-15-9 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. (a) For each
 22 state fiscal year beginning on or after July 1, 1997, a hospital is entitled
 23 to a payment under this section.

24 (b) Total payments to hospitals under this section for a state fiscal
 25 year shall be equal to all amounts transferred from the hospital care for
 26 the indigent fund for Medicaid current obligations during the state
 27 fiscal year, including amounts of the fund appropriated for Medicaid
 28 current obligations.

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

31 (1) is not required to provide for equal payments to all hospitals;
 32 ~~(2) must attempt, to the extent practicable as determined by the~~
 33 ~~office, to establish a payment rate that minimizes the difference~~
 34 ~~between the aggregate amount paid under this section to all~~
 35 ~~hospitals in a county for a state fiscal year and the amount of the~~
 36 ~~county's hospital care for the indigent property tax levy for that~~
 37 ~~state fiscal year; and~~

38 ~~(3) (2) must provide that no hospital will receive a payment under~~
 39 ~~this section less than the amount the hospital received under~~
 40 ~~IC 12-15-15-8 section 8 of this chapter (repealed) for the state~~
 41 ~~fiscal year ending June 30, 1997.~~

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

1 STEP ONE: Determine the difference between:
 2 (A) the amount transferred from the state hospital care for the
 3 indigent fund under subsection (b); and
 4 (B) thirty-five million dollars (\$35,000,000).

5 STEP TWO: Multiply the amount determined under STEP ONE
 6 by the federal medical assistance percentage for the state fiscal
 7 year.

8 SECTION 25. IC 12-16-7-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. ~~(a)~~ Except as
 10 provided in section 5 of this chapter, claims for payment shall be
 11 segregated by year using the patient's admission date.

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

15 SECTION 26. IC 12-16-7-3 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. A payment
 17 made to a hospital under the hospital care for the indigent program
 18 must be on a warrant drawn on the state ~~hospital care for the indigent~~
 19 ~~fund established by IC 12-16-14.~~ **general fund.**

20 SECTION 27. IC 12-16-7-4 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) Each year
 22 the division shall pay two-thirds (2/3) of each claim upon submission
 23 and approval of the claim.

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

30 ~~(1) The amount transferred to the state hospital care for the~~
 31 ~~indigent fund from county hospital care for the indigent funds in~~
 32 ~~that year under IC 12-16-14.~~

33 ~~(2)~~ **(1)** Any contribution to the fund in that year.

34 ~~(3)~~ **(2)** Any amount that was appropriated to the state hospital
 35 care for the indigent ~~fund~~ **program** for that year by the general
 36 assembly.

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

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

41 SECTION 28. IC 12-16-7-5 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 5. Before the end
 43 of each state fiscal year, the division shall, to the extent there is money
 44 ~~in~~ **appropriated to** the state hospital care for the indigent ~~fund~~;
 45 **program**, pay each provider under the hospital care for the indigent
 46 program a pro rata part of the one-third (1/3) balance on each approved

1 claim for patients admitted during the preceding year.

2 SECTION 29. IC 12-17-1-12 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 12. (a) If
4 assistance is granted to a destitute child under this chapter, facts
5 supporting the award of assistance, as prescribed by the division, must
6 be entered on a certificate.

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

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

13 (1) One (1) copy must be retained by the office of the county
14 office.

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

17 ~~(3) One (1) copy must be filed with and retained by the office of~~
18 ~~the county auditor.~~

19 ~~(4) (3)~~ One (1) copy must be given to the recipient.

20 SECTION 30. IC 12-17-3-2 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) This section
22 does not apply to a county department's:

23 (1) administrative expenses; or

24 (2) expenses regarding facilities, supplies, and equipment.

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

29 SECTION 31. IC 12-19-1-1 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. A county office
31 of family and children is established in each county **as an office within**
32 **the division of family and children.**

33 SECTION 32. IC 12-19-1-9, AS AMENDED BY P.L.273-1999,
34 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2001]: Sec. 9. (a) The division shall provide the
36 necessary facilities to house the county office.

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

40 SECTION 33. IC 12-19-1-10 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 10. (a) ~~Subject to~~
42 ~~the rules adopted by the director of~~ The division a ~~county office~~ shall
43 administer the following **through a county office:**

44 (1) Assistance to dependent children in the homes of the
45 dependent children.

46 (2) Assistance and services to elderly persons.

- 1 (3) Assistance to persons with disabilities.
- 2 (4) Care and treatment of the following persons:
- 3 (A) Children in need of services.
- 4 (B) Dependent children.
- 5 (C) Children with disabilities.
- 6 (5) Licensing of foster family homes for the placement of children
- 7 in need of services.
- 8 (6) Supervision of the care and treatment of children in need of
- 9 services in foster family homes.
- 10 (7) Licensing of foster family homes for the placement of
- 11 delinquent children.
- 12 (8) Supervision of the care and treatment of delinquent children
- 13 in foster family homes.
- 14 (9) Provision of family preservation services.
- 15 (10) Any other welfare activities that are delegated to the county
- 16 office by the division under this chapter, including services
- 17 concerning assistance to the blind.

18 **(b) The division shall pay the expenses and obligations incurred**
 19 **after December 31, 2000, to carry out responsibilities of the county**
 20 **office.**

21 SECTION 34. IC 12-19-1-13 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 13. (a) A county
 23 office **or the division** may sue and be sued under the name of "The
 24 County Office of Family and Children of _____ County".

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

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

- 29 (1) The circuit court with jurisdiction in the county.
- 30 (2) A superior court or any other court of the county.

31 (d) A notice or summons in a suit brought against the **division that**
 32 **involves** a county office must be served on the county director **or the**
 33 **director of the division of family and children.** It is not required to
 34 name the individual employees of the county office as either plaintiff
 35 or defendant.

36 SECTION 35. IC 12-19-1-14, AS AMENDED BY P.L.273-1999,
 37 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2001]: Sec. 14. (a) A county office may charge the
 39 following adoption fees:

- 40 (1) An adoption placement fee that may not exceed the actual
- 41 costs incurred by the county office for medical expenses of
- 42 children and mothers.
- 43 (2) A fee that does not exceed the time and travel costs incurred
- 44 by the county office for home study and investigation concerning
- 45 a contemplated adoption.

46 (b) Fees charged under this section shall be deposited in a separate

1 account in the county family and children trust clearance fund
 2 established under section 16 of this chapter. Money deposited under
 3 this subsection ~~shall be expended~~ **is annually appropriated for use** by
 4 the county office for the following purposes: ~~without further~~
 5 ~~appropriation:~~

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

7 (2) The improvement of adoption services provided by the county
 8 departments.

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

11 (d) The division may provide written authorization allowing a
 12 county office to reduce or waive charges authorized under this section
 13 in hardship cases or for other good cause after investigation. The
 14 division may adopt forms on which the written authorization is
 15 provided.

16 SECTION 36. IC 12-19-1-18, AS AMENDED BY P.L.273-1999,
 17 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2001]: Sec. 18. (a) After petition to and with the
 19 approval of the judge of the circuit court, ~~a county office~~ **the division**
 20 may take the actions described in subsection (b) if:

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

23 (2) a recipient of public assistance:

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

25 (B) refuses to:

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

27 (ii) comply with the director of the division's rules and
 28 policies.

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

31 (1) Act for the applicant or recipient.

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

34 (A) This chapter.

35 (B) IC 12-10-6.

36 (C) IC 12-14-1 through IC 12-14-9.5.

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

38 (E) IC 12-15.

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

40 (G) IC 16-35-2.

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

44 (1) in the monthly assistance award; or

45 (2) by vendor payment if the fee would cause the amount of
 46 assistance to be increased beyond the maximum amount permitted

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by statute.

SECTION 37. IC 12-19-1-21, AS ADDED BY P.L.273-1999, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 21. (a) Notwithstanding any other law, after December 31, 1999, a county may not impose any of the following:

- (1) A property tax levy for a county welfare fund.
- (2) A property tax levy for a county welfare administration fund.

(b) Notwithstanding any other law, after December 31, 2000, a county may not impose a property tax levy for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.

SECTION 38. IC 12-19-1-22, AS ADDED BY P.L.273-1999, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 22. (a) All bonds issued and loans made under IC 12-1-11 (before its repeal) or this article:

- (1) before January 1, 2000, that are payable from property taxes imposed under IC 12-19-3 (before its repeal); **or**
- (2) before January 1, 2001, that were payable from property taxes imposed under IC 12-19-7-3 (before the elimination of authority to impose a property tax levy under IC 12-19-7-3);**

(+) are direct general obligations of the county issuing the bonds or making the loans and (2) are payable out of unlimited ad valorem taxes that shall be levied and collected on all taxable property within the county.

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

SECTION 39. IC 12-19-1-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: **Sec. 23. Notwithstanding any other law, after December 31, 2000, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from any of the following before January 1, 2001:**

- (1) IC 12-13-8 (county medical assistance to wards fund).**
- (2) IC 12-16-14 (county hospital care for the indigent fund).**
- (3) IC 12-19-7 (county family and children's fund).**
- (4) IC 16-35-3 (children with special health care needs county fund and tax levy).**

SECTION 40. IC 12-19-1-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2001]: **Sec. 24. Notwithstanding any**
 2 **other law, the division of family and children shall reimburse each**
 3 **county for one hundred percent (100%) of the proportionate share**
 4 **of operating costs of the county auditor and county treasurer for**
 5 **the support of the county family and children's fund, based upon**
 6 **an approved indirect cost plan.**

7 SECTION 41. IC 12-19-1.5-6, AS ADDED BY P.L.273-1999,
 8 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2000]: Sec. 6. As used in this chapter, "replacement amount"
 10 means the sum of:

11 (1) the property taxes imposed on the assessed value of property
 12 in the allocation area in excess of the base assessed value in 1999
 13 for:

- 14 (1) ~~(A)~~ (A) the county welfare fund; and
- 15 ~~(2)~~ (B) the county welfare administration fund; **and**
- 16 **(2) the property taxes imposed on the assessed value of**
 17 **property in the allocation area in excess of the base assessed**
 18 **value in 2000 for the county family and children's fund,**
 19 **county medical assistance to wards, county hospital care for**
 20 **the indigent, and children with special health care needs.**

21 SECTION 42. IC 12-19-1.5-8, AS ADDED BY P.L.273-1999,
 22 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2000]: Sec. 8. (a) This chapter applies to an allocation area:

- 24 (1) in which:
- 25 ~~(1)~~ (A) the holders of obligations received a pledge before July
 26 1, 1999, of tax increment revenues to repay any part of the
 27 obligations due after December 31, 1999; and
- 28 ~~(2)~~ (B) the elimination of a county welfare fund property tax
 29 levy or a county welfare administration fund property tax levy
 30 adversely affects the ability of the governing body to repay the
 31 obligations described in ~~subdivision (1):~~ **clause (A); or**

- 32 (2) in which:
- 33 **(A) the holders of obligations received a pledge before July**
 34 **1, 2000, of tax increment revenues to repay any part of the**
 35 **obligations due after December 31, 2000; and**
- 36 **(B) the elimination of a county family and children's fund**
 37 **property tax levy, the county medical assistance to wards**
 38 **tax levy, the county hospital care for the indigent tax levy,**
 39 **and the children with special health care needs tax levy**
 40 **adversely affects the ability of the governing body to repay**
 41 **the obligations described in clause (A).**

42 (b) A governing body may use one (1) or more of the procedures
 43 described in sections 9 through 11 of this chapter to provide sufficient
 44 funds to repay the obligations described in subsection (a). The amount
 45 raised each year may not exceed the replacement amount.

46 SECTION 43. IC 12-19-1.5-9, AS ADDED BY P.L.273-1999,

1 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2001]: Sec. 9. (a) A governing body may, after a public
3 hearing, impose a special assessment on the owners of property that is
4 located in an allocation area to repay:

5 (1) a bond or an obligation described in ~~section 8~~ **section 8(a)(1)**
6 of this chapter that comes due after December 31, 1999; or

7 **(2) a bond or an obligation described in section 8(a)(2) of this**
8 **chapter that comes due after December 31, 2000.**

9 The amount of a special assessment for a taxpayer shall be determined
10 by multiplying the replacement amount by a fraction, the denominator
11 of which is the total incremental assessed value in the allocation area,
12 and the numerator of which is the incremental assessed value of the
13 taxpayer's property in the allocation area.

14 (b) Before a public hearing under subsection (a) may be held, the
15 governing body must publish notice of the hearing under IC 5-3-1. The
16 notice must state that the governing body will meet to consider whether
17 a special assessment should be imposed under this chapter and whether
18 the special assessment will help the governing body realize the
19 redevelopment or economic development objectives for the allocation
20 area or honor its obligations related to the allocation area. The notice
21 must also name a date when the governing body will receive and hear
22 remonstrances and objections from persons affected by the special
23 assessment. All persons affected by the hearing, including all taxpayers
24 within the allocation area, shall be considered notified of the pendency
25 of the hearing and of subsequent acts, hearings, and orders of the
26 governing body by the notice. At the hearing, which may be adjourned
27 from time to time, the governing body shall hear all persons affected by
28 the proceedings and shall consider all written remonstrances and
29 objections that have been filed. The only grounds for remonstrance or
30 objection are that the special assessment will not help the governing
31 body realize the redevelopment or economic development objectives
32 for the allocation area or honor its obligations related to the allocation
33 area. After considering the evidence presented, the governing body
34 shall take final action concerning the proposed special assessment. The
35 final action taken by the governing body shall be recorded and is final
36 and conclusive, except that an appeal may be taken in the manner
37 prescribed by subsection (c).

38 (c) A person who filed a written remonstrance with a governing
39 body under subsection (b) and is aggrieved by the final action taken
40 may, within ten (10) days after that final action, file in the office of the
41 clerk of the circuit or superior court a copy of the order of the
42 governing body and the person's remonstrance or objection against that
43 final action, together with a bond conditioned to pay the costs of appeal
44 if the appeal is determined against the person. The only ground of
45 remonstrance or objection that the court may hear is whether the
46 proposed assessment will help achieve the redevelopment of economic

1 development objectives for the allocation area or honor its obligations
 2 related to the allocation area. An appeal under this subsection shall be
 3 promptly heard by the court without a jury. All remonstrances or
 4 objections upon which an appeal has been taken must be consolidated,
 5 heard, and determined within thirty (30) days after the time of the filing
 6 of the appeal. The court shall hear evidence on the remonstrances or
 7 objections, and may confirm the final action of the governing body or
 8 sustain the remonstrances or objections. The judgment of the court is
 9 final and conclusive, unless an appeal is taken as in other civil actions.

10 (d) The maximum amount of a special assessment under this section
 11 may not exceed the replacement amount.

12 (e) A special assessment shall be imposed and collected in the same
 13 manner as ad valorem property taxes are imposed and collected.

