SENATE BILL No. 219

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-30-17-3.5; IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 12; IC 31; IC 36-2-6-3.

Synopsis: Welfare funding. Eliminates the authority of a county to impose a property tax levy for the county family and children's fund, beginning in 2004. Transfers responsibility for funding children's services from the county family and children's funds to the state. Eliminates the authority of a county to borrow for welfare purposes. Provides that, beginning in 2000, the auditor of state shall annually transfer $50,000,000 from the lottery and gaming surplus account to the state welfare replacement fund for purposes of funding children's services. Provides that any additional necessary funding is appropriated from the state general fund. Makes certain conforming amendments.

Effective: July 1, 2000; July 1, 2003; January 1, 2004.

Simpson

January 10, 2000, read first time and referred to Committee on Finance.

C o p y

Introduced

Second Regular Session 111th General Assembly (2000)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

C o p y

SENATE BILL No. 219

A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

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

SECTION 1. IC 4-30-17-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3.5. (a) Two (2) segregated accounts shall be established within the build Indiana fund as follows:

(1) The state and local capital projects account.

(2) The lottery and gaming surplus account.

(b) Upon receiving surplus lottery revenue distributions from the state lottery commission and surplus gaming revenue distributions from the state gaming commission, the treasurer of state shall credit the surplus lottery revenue and surplus gaming revenue to the lottery and gaming surplus account. All money remaining in the lottery and gaming surplus account after the ~~transfer~~ **transfers** required by ~~subsection~~ **subsections** (c) **and (e)** shall be transferred to the state and local capital projects account.

(c) Before the twenty-fifth day of the month, the auditor of state shall transfer from the lottery and gaming surplus account to the state general fund motor vehicle excise tax replacement account an amount

equal to the following:

(1) In calendar year 1996, eleven million six hundred twenty-five thousand dollars ($11,625,000) per month.

(2) In calendar year 1997, twelve million nine hundred twenty-five thousand twenty dollars ($12,925,020) per month.

(3) In calendar year 1998, fifteen million ten thousand dollars ($15,010,000) per month.

(4) In calendar year 1999, seventeen million one hundred ninety-two thousand dollars ($17, 192,000) per month.

(5) In calendar year 2000 nineteen million four hundred thirty-five thousand two hundred ten dollars ($19,435,210) per month.

(6) In calendar year 2001 and each year thereafter, nineteen million six hundred eighty-four thousand three hundred seventy dollars ($19,684,370) per month.

(d) This subsection applies only if insufficient money is available in the lottery and gaming surplus account of the build Indiana fund to make the distributions to the state general fund motor vehicle excise tax replacement account that are required under subsection (c). Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the difference between:

(1) the amount that subsection (c) requires the auditor of state to distribute from the lottery and gaming surplus account of the build Indiana fund to the state general fund motor vehicle excise tax replacement account; and

(2) the amount that is available for distribution from the lottery and gaming surplus account in the build Indiana fund to the state general fund motor vehicle excise tax replacement account.

The transfers required under this subsection are annually appropriated from the state general fund.

(e) Before the end of each state fiscal year, the auditor of state shall transfer fifty million dollars ($50,000,000) from the lottery and gaming surplus account to the state welfare replacement fund.

SECTION 2. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

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

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

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

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

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

(3) To pay the principal or interest upon:

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

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

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

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

~~(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).~~

~~(7)~~ **(6)** To meet the requirements of the county hospital care for the indigent fund.

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

SECTION 3. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.273-1999, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under: ~~any of the following:~~

(1) IC 12-16, except IC 12-16-1; **or**

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~~(2) IC 12-19-5.~~
~~(3) IC 12-19-7.~~
~~(4)~~ **(2)** IC 12-20-24.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 4. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. As used in this chapter:

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

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

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

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

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

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

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

(1) the remainder of:

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

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

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after

C o p y

December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; ~~plus~~

~~(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county);~~ minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of ~~IC 12-1-11.5 (repealed),~~ IC 12-2-4.5 (repealed), IC 12-19-5 **(before its repeal),** or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 **(repealed)** or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

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(i) IC 21-2-15 for a capital projects fund; plus
(ii) IC 6-1.1-19-10 for a racial balance fund; plus
(iii) IC 20-14-13 for a library capital projects fund; plus
(iv) IC 20-5-17.5-3 for an art association fund; plus
(v) IC 21-2-17 for a special education preschool fund; plus
(vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
(vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a) STEP ONE or~~ any ~~other~~ law; minus

(I) for each township in the county, the lesser of:
(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or
(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; ~~minus~~

~~(K) for each county, the sum of:~~
~~(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995; or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and~~

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~~(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995;~~ plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

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

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

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

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

SECTION 5. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, ~~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, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

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

C o p y

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

SECTION 6. IC 6-3.5-1.1-15, AS AMENDED BY P.L.273-1999, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

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

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

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

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

(5) in the case of a county, an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.

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

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the

C o p y

attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of his county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 7. IC 6-3.5-6-17.6, AS AMENDED BY P.L.273-1999, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

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

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

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

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

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

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

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

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for**

C o p y

the county's family and children's fund; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.**

SECTION 8. IC 6-3.5-6-18, AS AMENDED BY P.L.273-1999, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

(5) make payments permitted under subsection ~~(f);~~ **(i);** and

(6) make distributions of distributive shares to the civil taxing units of a county.

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

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

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

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

C o p y

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.** The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.**

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

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

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The state board of tax commissioners shall make any

C o p y

adjustments required by this subsection and provide them to the appropriate county auditors.

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

SECTION 9. IC 6-3.5-6-18.5, AS AMENDED BY P.L.273-1999, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

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

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

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

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

Center Township	$1,898,145
Decatur Township	$164,103
Franklin Township	$173,934
Lawrence Township	$890,086
Perry Township	$854,544

C o p y

Pike Township	$1,410,375
Warren Township	$1,027,721
Washington Township	$1,017,890
Wayne Township	$988,397
Lawrence-City	$648,848
Beech Grove	$639,017
Southport	$18,906
Speedway	$546,000

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

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

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2003 for the county's family and children's fund;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2003 for the county's family and children's fund.**

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

C o p y

(1).

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

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

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

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2003 for the county's family and children's fund;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **plus the property taxes imposed by the county in 2003 for the county's family and children's fund.**

SECTION 10. IC 6-3.5-7-12, AS AMENDED BY P.L.124-1999, SECTION 1, AND AS AMENDED BY P.L.273-1999, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 12. (a) The county auditor shall distribute in the manner specified in this section the certified distribution to the county.

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

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

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

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

(B) For a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2003 for the county's family and children's fund.**

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

(1) The ordinance is effective January 1 of the following year.

(2) The amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

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

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

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

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

(1) The county.

C o p y

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

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

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

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the state board of tax commissioners shall consider only property taxes imposed on tangible property subject to assessment in that county.

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

SECTION 11. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year. For purposes of determining distributions under subsection (b), the state board of tax commissioners shall determine a state welfare allocation for each county calculated as follows:

(1) For ~~2000~~ **2004** and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund, ~~and~~ county welfare administration fund, **and county family and children's fund;** divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

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STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (b) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(b) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4 **plus property taxes that were calculated for the county's family and children's fund for 2004 but were not imposed because of the repeal of the authority to levy a property tax under IC 12-19-7;** and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(c) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference

C o p y

between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (b)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13.

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(d) Except as provided in subsection (f), the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (c), STEP FOUR.

(e) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the

C o p y

semiannual distribution of real property taxes to the taxing units.

(f) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (d) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

~~(I)~~ **(i)** Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund, ~~and~~ county welfare administration fund, **and county family and children's fund,** divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item ~~(I)~~ **(i)** by three (3).