14 SECTION 44. IC 12-19-7-3 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) A family
 16 and children's fund is established in each county. ~~The fund shall be~~
 17 ~~raised by a separate tax levy (the county family and children property~~
 18 ~~tax levy) that:~~

19 ~~(1) is in addition to all other tax levies authorized; and~~

20 ~~(2) shall be levied annually by the county fiscal body on all~~
 21 ~~taxable property in the county in the amount necessary to raise the~~
 22 ~~part of the fund that the county must raise to pay the items;~~
 23 ~~awards; claims; allowances; assistance; and other expenses set~~
 24 ~~forth in the annual budget under section 6 of this chapter.~~

25 ~~(b) The tax imposed under this section shall be collected as other~~
 26 ~~state and county ad valorem taxes are collected. **Notwithstanding any**~~
 27 ~~**other law, after December 31, 2000, a county may not impose a**~~
 28 ~~**property tax levy for the family and children's fund.**~~

29 (c) The following shall be paid into the county treasury and
 30 constitute the family and children's fund:

31 ~~(1) All receipts from the tax imposed under this section.~~

32 ~~(2) (1) All grants-in-aid; money allocated by the division to the~~
 33 ~~county whether received from the federal government or state~~
 34 ~~government.~~

35 ~~(3) (2) Any other money required by law to be placed in the fund.~~

36 (d) The fund is available for the purpose of paying expenses and
 37 obligations set forth in the annual budget that is submitted and
 38 approved.

39 SECTION 45. IC 12-19-7-6 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 6. (a) **The judges**
 41 **of the courts with juvenile jurisdiction in the county shall annually**
 42 **compile and submit a proposed budget for children served by the**
 43 **probation department of the county. The judges shall submit the**
 44 **proposed budget to the county director on forms prescribed by the**
 45 **division, not later than March 1 of each year, for the next state**
 46 **fiscal year.**

1 **(b) The budget for children served by the probation department**
 2 **shall contain an estimate of the amount of money that will be**
 3 **needed by the county office during the state fiscal year to defray**
 4 **the expenses and obligations of the fund in the payment of:**

5 **(1) services for children adjudicated to be delinquent or**
 6 **children for whom a program of informal adjustment has**
 7 **been implemented under IC 31-37; and**

8 **(2) other services related to the services described in**
 9 **subdivision (1);**

10 **but not including the payment of Title IV-A assistance.**

11 **(c) The county director upon the advice of the judges of the courts**
 12 **with juvenile jurisdiction in the county; shall annually compile and**
 13 **adopt a child services budget, which must include the budget**
 14 **submitted by the judges under subsection (a). The budget**
 15 **submitted by the county director under this subsection must be in**
 16 **a form prescribed by the state board of accounts. The budget may not**
 17 **exceed the levy limitation set forth in IC 6-1.1-18.6. division.**

18 ~~(b)~~ **(d) The child services budget must contain an estimate of the**
 19 **amount of money that will be needed by the county office during the**
 20 **next state fiscal year to defray the expenses and obligations incurred**
 21 **by the county office in the payment of services for children adjudicated**
 22 **to be children in need of services or delinquent children and other**
 23 **related services, including amounts necessary to implement the**
 24 **county's early intervention plan approved under IC 31-34-24 and**
 25 **IC 31-37-24, but not including the payment of AFDC. Title IV-A**
 26 **assistance.**

27 SECTION 46. IC 12-19-7-7 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. ~~(a) The county~~
 29 ~~director shall, with the assistance of the judges of courts with juvenile~~
 30 ~~jurisdiction in the county and at the same time the budget is compiled~~
 31 ~~and adopted, recommend to the division the tax levy that the director~~
 32 ~~and judges determine will be required to raise the amount of revenue~~
 33 ~~necessary to pay the expenses and obligations of the county office set~~
 34 ~~forth in the budget under section 6 of this chapter. However, the tax~~
 35 ~~levy may not exceed the maximum permissible levy set forth in~~
 36 ~~IC 6-1.1-18.6 and the budget may not exceed the levy limitation set~~
 37 ~~forth in IC 6-1.1-18.~~

38 ~~(b)~~ After the county budget has been compiled, the county director
 39 shall submit a copy of the budget and the tax levy recommended by the
 40 county director, and the judges of courts with juvenile jurisdiction in
 41 the county, to the division **not later than April 1**. The division shall
 42 examine the budget and the tax levy for the purpose of determining
 43 whether, in the judgment of the division,

44 ~~(1)~~ the appropriations requested in the budget will be adequate to
 45 defray the expenses and obligations **that will be** incurred by the
 46 county office in the payment of child services for the next fiscal

1 year. ~~and~~
2 (2) the tax levy recommended will yield the amount of the
3 appropriation set forth in the budget.

4 **The budget submitted under this section is not subject to the**
5 **provisions of IC 6-1.1-17 and IC 6-1.1-18.**

6 SECTION 47. IC 12-19-7-8 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 8. (a) The
8 division may do **any of** the following after examining a budget
9 submitted by the county office: **director:**

10 (1) Increase or decrease the amount of the budget or an item of
11 the budget. ~~subject to the maximum levy set forth in~~
12 ~~IC 6-1.1-18.6.~~

13 (2) Approve the budget as compiled by the county director. ~~and~~
14 ~~judges of courts with juvenile jurisdiction in the county.~~

15 (3) Recommend the increase or decrease of the tax levy; subject
16 to the maximum levy set forth in IC 6-1.1-18.6.

17 (4) Approve the tax levy as recommended by the county director
18 and judges of courts with juvenile jurisdiction in the county.

19 **(b) The total amount of all approved child services budgets may**
20 **not exceed the total amount appropriated for child services for the**
21 **applicable state fiscal year.**

22 SECTION 48. IC 12-19-7-11 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11. ~~In September~~
24 ~~of each year, at the time provided by law;~~ (a) The county fiscal body
25 shall ~~do the following:~~

26 (1) make the appropriations out of the family and children's fund
27 that are:

28 (A) (1) based on the budget as ~~submitted;~~ **approved by the**
29 **division;** and

30 (B) (2) necessary to maintain the child services of the county
31 for the next **state** fiscal year. ~~subject to the maximum levy set~~
32 ~~forth in IC 6-1.1-18.6.~~

33 (2) Levy a tax in an amount necessary to produce the appropriated
34 money.

35 **(b) The division shall make advances to the county family and**
36 **children's fund to ensure that the amounts deposited in the county**
37 **family and children's fund are adequate to meet the expenses that**
38 **are to be paid from the fund. Amounts necessary to make the**
39 **advances under this subsection are appropriated from the state**
40 **general fund.**

41 **(c) The provisions of IC 6-1.1-18 concerning appropriations do**
42 **not apply to appropriations of money from a county family and**
43 **children's fund.**

44 **(d) Notwithstanding IC 36, a county is not required to publish**
45 **notice of any claim or allowance that will be paid from the county**
46 **family and children's fund.**

1 SECTION 49. IC 12-19-7-11.1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11.1. (a) The
 3 judges of the courts with juvenile jurisdiction in the county and the
 4 county director shall meet with the ~~county fiscal body~~ **county's child**
 5 **protection team established under IC 31-33-3** at a public meeting

6 ~~(1) in April; and~~

7 ~~(2) after June 30 and before October 1;~~

8 **in before April 1 of each year.**

9 (b) At a meeting required in subsection (a), the county director **and**
 10 **judges with juvenile jurisdiction** shall present to the ~~county fiscal~~
 11 ~~body and the judges~~ the following reports: **information:**

12 (1) Expenditures made

13 ~~(A) during the immediately preceding calendar quarter~~
 14 **current state fiscal year** from the family and children's fund
 15 in comparison to ~~one-fourth (1/4) of~~ the budget and
 16 appropriations approved by the ~~county fiscal body~~ **division** for
 17 the ~~calendar year. and~~

18 ~~(B) from the fund in the corresponding calendar quarter of~~
 19 ~~each of the two (2) preceding calendar years.~~

20 (2) Obligations incurred ~~through the end of the immediately~~
 21 ~~preceding calendar quarter~~ **during the current state fiscal year**
 22 that will be payable from the family and children's fund during the
 23 remainder of the ~~calendar~~ **current state fiscal year. or in any**
 24 ~~subsequent calendar year.~~

25 (3) The number of children, by category, for whom the family and
 26 children's fund was required to provide funds for services during
 27 the ~~immediately preceding calendar quarter; current state fiscal~~
 28 **year**, in comparison to the ~~corresponding calendar quarter of each~~
 29 ~~of the two (2) preceding calendar years~~ **preceding the current**
 30 **state fiscal year.**

31 (4) The number and type of out-of-home placements, by category,
 32 for which the family and children's fund was required to provide
 33 funds for foster home care or institutional placement, and the
 34 average daily, weekly or monthly cost of out of home placement
 35 care and services by category, during the ~~immediately preceding~~
 36 ~~calendar quarter; current state fiscal year~~, in comparison to the
 37 ~~corresponding calendar quarter of each of the two (2) preceding~~
 38 ~~calendar years~~ **preceding the current state fiscal year.**

39 (5) The number of children, by category, for whom the family and
 40 children's fund was required to provide funds for services for
 41 children residing with the child's parent, guardian or custodian
 42 (other than foster home or institutional placement), and the
 43 average monthly cost of those services, during the ~~immediately~~
 44 ~~preceding calendar quarter; current state fiscal year~~, in
 45 comparison to the ~~corresponding calendar quarter for each of the~~
 46 ~~two (2) preceding calendar years~~ **preceding the current state**

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fiscal year.

(c) In preparing the ~~reports information~~ described in subsection (b), the county director **and judges** may use the best ~~information data~~ reasonably available from the records of the ~~courts, the~~ county office, and the ~~county family and children's fund for calendar years before 1998: division.~~

(d) At ~~each the~~ meeting described in subsection (a), the ~~county fiscal body,~~ judges and county director may

(1) discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner. ~~and~~

(2) ~~consider actions needed, including revision of budgeting procedures, to eliminate or minimize any anticipated need for short term borrowing for the family and children's fund under any provisions of this chapter or IC 12-19-5.~~

SECTION 50. IC 12-19-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. (a) If at any time the county director determines that the family and children's fund is exhausted or will be exhausted before the close of a **state** fiscal year, the county director shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the county office and pay the obligations of the county office, excluding administrative expenses and facilities, supplies, and equipment expenses for the county office, in the administration of the county office's activities for the unexpired part of the **state** fiscal year.

(b) The county director shall do the following:

(1) Certify the estimate and statement to the ~~county executive: director.~~

(2) File ~~the estimate and a~~ statement with the ~~county auditor: director concerning:~~

(A) ~~the reasons the family and children's fund is exhausted or will be exhausted; and~~

(B) ~~the actions taken by the county office to avoid the exhaustion of the fund.~~

SECTION 51. IC 12-19-7-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: **Sec. 21.5. Notwithstanding any other law, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from county family and children's fund property tax levies before January 1, 2001.**

SECTION 52. IC 16-33-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 10. Whenever the circuit court having jurisdiction finds, upon application by the county office of family and children, that the parent or guardian of a client placed in the center is unable to meet the costs that the parent or guardian is required to pay for the services of the center, the court shall

1 order payment of the costs ~~from the county general fund~~: **by the**
2 **division of family and children.**

3 SECTION 53. IC 16-33-4-17 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 17. (a) Each child,
5 the estate of the child, the parent or parents of the child, or the guardian
6 of the child, individually or collectively, are liable for the payment of
7 the costs of maintenance of the child of up to one hundred percent
8 (100%) of the per capita cost, except as otherwise provided. The cost
9 shall be computed annually by dividing the total annual cost of
10 operation for the fiscal year, exclusive of the cost of education
11 programs, construction, and equipment, by the total child days each
12 year. The maintenance cost shall be referred to as maintenance charges.

13 The charge may not be levied against any of the following:

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

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

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

23 (1) preventative maintenance; and

24 (2) repair and rehabilitation;
25 of buildings of the home that are used for housing, food service, or
26 education of the children of the home.

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

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

45 (e) The superintendent of the home may arrange for the
46 establishment of a graduation or discharge trust account for a child by

1 arranging to accept a lesser rate of maintenance charge. The trust fund
2 must be of sufficient size to provide for immediate expenses upon
3 graduation or discharge.

4 (f) The superintendent may make agreements with instrumentalities
5 of the federal government for application of any monetary awards to be
6 applied toward the maintenance charges in a manner that provides a
7 sufficient amount of the periodic award to be deposited in the child's
8 trust account to meet the immediate personal needs of the child and to
9 provide a suitable graduation or discharge allowance. The amount
10 applied toward the settlement of maintenance charges may not exceed
11 the amount specified in subsection (a).

12 (g) The superintendent of the home may do the following:

13 (1) Investigate, either with the superintendent's own staff or on a
14 contractual or other basis, the financial condition of each person
15 liable under this chapter.

16 (2) Make determinations of the ability of:

17 (A) the estate of the child;

18 (B) the legal guardian of the child; or

19 (C) each of the responsible parents of the child;

20 to pay maintenance charges.

21 (3) Set a standard as a basis of judgment of ability to pay that
22 shall be recomputed periodically to do the following:

23 (A) Reflect changes in the cost of living and other pertinent
24 factors.

25 (B) Provide for unusual and exceptional circumstances in the
26 application of the standard.

27 (4) Issue to any person liable under this chapter statements of
28 amounts due as maintenance charges, requiring the person to pay
29 monthly, quarterly, or otherwise as may be arranged, an amount
30 not exceeding the maximum cost as determined under this
31 chapter.

32 SECTION 54. IC 20-8.1-3-36 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 36. (a) It is
34 unlawful for a person operating or responsible for an educational,
35 correctional, charitable, or benevolent institution or training school to
36 fail to ensure that a child under his authority attends school as required
37 under this chapter. Each day of violation of this section constitutes a
38 separate offense.

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

45 SECTION 55. IC 20-8.1-6.1-7 IS AMENDED TO READ AS
46 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) If a student

1 is transferred under section 2 of this chapter from a school corporation
 2 in Indiana to a public school corporation in another state, the transferor
 3 corporation shall pay the transferee corporation the full tuition fee
 4 charged by the transferee corporation. However, the amount of the full
 5 tuition fee must not exceed the amount charged by the transferor
 6 corporation for the same class of school, or if the school has no such
 7 classification, the amount must not exceed the amount charged by the
 8 geographically nearest school corporation in Indiana which has such
 9 classification.

10 (b) If a child is:

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

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

16 ~~the county office division of family and children for the county placing~~
 17 ~~the child shall pay from the county family and children's fund to the~~
 18 public school corporation in which the child is enrolled the amount of
 19 transfer tuition specified in subsection (c).

20 (c) The transfer tuition for which a **county office the division of**
 21 **family and children** is obligated under subsection (b) is equal to the
 22 following:

23 (1) The amount under a written agreement among the ~~county~~
 24 ~~office; division of family and children~~, the institution or other
 25 facility, and the governing body of the public school corporation
 26 in the other state that specifies the amount and method of
 27 computing transfer tuition.

28 (2) The full tuition fee charged by the transferee corporation, if
 29 subdivision (1) does not apply. However, the amount of the full
 30 tuition fee must not exceed the amount charged by the transferor
 31 corporation for the same class of school, or if the school has no
 32 such classification, the amount must not exceed the amount
 33 charged by the geographically nearest school corporation in
 34 Indiana which has such classification.

35 (d) If a child is:

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

38 (2) provided:

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

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

43 ~~the county office division of family and children for the county placing~~
 44 ~~the child shall pay from the county family and children's fund in an~~
 45 amount ~~and~~ in the manner specified in a written agreement between the
 46 ~~county office division~~ and the institution or other facility.

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

5 SECTION 56. IC 20-8.1-6.1-8 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 8. (a) As used in
 7 this section, the following terms have the following meanings:

8 (1) "Class of school" refers to a classification of each school or
 9 program in the transferee corporation by the grades or special
 10 programs taught at the school. Generally, these classifications are
 11 denominated as kindergarten, elementary school, middle school
 12 or junior high school, high school, and special schools or classes,
 13 such as schools or classes for special education, vocational
 14 training, or career education.

15 (2) "ADM" means the following:

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

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

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

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

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

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

30 (4) "Special equipment" means equipment that during a school
 31 year:

32 (A) is used only when a child with disabilities is attending
 33 school;

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

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

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

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

44 (b) Each transferee corporation is entitled to receive for each school
 45 year on account of each transferred student, except a student
 46 transferred under section 3 of this chapter, transfer tuition from the

1 transferor corporation or the state as provided in this chapter. Transfer
 2 tuition equals the amount determined under STEP THREE of the
 3 following formula:

4 STEP ONE: Allocate to each transfer student the capital
 5 expenditures for any special equipment used by the transfer
 6 student and a proportionate share of the operating costs incurred
 7 by the transferee school for the class of school where the transfer
 8 student is enrolled.

9 STEP TWO: If the transferee school included the transfer student
 10 in the transferee school's ADM for a school year, allocate to the
 11 transfer student a proportionate share of the following general
 12 fund revenues of the transferee school for, except as provided in
 13 clause (C), the calendar year in which the school year ends:

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

17 (i) Primetime grant under IC 21-1-30.

18 (ii) Tuition support for basic programs and at-risk weights
 19 under IC 21-3-1.7-8 (before January 1, 1996) and only for
 20 basic programs (after December 31, 1995).

21 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.

22 (iv) At-risk grant under IC 21-3-1.7-9.7.

23 (v) Academic honors diploma award under IC 21-3-1.7-9.8.

24 (vi) Vocational education grant under IC 21-3-1.8-3.

25 (vii) Special education grant under ~~IC 21-3-1.8~~
 26 **IC 21-3-1.8-2** (repealed January 1, 1996) or IC 21-3-10.

27 (viii) The portion of the ADA flat grant that is available for
 28 the payment of general operating expenses under
 29 IC 21-3-4.5-2(b)(1).

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

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

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

37 STEP THREE: Determine the greater of:

38 (A) zero (0); or

39 (B) the result of subtracting the STEP TWO amount from the
 40 STEP ONE amount.

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

1 (c) Operating costs shall be determined for each class of school
 2 where a transfer student is enrolled. The operating cost for each class
 3 of school is based on the total expenditures of the transferee
 4 corporation for the class of school from its general fund expenditures
 5 as specified in the classified budget forms prescribed by the state board
 6 of accounts. This calculation excludes:

- 7 (1) capital outlay;
- 8 (2) debt service;
- 9 (3) costs of transportation;
- 10 (4) salaries of board members;
- 11 (5) contracted service for legal expenses; and
- 12 (6) any expenditure which is made out of the general fund from
- 13 extracurricular account receipts;

14 for the school year.

15 (d) The capital cost of special equipment for a school year is equal
 16 to:

- 17 (1) the cost of the special equipment; divided by
- 18 (2) the product of:
 - 19 (A) the useful life of the special equipment, as determined
 - 20 under the rules adopted by the Indiana state board of
 - 21 education; multiplied by
 - 22 (B) the number of students using the special equipment during
 - 23 at least part of the school year.

24 (e) When an item of expense or cost described in subsection (c)
 25 cannot be allocated to a class of school, it shall be prorated to all
 26 classes of schools on the basis of the pupil enrollment of each class in
 27 the transferee corporation compared to the total pupil enrollment in the
 28 school corporation.

29 (f) Operating costs shall be allocated to a transfer student for each
 30 school year by dividing:

- 31 (1) the transferee school corporation's operating costs for the class
- 32 of school in which the transfer student is enrolled; by
- 33 (2) the pupil enrollment of the class of school in which the
- 34 transfer student is enrolled.

35 When a transferred student is enrolled in a transferee corporation for
 36 less than the full school year of pupil attendance, the transfer tuition
 37 shall be calculated by the portion of the school year for which the
 38 transferred student is enrolled. A school year of pupil attendance
 39 consists of the number of days school is in session for pupil attendance.
 40 A student, regardless of the student's attendance, is enrolled in a
 41 transferee school unless the student is no longer entitled to be
 42 transferred because of a change of residence, **because** the student has
 43 been excluded or expelled from school for the balance of the school
 44 year or for an indefinite period, or **because** the student has been
 45 confirmed to have withdrawn from school. The transferor and the
 46 transferee corporation may enter into written agreements concerning

1 the amount of transfer tuition due in any school year. Where an
 2 agreement cannot be reached, the amount shall be determined by the
 3 Indiana state board of education and costs may be established, when in
 4 dispute, by the state board of accounts.

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

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

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

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

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

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

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

37 SECTION 57. IC 31-19-26-1 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) When a
 39 petition for adoption is filed seeking a subsidy and the payment of a
 40 subsidy is ordered by the court, the order must contain the following
 41 information:

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

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

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

- 1 (4) Any condition for the continued payment of a subsidy other
 2 than a requirement set forth in this chapter.
- 3 (b) The ~~county office division~~ of family and children ~~of the county~~
 4 ~~responsible for foster care of an adoptive child~~ may be ordered to pay
 5 either or both of the subsidies under this chapter to the adoptive parents
 6 or designated payees to the extent that money is available.
- 7 SECTION 58. IC 31-34-24-4 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) ~~Before~~
 9 ~~March 1, 1998~~; Each county shall establish a team to develop a plan as
 10 described in this chapter.
- 11 (b) The team is composed of the following members, each of whom
 12 serves at the pleasure of the member's appointing authority:
- 13 (1) Two (2) members appointed by the judge or judges of the
 14 juvenile court, one (1) of whom is a representative of the
 15 probation department.
- 16 (2) Two (2) members appointed by the director of the county
 17 office as follows:
- 18 (A) One (1) is a member of the child welfare staff of the
 19 county office.
- 20 (B) One (1) is either:
- 21 (i) an interested resident of the county; or
 22 (ii) a representative of a social service agency;
 23 who knows of child welfare needs and services available to
 24 residents of the county.
- 25 (3) One (1) member appointed by the superintendent of the largest
 26 school corporation in the county.
- 27 (4) If:
- 28 (A) two (2) school corporations are located within the county,
 29 one (1) member appointed by the superintendent of the second
 30 largest school corporation in the county; or
 31 (B) more than two (2) school corporations are located within
 32 the county, one (1) member appointed by the county fiscal
 33 body as a representative of school corporations other than the
 34 largest school corporation in the county.
- 35 ~~(5) One (1) member appointed by the county fiscal body.~~
- 36 ~~(6)~~ (5) One (1) member representing the community mental
 37 health center (as defined under IC 12-7-2-38) serving the county,
 38 appointed by the director of the community mental health center.
 39 However, if more than one (1) community mental health center
 40 serves the county, the member shall be appointed by the county
 41 fiscal body.
- 42 ~~(7)~~ (6) One (1) or more additional members appointed by the
 43 ~~chairperson of the team~~, **county director**, from among interested
 44 or knowledgeable residents of the community or representatives
 45 of agencies providing social services to or for children in the
 46 county.

1 SECTION 59. IC 31-34-24-11, AS AMENDED BY P.L.273-1999,
 2 SECTION 103, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2001]: Sec. 11. The ~~director or the~~ state
 4 superintendent of public instruction may, not later than thirty (30) days
 5 after receiving the plan, transmit to the team and the ~~county fiscal body~~
 6 **director** any comments, including recommendations for modification
 7 of the plan, that the ~~director or the~~ state superintendent of public
 8 instruction considers appropriate.

9 SECTION 60. IC 31-34-24-12, AS AMENDED BY P.L.273-1999,
 10 SECTION 104, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2001]: Sec. 12. Not later than sixty (60)
 12 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
 13 one (1) of the following:

- 14 (1) Approve the plan as submitted by the team.
- 15 ~~(2) Approve the plan with amendments, modifications, or~~
 16 ~~revisions adopted by the county fiscal body:~~
- 17 ~~(3)~~ **(2)** Return the plan to the team with directions concerning:
 - 18 (A) subjects for further study and reconsideration; and
 - 19 (B) resubmission of a revised plan.

20 SECTION 61. IC 31-34-24-14, AS AMENDED BY P.L.273-1999,
 21 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JANUARY 1, 2001]: Sec. 14. (a) The team shall meet at
 23 least one (1) time each year to do the following:

- 24 (1) Develop, review, or revise a strategy that identifies:
 - 25 (A) the manner in which prevention and early intervention
 - 26 services will be provided or improved;
 - 27 (B) how local collaboration will improve children's services;
 - 28 and
 - 29 (C) how different funds can be used to serve children and
 - 30 families more effectively.
- 31 (2) Reorganize as needed and select its vice chairperson for the
- 32 ensuing year.
- 33 (3) Review the implementation of the plan and prepare revisions,
- 34 additions, or updates of the plan that the team considers necessary
- 35 or appropriate to improve the quality and efficiency of early
- 36 intervention child welfare services provided in accordance with
- 37 the plan.
- 38 (4) Prepare and submit to the ~~county fiscal body~~ **director and the**
 39 **superintendent of public instruction** a report on the operations
 40 of the plan during the preceding year and a revised and updated
 41 plan for the ensuing year.

42 (b) The chairperson or vice chairperson of the team ~~or the county~~
 43 ~~fiscal body~~ may convene any additional meetings of the team that are,
 44 in the chairperson's or vice chairperson's opinion, necessary or
 45 appropriate.

46 SECTION 62. IC 31-34-24-15, AS AMENDED BY P.L.273-1999,

1 SECTION 106, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2001]: Sec. 15. The team ~~or the county~~
 3 ~~fiscal body~~ shall transmit copies of the plan, each annual report, and
 4 each revised plan to the following:

- 5 (1) The director.
- 6 (2) The state superintendent of public instruction.
- 7 (3) The county office.
- 8 (4) The juvenile court.
- 9 (5) The superintendent of each public school corporation in the
 10 county.
- 11 (6) The local step ahead council.
- 12 (7) Any public or private agency that:
 - 13 (A) provides services to families and children in the county
 14 that requests information about the plan; or
 - 15 (B) the team has identified as a provider of services relevant
 16 to the plan.

17 SECTION 63. IC 31-34-24-16 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 16. The team ~~or~~
 19 ~~the county fiscal body~~ shall publicize to residents of the county the
 20 existence and availability of the plan.

21 SECTION 64. IC 31-37-24-4 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) ~~Before~~
 23 ~~March 1, 1998~~; Each county shall establish a team to develop a plan as
 24 described in this chapter.

25 (b) The team is composed of the following members, each of whom
 26 serves at the pleasure of the member's appointing authority:

- 27 (1) Two (2) members appointed by the judge or judges of the
 28 juvenile court, one (1) of whom is a representative of the
 29 probation department.
- 30 (2) Two (2) members appointed by the director of the county
 31 office as follows:
 - 32 (A) One (1) is a member of the child welfare staff of the
 33 county office.
 - 34 (B) One (1) is either:
 - 35 (i) an interested resident of the county; or
 - 36 (ii) a representative of a social service agency;
 37 who knows of child welfare needs and services available to
 38 residents of the county.
- 39 (3) One (1) member appointed by the superintendent of the largest
 40 school corporation in the county.
- 41 (4) If:
 - 42 (A) two (2) school corporations are located within the county,
 43 one (1) member appointed by the superintendent of the second
 44 largest school corporation in the county; or
 - 45 (B) more than two (2) school corporations are located within
 46 the county, one (1) member appointed by the county fiscal

1 body as a representative of school corporations other than the
2 largest school corporation in the county.

3 ~~(5) One (1) member appointed by the county fiscal body.~~
4 ~~(6) (5) One (1) member representing the community mental~~
5 ~~health center (as defined under IC 12-7-2-38) serving the county,~~
6 ~~appointed by the director of the community mental health center.~~
7 ~~However, if more than one (1) community mental health center~~
8 ~~serves the county, the member shall be appointed by the county~~
9 ~~fiscal body: director.~~

10 ~~(7) (6) One (1) or more additional members appointed by the~~
11 ~~chairperson of the team; county director, from among interested~~
12 ~~or knowledgeable residents of the community or representatives~~
13 ~~of agencies providing social services to or for children in the~~
14 ~~county.~~

15 SECTION 65. IC 31-37-24-5, AS AMENDED BY P.L.273-1999,
16 SECTION 110, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JANUARY 1, 2001]: Sec. 5. If a county has in existence
18 a committee, council, or other organized group that includes
19 representatives of all of the appointing authorities described in section
20 4 of this chapter, the ~~county fiscal body~~ **director** may elect to designate
21 that existing organization as the county's team for purposes of this
22 chapter.

23 SECTION 66. IC 31-37-24-11, AS AMENDED BY P.L.273-1999,
24 SECTION 115, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2001]: Sec. 11. The ~~director or the~~ state
26 superintendent of public instruction may, not later than thirty (30) days
27 after receiving the plan, transmit to the team and the ~~county fiscal body~~
28 **director** any comments, including recommendations for modification
29 of the plan, that the ~~director or the~~ state superintendent of public
30 instruction considers appropriate.