SECTION 12. IC 12-13-5-5, AS AMENDED BY P.L.273-1999, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the county welfare fund (before July 1, 2001), the family and children's fund **(before July 1, 2005),** and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division.

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

SECTION 13. IC 12-17-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) This section does not apply to a county department's:

(1) administrative expenses; or

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

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

SECTION 14. IC 12-19-1-21, AS ADDED BY P.L.273-1999, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: 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, 2003, a county may not impose a property tax levy for the county's family and children's fund.

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SECTION 15. IC 12-19-1-22, AS ADDED BY P.L.273-1999, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: 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, 2004, that are payable from property taxes imposed under IC 12-19-7-3 (before its amendment to eliminate the authority to impose a property tax levy);

~~(1)~~ 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 16. IC 12-19-1-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 23. (a) The division may establish a children's services incentive program to provide incentives for county offices to improve children's services and contain costs relating to expenditures from the family and children's fund under IC 12-19-7.**

(b) Any financial incentives under the program are subject to amounts appropriated to the division for the program.

(c) Any financial incentives provided to a county office under this section shall be appropriated, with the approval of the director, for the county's early intervention plan in accordance with IC 31-34-24 and IC 31-37-24.

(d) The division shall adopt rules under IC 4-22-2 to carry out this section.

SECTION 17. IC 12-19-1.5-6, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. As used in this chapter, "replacement amount" means the sum of:

(1) the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in 1999

C o p y

for:

~~(1)~~ **(A)** the county welfare fund; and

~~(2)~~ **(B)** the county welfare administration fund; **and**

(2) the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in 2003 for the county family and children's fund.

SECTION 18. IC 12-19-1.5-8, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) This chapter applies to an allocation area:

(1) in which:

~~(1)~~ **(A)** the holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

~~(2)~~ **(B)** the elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in ~~subdivision (1).~~ **clause (A); or**

(2) in which:

(A) the holders of obligations received a pledge before July 1, 2003, of tax increment revenues to repay any part of the obligations due after December 31, 2003; and

(B) the elimination of a county family and children's fund property tax levy adversely affects the ability of the governing body to repay the obligations described in clause (A).

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

SECTION 19. IC 12-19-1.5-9, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay:

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

(2) a bond or an obligation described in section 8(a)(2) of this chapter that comes due after December 31, 2003.

The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the

C o p y

taxpayer's property in the allocation area.

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

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is

C o p y

final and conclusive, unless an appeal is taken as in other civil actions.

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

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

SECTION 20. IC 12-19-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) A family and children's fund is established in each county. ~~The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:~~

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

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

(b) ~~The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.~~ **Notwithstanding any other law, after December 31, 2003, a county may not impose a property tax levy for the family and children's fund.**

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

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

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

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

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

SECTION 21. IC 12-19-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 6. (a) **The judges of the courts with juvenile jurisdiction in the county shall annually compile and submit a proposed budget for children served by the probation department of the county. The judges shall submit the proposed budget to the county director on forms prescribed by the division, not later than March 1 of each year, for the next state fiscal year.**

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

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

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

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

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

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

SECTION 22. IC 12-19-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 7. ~~(a) The county director shall, with the assistance of the judges of courts with juvenile jurisdiction in the county and at the same time the budget is compiled and adopted, recommend to the division the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 6 of this chapter. However, the tax levy may not exceed the maximum permissible levy set forth in IC 6-1.1-18.6 and the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

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

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

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year. ~~and~~

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

The budget submitted under this section is not subject to IC 6-1.1-17 and IC 6-1.1-18.

SECTION 23. IC 12-19-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 8. **(a)** The division may do **any of** the following after examining a budget submitted by the county ~~office.~~ **director:**

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

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

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

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

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

SECTION 24. IC 12-19-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11. ~~In September of each year, at the time provided by law,~~ **(a)** The county fiscal body shall ~~do the following:~~

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

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

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

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

(b) The division shall make advances to the county family and children's fund to ensure that the amounts deposited in the county family and children's fund are adequate to meet the expenses that are to be paid from the fund. Amounts necessary to make the advances under this subsection are appropriated from the state welfare replacement fund and, as needed, from the state general fund.

(c) The provisions of IC 6-1.1-18 concerning appropriations do

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not apply to appropriations of money from a county family and children's fund.

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

SECTION 25. IC 12-19-7-11.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11.1. (a) The judges of the courts with juvenile jurisdiction in the county and the county director shall meet with the ~~county fiscal body~~ **county's child protection team established under IC 31-33-3** at a public meeting

~~(1) in April; and~~

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

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

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

(1) Expenditures made

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

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

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

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

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

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~~calendar~~ years **preceding the current state fiscal year.**

(5) The number of children, by category, for whom the family and children's fund was required to provide funds for services for children residing with the child's parent, guardian or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the ~~immediately preceding calendar quarter,~~ **current state fiscal year,** in comparison to ~~the corresponding calendar quarter for~~ each of the two (2) ~~preceding calendar~~ years **preceding the current state 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 26. IC 12-19-7-11.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 11.3. (a) The state welfare replacement fund is established for the purposes of paying the costs of children's services incurred under this chapter. The fund shall be administered by the budget agency. The expenses of administering the fund shall be paid from money in the fund.**

(b) The treasurer of state shall invest the money in the fund that is not needed to meet the obligations of the fund in the same manner as other public funds are invested. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(c) The money in the fund is appropriated for purposes of paying the costs of children's services incurred under this chapter.

SECTION 27. IC 12-19-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: 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

C o p y

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) what actions have been taken by the county office to avoid the exhaustion of the fund.

SECTION 28. IC 12-19-7-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 21.5. Notwithstanding any other law, after December 31, 2003, 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, 2004.**

SECTION 29. IC 31-34-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) Before March 1, 1998, each county shall establish a team to develop a plan as described in this chapter.

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

(1) Two (2) members appointed by the judge or judges of the juvenile court, one (1) of whom is a representative of the probation department.

(2) Two (2) members appointed by the director of the county office as follows:

(A) One (1) is a member of the child welfare staff of the county office.

(B) One (1) is either:

(i) an interested resident of the county; or

(ii) a representative of a social service agency;

who knows of child welfare needs and services available to residents of the county.

(3) One (1) member appointed by the superintendent of the largest school corporation in the county.

C o p y

(4) If:

(A) two (2) school corporations are located within the county, one (1) member appointed by the superintendent of the second largest school corporation in the county; or

(B) more than two (2) school corporations are located within the county, one (1) member appointed by the county fiscal body as a representative of school corporations other than the largest school corporation in the county.

~~(5) One (1) member appointed by the county fiscal body.~~

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

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

SECTION 30. IC 31-34-24-11, AS AMENDED BY P.L.273-1999, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11. The ~~director or the~~ state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and the ~~county fiscal body~~ **director** any comments, including recommendations for modification of the plan, that the ~~director or the~~ state superintendent of public instruction considers appropriate.

SECTION 31. IC 31-34-24-12, AS AMENDED BY P.L.273-1999, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 12. Not later than sixty (60) days after receiving the plan, the ~~county fiscal body~~ **director** shall do one (1) of the following:

(1) Approve the plan as submitted by the team.

~~(2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body.~~

~~(3)~~ **(2)** Return the plan to the team with directions concerning:

(A) subjects for further study and reconsideration; and

(B) resubmission of a revised plan.

SECTION 32. IC 31-34-24-14, AS AMENDED BY P.L.273-1999, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 14. (a) The team shall meet at

C o p y

least one (1) time each year to do the following:

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

(A) the manner in which prevention and early intervention services will be provided or improved;

(B) how local collaboration will improve children's services; and

(C) how different funds can be used to serve children and families more effectively.

(2) Reorganize as needed and select its vice chairperson for the ensuing year.

(3) Review the implementation of the plan and prepare revisions, additions, or updates of the plan that the team considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.