31 SECTION 67. IC 31-37-24-12, AS AMENDED BY P.L.273-1999,
32 SECTION 116, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JANUARY 1, 2001]: Sec. 12. Not later than sixty (60)
34 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
35 one (1) of the following:

- 36 (1) Approve the plan as submitted by the team.
37 ~~(2) Approve the plan with amendments, modifications, or~~
38 ~~revisions adopted by the county fiscal body.~~
39 ~~(3) (2) Return the plan to the team with directions concerning:~~
40 ~~(A) subjects for further study and reconsideration; and~~
41 ~~(B) resubmission of a revised plan.~~

42 SECTION 68. IC 31-37-24-14, AS AMENDED BY P.L.273-1999,
43 SECTION 117, IS AMENDED TO READ AS FOLLOWS
44 [EFFECTIVE JANUARY 1, 2001]: Sec. 14. (a) The team shall meet at
45 least one (1) time each year to do the following:

- 46 (1) Develop, review, or revise a strategy that identifies:

- 1 (A) the manner in which prevention and early intervention
 2 services will be provided or improved;
 3 (B) how local collaboration will improve children's services;
 4 and
 5 (C) how different funds can be used to serve children and
 6 families more effectively.
- 7 (2) Reorganize as needed and select its vice chairperson for the
 8 ensuing year.
- 9 (3) Review the implementation of the plan and prepare revisions,
 10 additions, or updates of the plan that the team considers necessary
 11 or appropriate to improve the quality and efficiency of early
 12 intervention child welfare services provided in accordance with
 13 the plan.
- 14 (4) Prepare and submit to the ~~county fiscal body~~ **director and the**
 15 **superintendent of public instruction** a report on the operations
 16 of the plan during the preceding year and a revised and updated
 17 plan for the ensuing year.
- 18 (b) The chairperson or vice chairperson of the team ~~or the county~~
 19 ~~fiscal body~~ may convene any additional meetings of the team that are,
 20 in the chairperson's or vice chairperson's opinion, necessary or
 21 appropriate.
- 22 SECTION 69. IC 31-37-24-15 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. The team ~~or~~
 24 ~~the county fiscal body~~ shall transmit copies of the initial plan, each
 25 annual report, and each revised plan to the following:
- 26 (1) The director.
 27 (2) The state superintendent of public instruction.
 28 (3) The county office.
 29 (4) The juvenile court.
 30 (5) The superintendent of each public school corporation in the
 31 county.
 32 (6) The local step ahead council.
 33 (7) Any public or private agency that:
 34 (A) provides services to families and children in the county
 35 that requests information about the plan; or
 36 (B) the team has identified as a provider of services relevant
 37 to the plan.
- 38 SECTION 70. IC 31-37-24-16 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 16. The team ~~or~~
 40 ~~the county fiscal body~~ shall publicize to residents of the county the
 41 existence and availability of the plan.
- 42 SECTION 71. IC 31-40-1-1 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. This article
 44 applies to a financial burden sustained by **the state and** a county as the
 45 result of costs paid ~~by the county~~ under section 2 of this chapter,
 46 including costs resulting from the institutional placement of a child

1 adjudicated a delinquent child or a child in need of services.
2 SECTION 72. IC 31-40-1-2, AS AMENDED BY P.L.273-1999,
3 SECTION 119, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) The county shall pay
5 from the county family and children’s fund the cost of:
6 (1) any services ordered by the juvenile court for any child or the
7 child's parent, guardian, or custodian, other than secure detention;
8 and
9 (2) returning a child under IC 31-37-23.
10 (b) The ~~county fiscal body~~ **division** shall provide sufficient money
11 to meet the court's requirements.
12 SECTION 73. IC 31-40-1-3, AS AMENDED BY P.L.273-1999,
13 SECTION 120, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) A parent or guardian of
15 the estate of a child adjudicated a delinquent child or a child in need of
16 services is financially responsible as provided in this chapter (or
17 IC 31-6-4-18(e) before its repeal) for any services ordered by the court.
18 (b) Each parent of a child alleged to be a child in need of services
19 or alleged to be a delinquent child shall, before a dispositional hearing,
20 furnish the court with an accurately completed and current child
21 support obligation worksheet on the same form that is prescribed by the
22 Indiana supreme court for child support orders.
23 (c) At:
24 (1) a detention hearing;
25 (2) a hearing that is held after the payment of costs by a county
26 under section 2 of this chapter (or IC 31-6-4-18(b) before its
27 repeal);
28 (3) the dispositional hearing; or
29 (4) any other hearing to consider modification of a dispositional
30 decree;
31 the juvenile court shall order the child's parents or the guardian of the
32 child's estate to pay for, or reimburse the county **or the division** for the
33 cost of, services provided to the child or the parent or guardian unless
34 the court finds that the parent or guardian is unable to pay or that
35 justice would not be served by ordering payment from the parent or
36 guardian.
37 SECTION 74. IC 31-40-1-4 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. The parent or
39 guardian of the estate of any child returned to Indiana under the
40 interstate compact on juveniles under IC 31-37-23 shall reimburse the
41 **state and** county for all costs involved in returning the child that the
42 court orders the parent or guardian to pay under section 3 of this
43 chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child
44 has been adjudicated a delinquent child or a child in need of services.
45 SECTION 75. IC 31-40-1-5, AS AMENDED BY P.L.273-1999,
46 SECTION 121, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2001]: Sec. 5. (a) This section applies
2 whenever the court orders or approves removal of a child from the
3 home of a child's parent or guardian and placement of the child in a
4 child caring institution (as defined in IC 12-7-2-29), a foster family
5 home (as defined in IC 12-7-2-90), or the home of a relative of the
6 child that is not a foster family home.

7 (b) If an existing support order is in effect, the court shall order the
8 support payments to be assigned to the ~~county office~~ **division of family**
9 **and children** for the duration of the placement out of the home of the
10 child's parent or guardian. The court shall notify the court that:

11 (1) entered the existing support order; or

12 (2) had jurisdiction, immediately before the placement, to
13 modify or enforce the existing support order;

14 of the assignment and assumption of jurisdiction by the juvenile court
15 under this section.

16 (c) If an existing support order is not in effect, the court shall do the
17 following:

18 (1) Include in the order for removal or placement of the child an
19 assignment to the ~~county office~~, **division of family and children**,
20 or confirmation of an assignment that occurs or is required under
21 applicable federal law, of any rights to support, including support
22 for the cost of any medical care payable by the state under
23 IC 12-15, from any parent or guardian who has a legal obligation
24 to support the child.

25 (2) Order support paid to the ~~county office~~ **division of family and**
26 **children** by each of the child's parents or the guardians of the
27 child's estate to be based on child support guidelines adopted by
28 the Indiana supreme court and for the duration of the placement
29 of the child out of the home of the child's parent or guardian,
30 unless:

31 (A) the court finds that entry of an order based on the child
32 support guidelines would be unjust or inappropriate
33 considering the best interests of the child and other necessary
34 obligations of the child's family; or

35 (B) the ~~county office~~ **division of family and children** does not
36 make foster care maintenance payments to the custodian of the
37 child. For purposes of this clause, "foster care maintenance
38 payments" means any payments for the cost of (in whole or in
39 part) and the cost of providing food, clothing, shelter, daily
40 supervision, school supplies, a child's personal incidentals,
41 liability insurance with respect to a child, and reasonable
42 amounts for travel to the child's home for visitation. In the case
43 of a child caring institution, the term also includes the
44 reasonable costs of administration and operation of the
45 institution as are necessary to provide the items described in
46 this clause.

- 1 (3) If the court:
 2 (A) does not enter a support order; or
 3 (B) enters an order that is not based on the child support
 4 guidelines;
 5 the court shall make findings as required by 45 CFR 302.56(g).
 6 (d) Payments in accordance with a support order assigned under
 7 subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f)
 8 before its repeal) shall be paid through the clerk of the circuit court as
 9 trustee for remittance to the ~~county office~~; **division of family and**
 10 **children**.
 11 (e) The Title IV-D agency shall establish, modify, or enforce a
 12 support order assigned or entered by a court under this section in
 13 accordance with IC 12-17-2 and 42 U.S.C. 654. The ~~county office~~
 14 **division of family and children** shall, if requested, assist the Title
 15 IV-D agency in performing its duties under this subsection.
 16 (f) If the juvenile court terminates placement of a child out of the
 17 home of the child's parent or guardian, the court shall:
 18 (1) notify the court that:
 19 (A) entered a support order assigned to the county office under
 20 subsection (b); or
 21 (B) had jurisdiction, immediately before the placement, to
 22 modify or enforce the existing support order;
 23 of the termination of jurisdiction of the juvenile court with respect
 24 to the support order;
 25 (2) terminate a support order entered under subsection (c) that
 26 requires payment of support by a custodial parent or guardian of
 27 the child, with respect to support obligations that accrue after
 28 termination of the placement; or
 29 (3) continue in effect, subject to modification or enforcement by
 30 a court having jurisdiction over the obligor, a support order
 31 entered under subsection (c) that requires payment of support by
 32 a noncustodial parent or guardian of the estate of the child.
 33 (g) The court may at or after a hearing described in section 3 of this
 34 chapter order the child's parent or the guardian of the child's estate to
 35 reimburse the ~~county office~~ **division of family and children** for all or
 36 any portion of the expenses for services provided to or for the benefit
 37 of the child that are paid ~~from the county family and children's fund by~~
 38 **the division** during the placement of the child out of the home of the
 39 parent or guardian, in addition to amounts reimbursed through
 40 payments in accordance with a support order assigned or entered as
 41 provided in this section, subject to applicable federal law.
 42 SECTION 76. IC 36-2-6-3 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) This section
 44 does not apply to **the following**:
 45 (1) Claims for salaries fixed in a definite amount by ordinance or
 46 statute, per diem of jurors, and salaries of officers of a court.

1 **(2) Claims that will be paid from a county family and**
2 **children's fund.**

3 (b) The county auditor shall publish all claims that have been filed
4 for the consideration of the county executive and shall publish all
5 allowances made by courts of the county. Claims filed for the
6 consideration of the executive shall be published at least three (3) days
7 before each session of the executive, and court allowances shall be
8 published at least three (3) days before the issuance of warrants in
9 payment of those allowances. In publication of itemized statements
10 filed by assistant highway supervisors for consideration of the
11 executive, the auditor shall publish the name of each party and the total
12 amount due each party named in the itemized statements. Notice of
13 claims filed for consideration of the county executive must state their
14 amounts and to whom they are made. Claims and allowances subject
15 to this section shall be published as prescribed by IC 5-3-1, except that
16 only one (1) publication in two (2) newspapers is required.

17 (c) A member of the county executive who considers or allows a
18 claim, or a county auditor who issues warrants in payment of
19 allowances made by the county executive or a court of the county,
20 before compliance with subsection (b), commits a Class C infraction.

21 (d) A county auditor shall publish one (1) time in accordance with
22 IC 5-3-1 a notice of all allowances made by a circuit or superior court.
23 The notice must be published within sixty (60) days after the
24 allowances are made and must state their amount, to whom they are
25 made, and for what purpose they are made.

26 SECTION 77. IC 36-7-14-39 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39. (a) As used
28 in this section:

29 "Allocation area" means that part of a blighted area to which an
30 allocation provision of a declaratory resolution adopted under section
31 15 of this chapter refers for purposes of distribution and allocation of
32 property taxes.

33 "Base assessed value" means the following:

34 (1) If an allocation provision is adopted after June 30, 1995, in a
35 declaratory resolution or an amendment to a declaratory
36 resolution establishing an economic development area:

37 (A) the net assessed value of all the property as finally
38 determined for the assessment date immediately preceding the
39 effective date of the allocation provision of the declaratory
40 resolution, as adjusted under subsection (h); plus

41 (B) to the extent that it is not included in clause (A), the net
42 assessed value of property that is assessed as residential
43 property under the rules of the state board of tax
44 commissioners, as finally determined for any assessment date
45 after the effective date of the allocation provision.

46 (2) If an allocation provision is adopted after June 30, 1997, in a

- 1 declaratory resolution or an amendment to a declaratory
 2 resolution establishing a blighted area:
- 3 (A) the net assessed value of all the property as finally
 4 determined for the assessment date immediately preceding the
 5 effective date of the allocation provision of the declaratory
 6 resolution, as adjusted under subsection (h); plus
 7 (B) to the extent that it is not included in clause (A), the net
 8 assessed value of property that is assessed as residential
 9 property under the rules of the state board of tax
 10 commissioners, as finally determined for any assessment date
 11 after the effective date of the allocation provision.
- 12 (3) If:
- 13 (A) an allocation provision adopted before June 30, 1995, in
 14 a declaratory resolution or an amendment to a declaratory
 15 resolution establishing a blighted area expires after June 30,
 16 1997; and
 17 (B) after June 30, 1997, a new allocation provision is included
 18 in an amendment to the declaratory resolution;
 19 the net assessed value of all the property as finally determined for
 20 the assessment date immediately preceding the effective date of
 21 the allocation provision adopted after June 30, 1997, as adjusted
 22 under subsection (h).
- 23 (4) Except as provided in subdivision (5), for all other allocation
 24 areas, the net assessed value of all the property as finally
 25 determined for the assessment date immediately preceding the
 26 effective date of the allocation provision of the declaratory
 27 resolution, as adjusted under subsection (h).
- 28 (5) If an allocation area established in an economic development
 29 area before July 1, 1995, is expanded after June 30, 1995, the
 30 definition in subdivision (1) applies to the expanded portion of the
 31 area added after June 30, 1995.
- 32 (6) If an allocation area established in a blighted area before July
 33 1, 1997, is expanded after June 30, 1997, the definition in
 34 subdivision (2) applies to the expanded portion of the area added
 35 after June 30, 1997.
- 36 Except as provided in section 39.3 of this chapter, "property taxes"
 37 means taxes imposed under IC 6-1.1 on real property. However, upon
 38 approval by a resolution of the redevelopment commission adopted
 39 before June 1, 1987, "property taxes" also includes taxes imposed
 40 under IC 6-1.1 on depreciable personal property. If a redevelopment
 41 commission adopted before June 1, 1987, a resolution to include within
 42 the definition of property taxes taxes imposed under IC 6-1.1 on
 43 depreciable personal property that has a useful life in excess of eight
 44 (8) years, the commission may by resolution determine the percentage
 45 of taxes imposed under IC 6-1.1 on all depreciable personal property
 46 that will be included within the definition of property taxes. However,

1 the percentage included must not exceed twenty-five percent (25%) of
 2 the taxes imposed under IC 6-1.1 on all depreciable personal property.

3 (b) A declaratory resolution adopted under section 15 of this chapter
 4 before January 1, 2006, may include a provision with respect to the
 5 allocation and distribution of property taxes for the purposes and in the
 6 manner provided in this section. A declaratory resolution previously
 7 adopted may include an allocation provision by the amendment of that
 8 declaratory resolution before January 1, 2006, in accordance with the
 9 procedures required for its original adoption. A declaratory resolution
 10 or an amendment that establishes an allocation provision after June 30,
 11 1995, must specify an expiration date for the allocation provision that
 12 may not be more than thirty (30) years after the date on which the
 13 allocation provision is established. However, if bonds or other
 14 obligations that were scheduled when issued to mature before the
 15 specified expiration date and that are payable only from allocated tax
 16 proceeds with respect to the allocation area remain outstanding as of
 17 the expiration date, the allocation provision does not expire until all of
 18 the bonds or other obligations are no longer outstanding. The allocation
 19 provision may apply to all or part of the blighted area. The allocation
 20 provision must require that any property taxes subsequently levied by
 21 or for the benefit of any public body entitled to a distribution of
 22 property taxes on taxable property in the allocation area be allocated
 23 and distributed as follows:

24 (1) Except as otherwise provided in this section, the proceeds of
 25 the taxes attributable to the lesser of:

26 (A) the assessed value of the property for the assessment date
 27 with respect to which the allocation and distribution is made;

28 or

29 (B) the base assessed value;

30 shall be allocated to and, when collected, paid into the funds of
 31 the respective taxing units.

32 (2) Except as otherwise provided in this section, property tax
 33 proceeds in excess of those described in subdivision (1) shall be
 34 allocated to the redevelopment district and, when collected, paid
 35 into an allocation fund for that allocation area that may be used by
 36 the redevelopment district only to do one (1) or more of the
 37 following:

38 (A) Pay the principal of and interest on any obligations
 39 payable solely from allocated tax proceeds which are incurred
 40 by the redevelopment district for the purpose of financing or
 41 refinancing the redevelopment of that allocation area.

42 (B) Establish, augment, or restore the debt service reserve for
 43 bonds payable solely or in part from allocated tax proceeds in
 44 that allocation area.

45 (C) Pay the principal of and interest on bonds payable from
 46 allocated tax proceeds in that allocation area and from the

- 1 special tax levied under section 27 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
3 unit to pay for local public improvements in or serving that
4 allocation area.
- 5 (E) Pay premiums on the redemption before maturity of bonds
6 payable solely or in part from allocated tax proceeds in that
7 allocation area.
- 8 (F) Make payments on leases payable from allocated tax
9 proceeds in that allocation area under section 25.2 of this
10 chapter.
- 11 (G) Reimburse the unit for expenditures made by it for local
12 public improvements (which include buildings, parking
13 facilities, and other items described in section 25.1(a) of this
14 chapter) in or serving that allocation area.
- 15 (H) Reimburse the unit for rentals paid by it for a building or
16 parking facility in or serving that allocation area under any
17 lease entered into under IC 36-1-10.
- 18 (I) Pay all or a portion of a property tax replacement credit to
19 taxpayers in an allocation area as determined by the
20 redevelopment commission. This credit equals the amount
21 determined under the following STEPS for each taxpayer in a
22 taxing district (as defined in IC 6-1.1-1-20) that contains all or
23 part of the allocation area:
- 24 STEP ONE: Determine that part of the sum of the amounts
25 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
26 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
27 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
- 28 STEP TWO: Divide:
- 29 (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of
30 each county's total county tax levy payable that year as
31 determined under IC 6-1.1-21-4 that is attributable to the
32 taxing district; by
- 33 (B) the STEP ONE sum.
- 34 STEP THREE: Multiply:
- 35 (A) the STEP TWO quotient; times
- 36 (B) the total amount of the taxpayer's property taxes levied
37 in the taxing district that have been allocated during that
38 year to an allocation fund under this section.
- 39 If not all the taxpayers in an allocation area receive the credit
40 in full, each taxpayer in the allocation area is entitled to
41 receive the same proportion of the credit. A taxpayer may not
42 receive a credit under this section and a credit under section
43 39.5 of this chapter in the same year.
- 44 (J) Pay expenses incurred by the redevelopment commission
45 for local public improvements that are in the allocation area or
46 serving the allocation area. Public improvements include

1 buildings, parking facilities, and other items described in
2 section 25.1(a) of this chapter.

3 (K) Reimburse public and private entities for expenses
4 incurred in training employees of industrial facilities that are
5 located:

- 6 (i) in the allocation area; and
- 7 (ii) on a parcel of real property that has been classified as
8 industrial property under the rules of the state board of tax
9 commissioners.

10 However, the total amount of money spent for this purpose in
11 any year may not exceed the total amount of money in the
12 allocation fund that is attributable to property taxes paid by the
13 industrial facilities described in this clause. The
14 reimbursements under this clause must be made within three
15 (3) years after the date on which the investments that are the
16 basis for the increment financing are made.

17 The allocation fund may not be used for operating expenses of the
18 commission.

19 (3) Except as provided in subsection (g), before July 15 of each
20 year the commission shall do the following:

21 (A) Determine the amount, if any, by which the base assessed
22 value when multiplied by the estimated tax rate of the
23 allocation area will exceed the amount of assessed value
24 needed to produce the property taxes necessary to make, when
25 due, principal and interest payments on bonds described in
26 subdivision (2) plus the amount necessary for other purposes
27 described in subdivision (2).

28 (B) Notify the county auditor of the amount, if any, of the
29 amount of excess assessed value that the commission has
30 determined may be allocated to the respective taxing units in
31 the manner prescribed in subdivision (1). The commission
32 may not authorize an allocation of assessed value to the
33 respective taxing units under this subdivision if to do so would
34 endanger the interests of the holders of bonds described in
35 subdivision (2) or lessors under section 25.3 of this chapter.

36 (c) For the purpose of allocating taxes levied by or for any taxing
37 unit or units, the assessed value of taxable property in a territory in the
38 allocation area that is annexed by any taxing unit after the effective
39 date of the allocation provision of the declaratory resolution is the
40 lesser of:

- 41 (1) the assessed value of the property for the assessment date with
42 respect to which the allocation and distribution is made; or
- 43 (2) the base assessed value.

44 (d) Property tax proceeds allocable to the redevelopment district
45 under subsection (b)(2) may, subject to subsection (b)(3), be
46 irrevocably pledged by the redevelopment district for payment as set

1 forth in subsection (b)(2).

2 (e) Notwithstanding any other law, each assessor shall, upon
3 petition of the redevelopment commission, reassess the taxable
4 property situated upon or in, or added to, the allocation area, effective
5 on the next assessment date after the petition.

6 (f) Notwithstanding any other law, the assessed value of all taxable
7 property in the allocation area, for purposes of tax limitation, property
8 tax replacement, and formulation of the budget, tax rate, and tax levy
9 for each political subdivision in which the property is located is the
10 lesser of:

11 (1) the assessed value of the property as valued without regard to
12 this section; or

13 (2) the base assessed value.

14 (g) If any part of the allocation area is located in an enterprise zone
15 created under IC 4-4-6.1, the unit that designated the allocation area
16 shall create funds as specified in this subsection. A unit that has
17 obligations, bonds, or leases payable from allocated tax proceeds under
18 subsection (b)(2) shall establish an allocation fund for the purposes
19 specified in subsection (b)(2) and a special zone fund. Such a unit
20 shall, until the end of the enterprise zone phase out period, deposit each
21 year in the special zone fund any amount in the allocation fund derived
22 from property tax proceeds in excess of those described in subsection
23 (b)(1) from property located in the enterprise zone that exceeds the
24 amount sufficient for the purposes specified in subsection (b)(2) for the
25 year. The amount sufficient for purposes specified in subsection (b)(2)
26 for the year shall be determined based on the pro rata portion of such
27 current property tax proceeds from the portion of the enterprise zone
28 that is within the allocation area as compared to all such current
29 property tax proceeds derived from the allocation area. A unit that has
30 no obligations, bonds, or leases payable from allocated tax proceeds
31 under subsection (b)(2) shall establish a special zone fund and deposit
32 all the property tax proceeds in excess of those described in subsection
33 (b)(1) in the fund derived from property tax proceeds in excess of those
34 described in subsection (b)(1) from property located in the enterprise
35 zone. The unit that creates the special zone fund shall use the fund
36 (based on the recommendations of the urban enterprise association) for
37 programs in job training, job enrichment, and basic skill development
38 that are designed to benefit residents and employers in the enterprise
39 zone or other purposes specified in subsection (b)(2), except that where
40 reference is made in subsection (b)(2) to allocation area it shall refer
41 for purposes of payments from the special zone fund only to that
42 portion of the allocation area that is also located in the enterprise zone.
43 Those programs shall reserve at least one-half (1/2) of their enrollment
44 in any session for residents of the enterprise zone.

45 (h) The state board of accounts and state board of tax
46 commissioners shall make the rules and prescribe the forms and

1 procedures that they consider expedient for the implementation of this
 2 chapter. After each general reassessment under IC 6-1.1-4, the state
 3 board of tax commissioners shall adjust the base assessed value one (1)
 4 time to neutralize any effect of the general reassessment on the
 5 property tax proceeds allocated to the redevelopment district under this
 6 section. However, the adjustment may not include the effect of property
 7 tax abatements under IC 6-1.1-12.1, and the adjustment may not
 8 produce less property tax proceeds allocable to the redevelopment
 9 district under subsection (b)(2) than would otherwise have been
 10 received if the general reassessment had not occurred. The state board
 11 of tax commissioners may prescribe procedures for county and
 12 township officials to follow to assist the state board in making the
 13 adjustments.

14 SECTION 78. IC 36-7-14-39.5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39.5. (a) As used
 16 in this section, "allocation area" has the meaning set forth in section 39
 17 of this chapter.

18 (b) As used in this section, "taxing district" has the meaning set
 19 forth in IC 6-1.1-1-20.

20 (c) Subject to subsection (e), each taxpayer in an allocation area is
 21 entitled to an additional credit for property taxes that under
 22 IC 6-1.1-22-9 are due and payable in May and November of that year.
 23 One-half (1/2) of the credit shall be applied to each installment of
 24 property taxes. This credit equals the amount determined under the
 25 following STEPS for each taxpayer in a taxing district that contains all
 26 or part of the allocation area:

27 STEP ONE: Determine that part of the sum of the amounts under
 28 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 29 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 30 the taxing district.

31 STEP TWO: Divide:

32 (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of
 33 each county's total county tax levy payable that year as
 34 determined under IC 6-1.1-21-4 that is attributable to the
 35 taxing district; by

36 (B) the STEP ONE sum.

37 STEP THREE: Multiply:

38 (A) the STEP TWO quotient; times

39 (B) the total amount of the taxpayer's property taxes levied in
 40 the taxing district that would have been allocated to an
 41 allocation fund under section 39 of this chapter had the
 42 additional credit described in this section not been given.

43 The additional credit reduces the amount of proceeds allocated to the
 44 redevelopment district and paid into an allocation fund under section
 45 39(b)(2) of this chapter.

46 (d) If the additional credit under subsection (c) is not reduced under

1 subsection (e) or (f), the credit for property tax replacement under
 2 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
 3 computed on an aggregate basis for all taxpayers in a taxing district
 4 that contains all or part of an allocation area. The credit for property tax
 5 replacement under IC 6-1.1-21-5 and the additional credit under
 6 subsection (c) shall be combined on the tax statements sent to each
 7 taxpayer.

8 (e) Upon the recommendation of the redevelopment commission,
 9 the municipal legislative body (in the case of a redevelopment
 10 commission established by a municipality) or the county executive (in
 11 the case of a redevelopment commission established by a county) may,
 12 by resolution, provide that the additional credit described in subsection
 13 (c):

- 14 (1) does not apply in a specified allocation area; or
- 15 (2) is to be reduced by a uniform percentage for all taxpayers in
 16 a specified allocation area.

17 (f) Whenever the municipal legislative body or county executive
 18 determines that granting the full additional credit under subsection (c)
 19 would adversely affect the interests of the holders of bonds or other
 20 contractual obligations that are payable from allocated tax proceeds in
 21 that allocation area in a way that would create a reasonable expectation
 22 that those bonds or other contractual obligations would not be paid
 23 when due, the municipal legislative body or county executive must
 24 adopt a resolution under subsection (e) to deny the additional credit or
 25 reduce it to a level that creates a reasonable expectation that the bonds
 26 or other obligations will be paid when due. A resolution adopted under
 27 subsection (e) denies or reduces the additional credit for property taxes
 28 first due and payable in the allocation area in any year following the
 29 year in which the resolution is adopted.

30 (g) A resolution adopted under subsection (e) remains in effect until
 31 it is rescinded by the body that originally adopted it. However, a
 32 resolution may not be rescinded if the rescission would adversely affect
 33 the interests of the holders of bonds or other obligations that are
 34 payable from allocated tax proceeds in that allocation area in a way that
 35 would create a reasonable expectation that the principal of or interest
 36 on the bonds or other obligations would not be paid when due. If a
 37 resolution is rescinded and no other resolution is adopted, the
 38 additional credit described in subsection (c) applies to property taxes
 39 first due and payable in the allocation area in each year following the
 40 year in which the resolution is rescinded.

41 SECTION 79. IC 36-7-14.5-12.5 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12.5. (a) This
 43 section applies only to an authority in a county having a United States
 44 government military base that is scheduled for closing or is completely
 45 or partially inactive or closed.

46 (b) In order to accomplish the purposes set forth in section 11(b) of

- 1 this chapter, an authority may create an economic development area:
 2 (1) by following the procedures set forth in IC 36-7-14-41 for the
 3 establishment of an economic development area by a
 4 redevelopment commission; and
 5 (2) with the same effect as if the economic development area was
 6 created by a redevelopment commission.
- 7 However, an authority may not include in an economic development
 8 area created under this section any area that was declared a blighted
 9 area, an urban renewal area, or an economic development area under
 10 IC 36-7-14.
- 11 (c) In order to accomplish the purposes set forth in section 11(b) of
 12 this chapter, an authority may do the following in a manner that serves
 13 an economic development area created under this section:
- 14 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 15 lease, or any combination of methods, any personal property or
 16 interest in real property needed for the redevelopment of
 17 economic development areas located within the corporate
 18 boundaries of the unit.
- 19 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 20 other instrument), exchange, lease, rent, or otherwise dispose of
 21 property acquired for use in the redevelopment of economic
 22 development areas on the terms and conditions that the authority
 23 considers best for the unit and the unit's inhabitants.
- 24 (3) Sell, lease, or grant interests in all or part of the real property
 25 acquired for redevelopment purposes to any other department of
 26 the unit or to any other governmental agency for public ways,
 27 levees, sewerage, parks, playgrounds, schools, and other public
 28 purposes on any terms that may be agreed on.
- 29 (4) Clear real property acquired for redevelopment purposes.
- 30 (5) Repair and maintain structures acquired for redevelopment
 31 purposes.
- 32 (6) Remodel, rebuild, enlarge, or make major structural
 33 improvements on structures acquired for redevelopment purposes.
- 34 (7) Survey or examine any land to determine whether the land
 35 should be included within an economic development area to be
 36 acquired for redevelopment purposes and to determine the value
 37 of that land.
- 38 (8) Appear before any other department or agency of the unit, or
 39 before any other governmental agency in respect to any matter
 40 affecting:
- 41 (A) real property acquired or being acquired for
 42 redevelopment purposes; or
 43 (B) any economic development area within the jurisdiction of
 44 the authority.
- 45 (9) Institute or defend in the name of the unit any civil action, but
 46 all actions against the authority must be brought in the circuit or

- 1 superior court of the county where the authority is located.
- 2 (10) Use any legal or equitable remedy that is necessary or
3 considered proper to protect and enforce the rights of and perform
4 the duties of the authority.
- 5 (11) Exercise the power of eminent domain in the name of and
6 within the corporate boundaries of the unit subject to the same
7 conditions and procedures that apply to the exercise of the power
8 of eminent domain by a redevelopment commission under
9 IC 36-7-14.
- 10 (12) Appoint an executive director, appraisers, real estate experts,
11 engineers, architects, surveyors, and attorneys.
- 12 (13) Appoint clerks, guards, laborers, and other employees the
13 authority considers advisable, except that those appointments
14 must be made in accordance with the merit system of the unit if
15 such a system exists.
- 16 (14) Prescribe the duties and regulate the compensation of
17 employees of the authority.
- 18 (15) Provide a pension and retirement system for employees of
19 the authority by using the public employees' retirement fund or a
20 retirement plan approved by the United States Department of
21 Housing and Urban Development.
- 22 (16) Discharge and appoint successors to employees of the
23 authority subject to subdivision (13).
- 24 (17) Rent offices for use of the department or authority, or accept
25 the use of offices furnished by the unit.
- 26 (18) Equip the offices of the authority with the necessary
27 furniture, furnishings, equipment, records, and supplies.
- 28 (19) Design, order, contract for, and construct, reconstruct,
29 improve, or renovate the following:
- 30 (A) Any local public improvement or structure that is
31 necessary for redevelopment purposes or economic
32 development within the corporate boundaries of the unit.
- 33 (B) Any structure that enhances development or economic
34 development.
- 35 (20) Contract for the construction, extension, or improvement of
36 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
- 37 (21) Accept loans, grants, and other forms of financial assistance
38 from, or contract with, the federal government, the state
39 government, a municipal corporation, a special taxing district, a
40 foundation, or any other source.
- 41 (22) Make and enter into all contracts and agreements necessary
42 or incidental to the performance of the duties of the authority and
43 the execution of the powers of the authority under this chapter.
- 44 (23) Take any action necessary to implement the purpose of the
45 authority.
- 46 (24) Provide financial assistance, in the manner that best serves

1 the purposes set forth in section 11(b) of this chapter, including
2 grants and loans, to enable private enterprise to develop,
3 redevelop, and reuse military base property or otherwise enable
4 private enterprise to provide social and economic benefits to the
5 citizens of the unit.

6 (d) An authority may designate all or a portion of an economic
7 development area created under this section as an allocation area by
8 following the procedures set forth in IC 36-7-14-39 for the
9 establishment of an allocation area by a redevelopment commission.
10 The allocation provision may modify the definition of "property taxes"
11 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the
12 depreciable personal property located and taxable on the site of
13 operations of designated taxpayers in accordance with the procedures
14 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
15 applies to such a modification. An allocation area established by an
16 authority under this section is a special taxing district authorized by the
17 general assembly to enable the unit to provide special benefits to
18 taxpayers in the allocation area by promoting economic development
19 that is of public use and benefit. For allocation areas established for an
20 economic development area created under this section after June 30,
21 1997, and to the expanded portion of an allocation area for an
22 economic development area that was established before June 30, 1997,
23 and that is expanded under this section after June 30, 1997, the net
24 assessed value of property that is assessed as residential property under
25 the rules of the state board of tax commissioners, as finally determined
26 for any assessment date, must be allocated. All of the provisions of
27 IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an
28 allocation area created under this section, except that the authority shall
29 be vested with the rights and duties of a commission as referenced in
30 those sections, and except that, notwithstanding IC 36-7-14-39(b)(2),
31 property tax proceeds paid into the allocation fund may be used by the
32 authority only to do one (1) or more of the following:

- 33 (1) Pay the principal of and interest and redemption premium on
34 any obligations incurred by the special taxing district or any other
35 entity for the purpose of financing or refinancing military base
36 reuse activities in or serving or benefitting that allocation area.
- 37 (2) Establish, augment, or restore the debt service reserve for
38 obligations payable solely or in part from allocated tax proceeds
39 in that allocation area or from other revenues of the authority
40 (including lease rental revenues).
- 41 (3) Make payments on leases payable solely or in part from
42 allocated tax proceeds in that allocation area.
- 43 (4) Reimburse any other governmental body for expenditures
44 made by it for local public improvements or structures in or
45 serving or benefitting that allocation area.
- 46 (5) Pay all or a portion of a property tax replacement credit to

1 taxpayers in an allocation area as determined by the authority.
 2 This credit equals the amount determined under the following
 3 STEPS for each taxpayer in a taxing district (as defined in
 4 IC 6-1.1-1-20) that contains all or part of the allocation area:

5 STEP ONE: Determine that part of the sum of the amounts
 6 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 7 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 8 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

9 STEP TWO: Divide:

10 (A) that part of the ~~twenty~~ **thirty-five** percent (~~20%~~) **(35%)**
 11 of each county's total county tax levy payable that year as
 12 determined under IC 6-1.1-21-4 that is attributable to the
 13 taxing district; by

14 (B) the STEP ONE sum.

15 STEP THREE: Multiply:

16 (A) the STEP TWO quotient; by

17 (B) the total amount of the taxpayer's property taxes levied
 18 in the taxing district that have been allocated during that
 19 year to an allocation fund under this section.

20 If not all the taxpayers in an allocation area receive the credit in
 21 full, each taxpayer in the allocation area is entitled to receive the
 22 same proportion of the credit. A taxpayer may not receive a credit
 23 under this section and a credit under IC 36-7-14-39.5 in the same
 24 year.

25 (6) Pay expenses incurred by the authority for local public
 26 improvements or structures that are in the allocation area or
 27 serving or benefiting the allocation area.

28 (7) Reimburse public and private entities for expenses incurred in
 29 training employees of industrial facilities that are located:

30 (A) in the allocation area; and

31 (B) on a parcel of real property that has been classified as
 32 industrial property under the rules of the state board of tax
 33 commissioners.

34 However, the total amount of money spent for this purpose in any
 35 year may not exceed the total amount of money in the allocation
 36 fund that is attributable to property taxes paid by the industrial
 37 facilities described in clause (B). The reimbursements under this
 38 subdivision must be made within three (3) years after the date on
 39 which the investments that are the basis for the increment
 40 financing are made. The allocation fund may not be used for
 41 operating expenses of the authority.

42 (e) In addition to other methods of raising money for property
 43 acquisition, redevelopment, or economic development activities in or
 44 directly serving or benefitting an economic development area created
 45 by an authority under this section, and in anticipation of the taxes
 46 allocated under subsection (d), other revenues of the authority, or any

1 combination of these sources, the authority may, by resolution, issue
 2 the bonds of the special taxing district in the name of the unit. Bonds
 3 issued under this section may be issued in any amount without
 4 limitation. The following apply if such a resolution is adopted:

5 (1) The authority shall certify a copy of the resolution authorizing
 6 the bonds to the municipal or county fiscal officer, who shall then
 7 prepare the bonds. The seal of the unit must be impressed on the
 8 bonds, or a facsimile of the seal must be printed on the bonds.

9 (2) The bonds must be executed by the appropriate officer of the
 10 unit and attested by the unit's fiscal officer.

11 (3) The bonds are exempt from taxation for all purposes.

12 (4) Bonds issued under this section may be sold at public sale in
 13 accordance with IC 5-1-11 or at a negotiated sale.

14 (5) The bonds are not a corporate obligation of the unit but are an
 15 indebtedness of the taxing district. The bonds and interest are
 16 payable, as set forth in the bond resolution of the authority:

17 (A) from the tax proceeds allocated under subsection (d);

18 (B) from other revenues available to the authority; or

19 (C) from a combination of the methods stated in clauses (A)
 20 and (B).

21 (6) Proceeds from the sale of bonds may be used to pay the cost
 22 of interest on the bonds for a period not to exceed five (5) years
 23 from the date of issuance.

24 (7) Laws relating to the filing of petitions requesting the issuance
 25 of bonds and the right of taxpayers to remonstrate against the
 26 issuance of bonds do not apply to bonds issued under this section.

27 (8) If a debt service reserve is created from the proceeds of bonds,
 28 the debt service reserve may be used to pay principal and interest
 29 on the bonds as provided in the bond resolution.

30 (9) If bonds are issued under this chapter that are payable solely
 31 or in part from revenues to the authority from a project or
 32 projects, the authority may adopt a resolution or trust indenture or
 33 enter into covenants as is customary in the issuance of revenue
 34 bonds. The resolution or trust indenture may pledge or assign the
 35 revenues from the project or projects. The resolution or trust
 36 indenture may also contain any provisions for protecting and
 37 enforcing the rights and remedies of the bond owners as may be
 38 reasonable and proper and not in violation of law, including
 39 covenants setting forth the duties of the authority. The authority
 40 may establish fees and charges for the use of any project and
 41 covenant with the owners of any bonds to set those fees and
 42 charges at a rate sufficient to protect the interest of the owners of
 43 the bonds. Any revenue bonds issued by the authority that are
 44 payable solely from revenues of the authority shall contain a
 45 statement to that effect in the form of bond.

46 (f) Notwithstanding section 8(a) of this chapter, an ordinance

1 adopted under section 11(b) of this chapter may provide, or be
 2 amended to provide, that the board of directors of the authority shall be
 3 composed of not fewer than three (3) nor more than seven (7)
 4 members, who must be residents of the unit appointed by the executive
 5 of the unit.

6 (g) The acquisition of real and personal property by an authority
 7 under this section is not subject to the provisions of IC 5-22,
 8 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
 9 purchase of property by public bodies or their agencies.

10 (h) An authority may negotiate for the sale, lease, or other
 11 disposition of real and personal property without complying with the
 12 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other
 13 statute governing the disposition of public property.

14 (i) Notwithstanding any other law, utility services provided within
 15 an economic development area established under this section are
 16 subject to regulation by the appropriate regulatory agencies unless the
 17 utility service is provided by a utility that provides utility service solely
 18 within the geographic boundaries of an existing or a closed military
 19 installation, in which case the utility service is not subject to regulation
 20 for purposes of rate making, regulation, service delivery, or issuance of
 21 bonds or other forms of indebtedness. However, this exemption from
 22 regulation does not apply to utility service if the service is generated,
 23 treated, or produced outside the boundaries of the existing or closed
 24 military installation.

25 SECTION 80. IC 36-7-15.1-26.5 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 26.5. (a) As used
 27 in this section, "adverse determination" means a determination by the
 28 fiscal officer of the consolidated city that the granting of credits
 29 described in subsection (g) or (h) would impair any contract with or
 30 otherwise adversely affect the owners of outstanding bonds payable
 31 from the allocation area special fund.

32 (b) As used in this section, "allocation area" has the meaning set
 33 forth in section 26 of this chapter.

34 (c) As used in this section, "special fund" refers to the special fund
 35 into which property taxes are paid under section 26 of this chapter.

36 (d) As used in this section, "taxing district" has the meaning set
 37 forth in IC 6-1.1-1-20.

38 (e) Except as provided in subsections (g), (h), and (i), each taxpayer
 39 in an allocation area is entitled to an additional credit for property taxes
 40 that, under IC 6-1.1-22-9, are due and payable in May and November
 41 of that year. One-half (1/2) of the credit shall be applied to each
 42 installment of property taxes. This credit equals the amount determined
 43 under the following STEPS for each taxpayer in a taxing district that
 44 contains all or part of the allocation area:

45 STEP ONE: Determine that part of the sum of the amounts under
 46 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),

1 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
2 the taxing district.

3 STEP TWO: Divide:

4 (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of
5 each county's total county tax levy payable that year as
6 determined under IC 6-1.1-21-4 that is attributable to the
7 taxing district; by

8 (B) the STEP ONE sum.

9 STEP THREE: Multiply:

10 (A) the STEP TWO quotient; by

11 (B) the total amount of the taxpayer's property taxes levied in
12 the taxing district that would have been allocated to an
13 allocation fund under section 26 of this chapter had the
14 additional credit described in this section not been given.

15 The additional credit reduces the amount of proceeds allocated to the
16 redevelopment district and paid into the special fund.

17 (f) The credit for property tax replacement under IC 6-1.1-21-5 and
18 the additional credits under subsections (e), (g), (h), and (i), unless the
19 credits under subsections (g) and (h) are partial credits, shall be
20 computed on an aggregate basis for all taxpayers in a taxing district
21 that contains all or part of an allocation area. Except as provided in
22 subsections (h) and (i), the credit for property tax replacement under
23 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),
24 and (i) shall be combined on the tax statements sent to each taxpayer.

25 (g) This subsection applies to an allocation area if allocated taxes
26 from that area were pledged to bonds, leases, or other obligations of the
27 commission before May 8, 1989. A credit calculated using the method
28 provided in subsection (e) may be granted under this subsection. The
29 credit provided under this subsection is first applicable for the
30 allocation area for property taxes first due and payable in 1992. The
31 following apply to the determination of the credit provided under this
32 subsection:

33 (1) Before June 15 of each year, the fiscal officer of the
34 consolidated city shall determine and certify the following:

35 (A) All amounts due in the following year to the owners of
36 outstanding bonds payable from the allocation area special
37 fund.

38 (B) All amounts that are:

39 (i) required under contracts with bond holders; and

40 (ii) payable from the allocation area special fund to fund
41 accounts and reserves.

42 (C) An estimate of the amount of personal property taxes
43 available to be paid into the allocation area special fund under
44 section 26.9(c) of this chapter.

45 (D) An estimate of the aggregate amount of credits to be
46 granted if full credits are granted.

- 1 (2) Before June 15 of each year, the fiscal officer of the
2 consolidated city shall determine if the granting of the full amount
3 of credits in the following year would impair any contract with or
4 otherwise adversely affect the owners of outstanding bonds
5 payable from the allocation area special fund.
- 6 (3) If the fiscal officer of the consolidated city determines under
7 subdivision (2) that there would not be an impairment or adverse
8 effect:
- 9 (A) the fiscal officer of the consolidated city shall certify the
10 determination; and
- 11 (B) the full credits shall be applied in the following year,
12 subject to the determinations and certifications made under
13 section 26.7(b) of this chapter.
- 14 (4) If the fiscal officer of the consolidated city makes an adverse
15 determination under subdivision (2), the fiscal officer of the
16 consolidated city shall determine whether there is an amount of
17 partial credits that, if granted in the following year, would not
18 result in the impairment or adverse effect. If the fiscal officer
19 determines that there is an amount of partial credits that would
20 not result in the impairment or adverse effect, the fiscal officer
21 shall do the following:
- 22 (A) Determine the amount of the partial credits.
- 23 (B) Certify that determination.
- 24 (5) If the fiscal officer of the consolidated city certifies under
25 subdivision (4) that partial credits may be paid, the partial credits
26 shall be applied pro rata among all affected taxpayers in the
27 following year.
- 28 (6) An affected taxpayer may appeal any of the following to the
29 circuit or superior court of the county in which the allocation area
30 is located:
- 31 (A) A determination by the fiscal officer of the consolidated
32 city that:
- 33 (i) credits may not be paid in the following year; or
34 (ii) only partial credits may be paid in the following year.
- 35 (B) A failure by the fiscal officer of the consolidated city to
36 make a determination by June 15 of whether full or partial
37 credits are payable under this subsection.
- 38 (7) An appeal of a determination must be filed not later than thirty
39 (30) days after the publication of the determination.
- 40 (8) An appeal of a failure by the fiscal officer of the consolidated
41 city to make a determination of whether the credits are payable
42 under this subsection must be filed by July 15 of the year in which
43 the determination should have been made.
- 44 (9) All appeals under subdivision (6) shall be decided by the court
45 within sixty (60) days.
- 46 (h) This subsection applies to an allocation area if allocated taxes

1 from that area were pledged to bonds, leases, or other obligations of the
2 commission before May 8, 1989. A credit calculated using the method
3 in subsection (e) and in subdivision (2) of this subsection may be
4 granted under this subsection. The following apply to the credit granted
5 under this subsection:

6 (1) The credit is applicable to property taxes first due and payable
7 in 1991.

8 (2) For purposes of this subsection, the amount of a credit for
9 1990 taxes payable in 1991 with respect to an affected taxpayer
10 is equal to:

11 (A) the amount of the quotient determined under STEP TWO
12 of subsection (e); multiplied by

13 (B) the total amount of the property taxes payable by the
14 taxpayer that were allocated in 1991 to the allocation area
15 special fund under section 26 of this chapter.

16 (3) Before June 15, 1991, the fiscal officer of the consolidated
17 city shall determine and certify an estimate of the aggregate
18 amount of credits for 1990 taxes payable in 1991 if the full credits
19 are granted.

20 (4) The fiscal officer of the consolidated city shall determine
21 whether the granting of the full amounts of the credits for 1990
22 taxes payable in 1991 against 1991 taxes payable in 1992 and the
23 granting of credits under subsection (g) would impair any contract
24 with or otherwise adversely affect the owners of outstanding
25 bonds payable from the allocation area special fund for an
26 allocation area described in subsection (g).

27 (5) If the fiscal officer of the consolidated city determines that
28 there would not be an impairment or adverse effect under
29 subdivision (4):

30 (A) the fiscal officer shall certify that determination; and

31 (B) the full credits shall be applied against 1991 taxes payable
32 in 1992 or the amount of the credits shall be paid to the
33 taxpayers as provided in subdivision (12), subject to the
34 determinations and certifications made under section 26.7(b)
35 of this chapter.

36 (6) If the fiscal officer of the consolidated city makes an adverse
37 determination under subdivision (4), the fiscal officer shall
38 determine whether there is an amount of partial credits for 1990
39 taxes payable in 1991 that, if granted against 1991 taxes payable
40 in 1992 in addition to granting of the credits under subsection (g),
41 would not result in the impairment or adverse effect.

42 (7) If the fiscal officer of the consolidated city determines under
43 subdivision (6) that there is an amount of partial credits that
44 would not result in the impairment or adverse effect, the fiscal
45 officer shall determine the amount of partial credits and certify
46 that determination.

- 1 (8) If the fiscal officer of the consolidated city certifies under
 2 subdivision (7) that partial credits may be paid, the partial credits
 3 shall be applied pro rata among all affected taxpayers against
 4 1991 taxes payable in 1992.
- 5 (9) An affected taxpayer may appeal any of the following to the
 6 circuit or superior court of the county in which the allocation area
 7 is located:
- 8 (A) A determination by the fiscal officer of the consolidated
 9 city that:
- 10 (i) credits may not be paid for 1990 taxes payable in 1991;
 11 or
 12 (ii) only partial credits may be paid for 1990 taxes payable
 13 in 1991.
- 14 (B) A failure by the fiscal officer of the consolidated city to
 15 make a determination by June 15, 1991, of whether credits are
 16 payable under this subsection.
- 17 (10) An appeal of a determination must be filed not later than
 18 thirty (30) days after the publication of the determination. Any
 19 such appeal shall be decided by the court within sixty (60) days.
- 20 (11) An appeal of a failure by the fiscal officer of the consolidated
 21 city to make a determination of whether credits are payable under
 22 this subsection must be filed by July 15, 1991. Any such appeal
 23 shall be decided by the court within sixty (60) days.
- 24 (12) If 1991 taxes payable in 1992 with respect to a parcel are
 25 billed to the same taxpayer to which 1990 taxes payable in 1991
 26 were billed, the county treasurer shall apply to the tax bill for
 27 1991 taxes payable in 1992 both the credit provided under
 28 subsection (g) and the credit provided under this subsection,
 29 along with any credit determined to be applicable to the tax bill
 30 under subsection (i). In the alternative, at the election of the
 31 county auditor, the county may pay to the taxpayer the amount of
 32 the credit by May 10, 1992, and the amount shall be charged to
 33 the taxing units in which the allocation area is located in the
 34 proportion of the taxing units' respective tax rates for 1990 taxes
 35 payable in 1991.
- 36 (13) If 1991 taxes payable in 1992 with respect to a parcel are
 37 billed to a taxpayer other than the taxpayer to which 1990 taxes
 38 payable in 1991 were billed, the county treasurer shall do the
 39 following:
- 40 (A) Apply only the credits under subsections (g) and (i) to the
 41 tax bill for 1991 taxes payable in 1992.
- 42 (B) Give notice by June 30, 1991, by publication two (2) times
 43 in three (3) newspapers in the county with the largest
 44 circulation of the availability of a refund of the credit under
 45 this subsection.
- 46 A taxpayer entitled to a credit must file an application for refund

- 1 of the credit with the county auditor not later than November 30,
 2 1991.
- 3 (14) A taxpayer who files an application by November 30, 1991,
 4 is entitled to payment from the county treasurer in an amount that
 5 is in the same proportion to the credit provided under this
 6 subsection with respect to a parcel as the amount of 1990 taxes
 7 payable in 1991 paid by the taxpayer with respect to the parcel
 8 bears to the 1990 taxes payable in 1991 with respect to the parcel.
 9 This amount shall be paid to the taxpayer by May 10, 1992, and
 10 shall be charged to the taxing units in which the allocation area is
 11 located in the proportion of the taxing units' respective tax rates
 12 for 1990 taxes payable in 1991.
- 13 (i) This subsection applies to an allocation area if allocated taxes
 14 from that area were pledged to bonds, leases, or other obligations of the
 15 commission before May 8, 1989. The following apply to the credit
 16 granted under this subsection:
- 17 (1) A prior year credit is applicable to property taxes first due and
 18 payable in each year from 1987 through 1990 (the "prior years").
- 19 (2) The credit for each prior year is equal to:
- 20 (A) the amount of the quotient determined under STEP TWO
 21 of subsection (e) for the prior year; multiplied by
 22 (B) the total amount of the property taxes paid by the taxpayer
 23 that were allocated in the prior year to the allocation area
 24 special fund under section 26 of this chapter.
- 25 (3) Before January 31, 1992, the county auditor shall determine
 26 the amount of credits under subdivision (2) with respect to each
 27 parcel in the allocation area for all prior years with respect to
 28 which:
- 29 (A) taxes were billed to the same taxpayer for taxes payable in
 30 each year from 1987 through 1991; or
 31 (B) an application was filed by November 30, 1991, under
 32 subdivision (8) for refund of the credits for prior years.
- 33 A report of the determination by parcel shall be sent by the county
 34 auditor to the state board of tax commissioners and the budget
 35 agency within five (5) days of such determination.
- 36 (4) Before January 31, 1992, the county auditor shall determine
 37 the quotient of the amounts determined under subdivision (3) with
 38 respect to each parcel divided by six (6).
- 39 (5) Before January 31, 1992, the county auditor shall determine
 40 the quotient of the aggregate amounts determined under
 41 subdivision (3) with respect to all parcels divided by twelve (12).
- 42 (6) Except as provided in subdivisions (7) and (9), in each year in
 43 which credits from prior years remain unpaid, credits for the prior
 44 years in the amounts determined under subdivision (4) shall be
 45 applied as provided in this subsection.
- 46 (7) If taxes payable in the current year with respect to a parcel are

1 billed to the same taxpayer to which taxes payable in all of the
 2 prior years were billed and if the amount determined under
 3 subdivision (3) with respect to the parcel is at least five hundred
 4 dollars (\$500), the county treasurer shall apply the credits
 5 provided for the current year under subsections (g) and (h) and
 6 the credit in the amount determined under subdivision (4) to the
 7 tax bill for taxes payable in the current year. However, if the
 8 amount determined under subdivision (3) with respect to the
 9 parcel is less than five hundred dollars (\$500) (referred to in this
 10 subdivision as "small claims"), the county may, at the election of
 11 the county auditor, either apply a credit in the amount determined
 12 under subdivision (3) or subdivision (4) to the tax bill for taxes
 13 payable in the current year or pay either amount to the taxpayer.
 14 If title to a parcel transfers in a year in which a credit under this
 15 subsection is applied to the tax bill, the transferor may file an
 16 application with the county auditor within thirty (30) days of the
 17 date of the transfer of title to the parcel for payments to the
 18 transferor at the same times and in the same amounts that would
 19 have been allowed as credits to the transferor under this
 20 subsection if there had not been a transfer. If a determination is
 21 made by the county auditor to refund or credit small claims in the
 22 amounts determined under subdivision (3) in 1992, the county
 23 auditor may make appropriate adjustments to the credits applied
 24 with respect to other parcels so that the total refunds and credits
 25 in any year will not exceed the payments made from the state
 26 property tax replacement fund to the prior year credit fund
 27 referred to in subdivision (11) in that year.

28 (8) If taxes payable in the current year with respect to a parcel are
 29 billed to a taxpayer that is not a taxpayer to which taxes payable
 30 in all of the prior years were billed, the county treasurer shall do
 31 the following:

32 (A) Apply only the credits under subsections (g) and (h) to the
 33 tax bill for taxes payable in the current year.

34 (B) Give notice by June 30, 1991, by publication two (2) times
 35 in three (3) newspapers in the county with the largest
 36 circulation of the availability of a refund of the credit.

37 A taxpayer entitled to the credit must file an application for
 38 refund of the credit with the county auditor not later than
 39 November 30, 1991. A refund shall be paid to an eligible
 40 applicant by May 10, 1992.

41 (9) A taxpayer who filed an application by November 30, 1991,
 42 is entitled to payment from the county treasurer under subdivision
 43 (8) in an amount that is in the same proportion to the credit
 44 determined under subdivision (3) with respect to a parcel as the
 45 amount of taxes payable in the prior years paid by the taxpayer
 46 with respect to the parcel bears to the taxes payable in the prior

- 1 years with respect to the parcel.
- 2 (10) In each year on May 1 and November 1, the state shall pay
- 3 to the county treasurer from the state property tax replacement
- 4 fund the amount determined under subdivision (5).
- 5 (11) All payments received from the state under subdivision (10)
- 6 shall be deposited into a special fund to be known as the prior
- 7 year credit fund. The prior year credit fund shall be used to make:
- 8 (A) payments under subdivisions (7) and (9); and
- 9 (B) deposits into the special fund for the application of prior
- 10 year credits.
- 11 (12) All amounts paid into the special fund for the allocation area
- 12 under subdivision (11) are subject to any pledge of allocated
- 13 property tax proceeds made by the redevelopment district under
- 14 section 26(d) of this chapter, including but not limited to any
- 15 pledge made to owners of outstanding bonds of the
- 16 redevelopment district of allocated taxes from that area.
- 17 (13) By January 15, 1993, and by January 15 of each year
- 18 thereafter, the county auditor shall send to the state board of tax
- 19 commissioners and the budget agency a report of the receipts,
- 20 earnings, and disbursements of the prior year credit fund for the
- 21 prior calendar year. If in the final year that credits under **this**
- 22 subsection (~~†~~) are allowed any balance remains in the prior year
- 23 credit fund after the payment of all credits payable under this
- 24 subsection, such balance shall be repaid to the treasurer of state
- 25 for deposit in the property tax replacement fund.
- 26 (14) In each year, the county shall limit the total of all refunds and
- 27 credits provided for in this subsection to the total amount paid in
- 28 that year from the property tax replacement fund into the prior
- 29 year credit fund and any balance remaining from the preceding
- 30 year in the prior year credit fund.

31 SECTION 81. IC 36-7-30-25 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. (a) The
 33 following definitions apply throughout this section:

- 34 (1) "Allocation area" means that part of a military base reuse area
- 35 to which an allocation provision of a declaratory resolution
- 36 adopted under section 10 of this chapter refers for purposes of
- 37 distribution and allocation of property taxes.
- 38 (2) "Base assessed value" means:
- 39 (A) the net assessed value of all the property as finally
- 40 determined for the assessment date immediately preceding the
- 41 adoption date of the allocation provision of the declaratory
- 42 resolution, as adjusted under subsection (h); plus
- 43 (B) to the extent that it is not included in clause (A) or (C), the
- 44 net assessed value of any and all parcels or classes of parcels
- 45 identified as part of the base assessed value in the declaratory
- 46 resolution or an amendment thereto, as finally determined for

- 1 any subsequent assessment date; plus
 2 (C) to the extent that it is not included in clause (A) or (B), the
 3 net assessed value of property that is assessed as residential
 4 property under the rules of the state board of tax
 5 commissioners, as finally determined for any assessment date
 6 after the effective date of the allocation provision.
- 7 Clause (C) applies only to allocation areas established in a
 8 military reuse area after June 30, 1997, and to the portion of an
 9 allocation area that was established before June 30, 1997, and that
 10 is added to an existing allocation area after June 30, 1997.
- 11 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 12 property.
- 13 (b) A declaratory resolution adopted under section 10 of this chapter
 14 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 15 resolutions adopted under IC 36-7-14-15 may include a provision with
 16 respect to the allocation and distribution of property taxes for the
 17 purposes and in the manner provided in this section. A declaratory
 18 resolution previously adopted may include an allocation provision by
 19 the amendment of that declaratory resolution in accordance with the
 20 procedures set forth in section 13 of this chapter. The allocation
 21 provision may apply to all or part of the military base reuse area. The
 22 allocation provision must require that any property taxes subsequently
 23 levied by or for the benefit of any public body entitled to a distribution
 24 of property taxes on taxable property in the allocation area be allocated
 25 and distributed as follows:
- 26 (1) Except as otherwise provided in this section, the proceeds of
 27 the taxes attributable to the lesser of:
- 28 (A) the assessed value of the property for the assessment date
 29 with respect to which the allocation and distribution is made;
 30 or
 31 (B) the base assessed value;
- 32 shall be allocated to and, when collected, paid into the funds of
 33 the respective taxing units.
- 34 (2) Except as otherwise provided in this section, property tax
 35 proceeds in excess of those described in subdivision (1) shall be
 36 allocated to the military base reuse district and, when collected,
 37 paid into an allocation fund for that allocation area that may be
 38 used by the military base reuse district and only to do one (1) or
 39 more of the following:
- 40 (A) Pay the principal of and interest and redemption premium
 41 on any obligations incurred by the military base reuse district
 42 or any other entity for the purpose of financing or refinancing
 43 military base reuse activities in or directly serving or
 44 benefiting that allocation area.
- 45 (B) Establish, augment, or restore the debt service reserve for
 46 bonds payable solely or in part from allocated tax proceeds in

- 1 that allocation area or from other revenues of the reuse
 2 authority, including lease rental revenues.
- 3 (C) Make payments on leases payable solely or in part from
 4 allocated tax proceeds in that allocation area.
- 5 (D) Reimburse any other governmental body for expenditures
 6 made for local public improvements (or structures) in or
 7 directly serving or benefiting that allocation area.
- 8 (E) Pay all or a part of a property tax replacement credit to
 9 taxpayers in an allocation area as determined by the reuse
 10 authority. This credit equals the amount determined under the
 11 following STEPS for each taxpayer in a taxing district (as
 12 defined in IC 6-1.1-1-20) that contains all or part of the
 13 allocation area:
- 14 STEP ONE: Determine that part of the sum of the amounts
 15 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 16 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 17 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
- 18 STEP TWO: Divide:
- 19 (i) that part of the ~~twenty~~ **thirty-five** percent (~~20%~~) **(35%)**
 20 of each county's total county tax levy payable that year as
 21 determined under IC 6-1.1-21-4 that is attributable to the
 22 taxing district; by
- 23 (ii) the STEP ONE sum.
- 24 STEP THREE: Multiply:
- 25 (i) the STEP TWO quotient; times
- 26 (ii) the total amount of the taxpayer's property taxes levied
 27 in the taxing district that have been allocated during that
 28 year to an allocation fund under this section.
- 29 If not all the taxpayers in an allocation area receive the credit
 30 in full, each taxpayer in the allocation area is entitled to
 31 receive the same proportion of the credit. A taxpayer may not
 32 receive a credit under this section and a credit under section
 33 27 of this chapter in the same year.
- 34 (F) Pay expenses incurred by the reuse authority for local
 35 public improvements or structures that were in the allocation
 36 area or directly serving or benefiting the allocation area.
- 37 (G) Reimburse public and private entities for expenses
 38 incurred in training employees of industrial facilities that are
 39 located:
- 40 (i) in the allocation area; and
- 41 (ii) on a parcel of real property that has been classified as
 42 industrial property under the rules of the state board of tax
 43 commissioners.
- 44 However, the total amount of money spent for this purpose in
 45 any year may not exceed the total amount of money in the
 46 allocation fund that is attributable to property taxes paid by the

1 industrial facilities described in this clause. The
2 reimbursements under this clause must be made not more than
3 three (3) years after the date on which the investments that are
4 the basis for the increment financing are made.

5 The allocation fund may not be used for operating expenses of the
6 reuse authority.

7 (3) Except as provided in subsection (g), before July 15 of each
8 year the reuse authority shall do the following:

9 (A) Determine the amount, if any, by which property taxes
10 payable to the allocation fund in the following year will exceed
11 the amount of property taxes necessary to make, when due,
12 principal and interest payments on bonds described in
13 subdivision (2) plus the amount necessary for other purposes
14 described in subdivision (2).

15 (B) Notify the county auditor of the amount, if any, of the
16 amount of excess property taxes that the reuse authority has
17 determined may be paid to the respective taxing units in the
18 manner prescribed in subdivision (1). The reuse authority may
19 not authorize a payment to the respective taxing units under
20 this subdivision if to do so would endanger the interest of the
21 holders of bonds described in subdivision (2) or lessors under
22 section 19 of this chapter. Property taxes received by a taxing
23 unit under this subdivision are eligible for the property tax
24 replacement credit provided under IC 6-1.1-21.

25 (c) For the purpose of allocating taxes levied by or for any taxing
26 unit or units, the assessed value of taxable property in a territory in the
27 allocation area that is annexed by a taxing unit after the effective date
28 of the allocation provision of the declaratory resolution is the lesser of:

- 29 (1) the assessed value of the property for the assessment date with
30 respect to which the allocation and distribution is made; or
31 (2) the base assessed value.

32 (d) Property tax proceeds allocable to the military base reuse district
33 under subsection (b)(2) may, subject to subsection (b)(3), be
34 irrevocably pledged by the military base reuse district for payment as
35 set forth in subsection (b)(2).

36 (e) Notwithstanding any other law, each assessor shall, upon
37 petition of the reuse authority, reassess the taxable property situated
38 upon or in or added to the allocation area, effective on the next
39 assessment date after the petition.

40 (f) Notwithstanding any other law, the assessed value of all taxable
41 property in the allocation area, for purposes of tax limitation, property
42 tax replacement, and the making of the budget, tax rate, and tax levy
43 for each political subdivision in which the property is located is the
44 lesser of:

- 45 (1) the assessed value of the property as valued without regard to
46 this section; or

1 (2) the base assessed value.

2 (g) If any part of the allocation area is located in an enterprise zone
 3 created under IC 4-4-6.1, the unit that designated the allocation area
 4 shall create funds as specified in this subsection. A unit that has
 5 obligations, bonds, or leases payable from allocated tax proceeds under
 6 subsection (b)(2) shall establish an allocation fund for the purposes
 7 specified in subsection (b)(2) and a special zone fund. Such a unit
 8 shall, until the end of the enterprise zone phase out period, deposit each
 9 year in the special zone fund any amount in the allocation fund derived
 10 from property tax proceeds in excess of those described in subsection
 11 (b)(1) from property located in the enterprise zone that exceeds the
 12 amount sufficient for the purposes specified in subsection (b)(2) for the
 13 year. The amount sufficient for purposes specified in subsection (b)(2)
 14 for the year shall be determined based on the pro rata part of such
 15 current property tax proceeds from the part of the enterprise zone that
 16 is within the allocation area as compared to all such current property
 17 tax proceeds derived from the allocation area. A unit that does not have
 18 obligations, bonds, or leases payable from allocated tax proceeds under
 19 subsection (b)(2) shall establish a special zone fund and deposit all the
 20 property tax proceeds in excess of those described in subsection (b)(1)
 21 that are derived from property in the enterprise zone in the fund. The
 22 unit that creates the special zone fund shall use the fund (based on the
 23 recommendations of the urban enterprise association) for programs in
 24 job training, job enrichment, and basic skill development that are
 25 designed to benefit residents and employers in the enterprise zone or
 26 other purposes specified in subsection (b)(2), except that where
 27 reference is made in subsection (b)(2) to allocation area it shall refer
 28 for purposes of payments from the special zone fund only to that
 29 portion of the allocation area that is also located in the enterprise zone.
 30 The programs shall reserve at least one-half (1/2) of their enrollment
 31 in any session for residents of the enterprise zone.

32 (h) After each general reassessment under IC 6-1.1-4, the state
 33 board of tax commissioners shall adjust the base assessed value one (1)
 34 time to neutralize any effect of the general reassessment on the
 35 property tax proceeds allocated to the military base reuse district under
 36 this section. However, the adjustment may not include the effect of
 37 property tax abatements under IC 6-1.1-12.1, and the adjustment may
 38 not produce less property tax proceeds allocable to the military base
 39 reuse district under subsection (b)(2) than would otherwise have been
 40 received if the general reassessment had not occurred. The state board
 41 of tax commissioners may prescribe procedures for county and
 42 township officials to follow to assist the state board in making the
 43 adjustments.

44 SECTION 82. IC 36-7-30-27 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 27. (a) As used
 46 in this section, "allocation area" has the meaning set forth in section 25

1 of this chapter.

2 (b) As used in this section, "taxing district" has the meaning set
3 forth in IC 6-1.1-1-20.

4 (c) Subject to subsection (e), each taxpayer in an allocation area is
5 entitled to an additional credit for property taxes that under
6 IC 6-1.1-22-9 are due and payable in May and November of that year.
7 One-half (1/2) of the credit shall be applied to each installment of
8 property taxes. This credit equals the amount determined under the
9 following STEPS for each taxpayer in a taxing district that contains all
10 or part of the allocation area:

11 STEP ONE: Determine that part of the sum of the amounts under
12 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
13 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the
14 taxing district.

15 STEP TWO: Divide:

16 (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of
17 each county's total county tax levy payable that year as
18 determined under IC 6-1.1-21-4 that is attributable to the
19 taxing district; by

20 (B) the STEP ONE sum.

21 STEP THREE: Multiply:

22 (A) the STEP TWO quotient; times

23 (B) the total amount of the taxpayer's property taxes levied in
24 the taxing district that would have been allocated to an
25 allocation fund under section 25 of this chapter had the
26 additional credit described in this section not been given.

27 The additional credit reduces the amount of proceeds allocated to the
28 military base reuse district and paid into an allocation fund under
29 section 25(b)(2) of this chapter.

30 (d) If the additional credit under subsection (c) is not reduced under
31 subsection (e) or (f), the credit for property tax replacement under
32 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
33 computed on an aggregate basis for all taxpayers in a taxing district
34 that contains all or part of an allocation area. The credit for property tax
35 replacement under IC 6-1.1-21-5 and the additional credit under
36 subsection (c) shall be combined on the tax statements sent to each
37 taxpayer.

38 (e) Upon the recommendation of the reuse authority, the municipal
39 legislative body (in the case of a reuse authority established by a
40 municipality) or the county executive (in the case of a reuse authority
41 established by a county) may by resolution provide that the additional
42 credit described in subsection (c):

43 (1) does not apply in a specified allocation area; or

44 (2) is to be reduced by a uniform percentage for all taxpayers in
45 a specified allocation area.

46 (f) If the municipal legislative body or county executive determines

1 that granting the full additional credit under subsection (c) would
 2 adversely affect the interests of the holders of bonds or other
 3 contractual obligations that are payable from allocated tax proceeds in
 4 that allocation area in a way that would create a reasonable expectation
 5 that those bonds or other contractual obligations would not be paid
 6 when due, the municipal legislative body or county executive must
 7 adopt a resolution under subsection (e) to deny the additional credit or
 8 reduce the credit to a level that creates a reasonable expectation that
 9 the bonds or other obligations will be paid when due. A resolution
 10 adopted under subsection (e) denies or reduces the additional credit for
 11 property taxes first due and payable in the allocation area in any year
 12 following the year in which the resolution is adopted.

13 (g) A resolution adopted under subsection (e) remains in effect until
 14 rescinded by the body that originally adopted the resolution. However,
 15 a resolution may not be rescinded if the rescission would adversely
 16 affect the interests of the holders of bonds or other obligations that are
 17 payable from allocated tax proceeds in that allocation area in a way that
 18 would create a reasonable expectation that the principal of or interest
 19 on the bonds or other obligations would not be paid when due. If a
 20 resolution is rescinded and no other resolution is adopted, the
 21 additional credit described in subsection (c) applies to property taxes
 22 first due and payable in the allocation area in each year following the
 23 year in which the resolution is rescinded.

24 SECTION 83. THE FOLLOWING ARE REPEALED [EFFECTIVE
 25 JANUARY 1, 2001]: IC 6-1.1-18.6; IC 12-13-8; IC 12-13-9-1;
 26 IC 12-13-9-3; IC 12-16-14; IC 12-16-15; IC 12-19-5; IC 12-19-7-4;
 27 IC 12-19-7-5; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-16;
 28 IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20;
 29 IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24;
 30 IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28;
 31 IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32;
 32 IC 12-19-7-33; IC 12-24-13-6; IC 16-35-3; IC 16-35-4;
 33 IC 31-34-24-13; IC 31-37-24-13.

34 SECTION 84. [EFFECTIVE JANUARY 1, 2003] **IC 6-1.1-21-3,**
 35 **IC 6-1.1-21-4, IC 6-1.1-21-5, IC 6-1.1-39-6, IC 36-7-14-39,**
 36 **IC 36-7-14-39.5, IC 36-7-14.5-12.5, IC 36-7-15.1-26.5,**
 37 **IC 36-7-30-25, and IC 36-7-30-27, all as amended by this act, apply**
 38 **only to property taxes first due and payable after December 31,**
 39 **2002.**

40 SECTION 85. [EFFECTIVE JULY 1, 2000] **IC 6-1.1-20.9-2, as**
 41 **amended by this act, applies to property taxes first due and**
 42 **payable after December 31, 2000.**

43 SECTION 86. [EFFECTIVE JANUARY 1, 2000
 44 (RETROACTIVE)] **IC 6-3.1-20, as added by this act, applies only to**
 45 **taxable years that begin after December 31, 1999.**

46 SECTION 87. [EFFECTIVE JANUARY 1, 2001] **(a) As used in**

1 this SECTION, "county office property tax levies" means the
2 property tax levies under or for any of the following:

- 3 (1) IC 12-13-8 (county medical assistance to wards fund).
- 4 (2) IC 12-16-14 (county hospital care for the indigent fund).
- 5 (3) IC 12-19-7 (county family and children's fund).
- 6 (4) IC 16-35-3 (children with special health care needs county
7 fund and tax levy).

8 (b) Notwithstanding any other law, after December 31, 2000, the
9 state shall fund one hundred percent (100%) of the programs,
10 services, and activities paid from county office property tax levies
11 before January 1, 2001.

12 (c) Notwithstanding any other law, after December 31, 2000, a
13 county may not impose a county office property tax levy. The
14 maximum permissible levy for any fund:

- 15 (1) that is not terminated after December 31, 2000; and
- 16 (2) for which a county office property tax levy was imposed
17 before January 1, 2001;

18 shall be reduced to eliminate the part of the maximum levy related
19 to a county office property tax levy before January 1, 2001.

20 SECTION 88. [EFFECTIVE JULY 1, 2000] (a) As used in this
21 SECTION, "county office property tax levies" means the property
22 tax levies under or for any of the following:

- 23 (1) IC 12-13-8 (county medical assistance to wards fund).
- 24 (2) IC 12-16-14 (county hospital care for the indigent fund).
- 25 (3) IC 12-19-7 (county family and children's fund).
- 26 (4) IC 16-35-3 (children with special health care needs county
27 fund and tax levy).

28 (b) As used in this SECTION, "miscellaneous revenue" means
29 tax revenue that is distributed under:

- 30 (1) the bank tax (IC 6-5-10);
- 31 (2) the savings and loan association tax (IC 6-5-11);
- 32 (3) the production credit association tax (IC 6-5-12);
- 33 (4) the financial institutions tax (IC 6-5.5); or
- 34 (5) any other statute providing for a distribution of revenue;

35 to a political subdivision based in any part on the ad valorem
36 property tax levy imposed by the political subdivision.

37 (c) For calendar year 2001 and any other year that in any part
38 conditions a distribution of miscellaneous revenue on the county
39 property tax levies first due and payable in calendar year 2000 or
40 a previous year, the distribution must be made based on the
41 adjusted property tax levy determined under this SECTION.

42 (d) The state board of tax commissioners shall determine an
43 adjusted property tax levy for each year on which a distribution
44 described in subsection (c) is based. The adjusted property tax levy
45 must exclude the county office property tax levies imposed in that
46 year.

47 (e) Before January 1, 2001, the state board of tax commissioners

1 shall certify the adjusted levy determined under subsection (d) to
2 the auditor of state, each county auditor, and the department of
3 state revenue.

4 (f) For purposes of property tax levies first due and payable
5 after December 31, 2000, the state board of tax commissioners shall
6 adjust property tax levies of a political subdivision to eliminate that
7 part of a property tax levy that was imposed before January 1,
8 2001, to make a transfer described in IC 12-15-18-5.1.

9 (g) The unallotted balance on December 31, 2000, of any county
10 office property tax levies in a fund other than the county family
11 and children's fund or the state general fund shall, on January 1,
12 2001, be transferred to the state general fund to carry out the
13 programs for which the money was levied. The unallotted balance
14 on December 31, 2000, of each county welfare trust clearance fund
15 shall be transferred on January 1, 2001, to an account in the state
16 general fund. However, by agreement between a county executive
17 and the division of family and children, a county may retain a
18 balance of county office property tax levies after December 31,
19 2000, in a fund to pay obligations incurred but not allotted for
20 payment before January 1, 2001. The amount that shall be retained
21 and the time that balances shall be retained shall be governed by
22 the agreement. Money transferred to the state under this
23 subsection shall be treated as money from state revenues.

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

28 (i) This SECTION expires December 31, 2002.

29 SECTION 89. An emergency is declared for this act.

30 Renumber all SECTIONS consecutively.

(Reference is to HB 1006 as printed January 18, 2000.)

Representative Espich