(4) Prepare and submit to the ~~county fiscal body~~ **director and the state superintendent of public instruction** a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

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

SECTION 33. IC 31-34-24-15, AS AMENDED BY P.L.273-1999, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 15. The team ~~or the county fiscal body~~ shall transmit copies of the plan, each annual report, and each revised plan to the following:

(1) The director.

(2) The state superintendent of public instruction.

(3) The county office.

(4) The juvenile court.

(5) The superintendent of each public school corporation in the county.

(6) The local step ahead council.

(7) Any public or private agency that:

(A) provides services to families and children in the county that requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 34. IC 31-34-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 16. The team ~~or~~

C o p y

~~the county fiscal body~~ shall publicize to residents of the county the existence and availability of the plan.

SECTION 35. IC 31-37-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) Before March 1, 1998, each county shall establish a team to develop a plan as described in this chapter.

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

(1) Two (2) members appointed by the judge or judges of the juvenile court, one (1) of whom is a representative of the probation department.

(2) Two (2) members appointed by the director of the county office as follows:

(A) One (1) is a member of the child welfare staff of the county office.

(B) One (1) is either:

(i) an interested resident of the county; or

(ii) a representative of a social service agency;

who knows of child welfare needs and services available to residents of the county.

(3) One (1) member appointed by the superintendent of the largest school corporation in the county.

(4) If:

(A) two (2) school corporations are located within the county, one (1) member appointed by the superintendent of the second largest school corporation in the county; or

(B) more than two (2) school corporations are located within the county, one (1) member appointed by the county fiscal body as a representative of school corporations other than the largest school corporation in the county.

~~(5) One (1) member appointed by the county fiscal body.~~

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

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

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SECTION 36. IC 31-37-24-5, AS AMENDED BY P.L.273-1999, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 5. If a county has in existence a committee, council, or other organized group that includes representatives of all of the appointing authorities described in section 4 of this chapter, the ~~county fiscal body~~ **director** may elect to designate that existing organization as the county's team for purposes of this chapter.

SECTION 37. IC 31-37-24-11, AS AMENDED BY P.L.273-1999, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 11. The ~~director or the~~ state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and the ~~county fiscal body~~ **director** any comments, including recommendations for modification of the plan, that the ~~director or the~~ state superintendent of public instruction considers appropriate.

SECTION 38. IC 31-37-24-12, AS AMENDED BY P.L.273-1999, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 12. Not later than sixty (60) days after receiving the plan, the ~~county fiscal body~~ **director** shall do one (1) of the following:

(1) Approve the plan as submitted by the team.

~~(2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body.~~

~~(3)~~ **(2)** Return the plan to the team with directions concerning:

(A) subjects for further study and reconsideration; and

(B) resubmission of a revised plan.

SECTION 39. IC 31-37-24-14, AS AMENDED BY P.L.273-1999, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 14. (a) The team shall meet at least one (1) time each year to do the following:

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

(A) the manner in which prevention and early intervention services will be provided or improved;

(B) how local collaboration will improve children's services; and

(C) how different funds can be used to serve children and families more effectively.

(2) Reorganize as needed and select its vice chairperson for the ensuing year.

(3) Review the implementation of the plan and prepare revisions, additions, or updates of the plan that the team considers necessary

C o p y

or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.

(4) Prepare and submit to the ~~county fiscal body~~ **director and the superintendent of public instruction** a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

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

SECTION 40. IC 31-37-24-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 15. The team ~~or the county fiscal body~~ shall transmit copies of the initial plan, each annual report, and each revised plan to the following:

(1) The director.

(2) The state superintendent of public instruction.

(3) The county office.

(4) The juvenile court.

(5) The superintendent of each public school corporation in the county.

(6) The local step ahead council.

(7) Any public or private agency that:

(A) provides services to families and children in the county that requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 41. IC 31-37-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 16. The team ~~or the county fiscal body~~ shall publicize to residents of the county the existence and availability of the plan.

SECTION 42. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. This article applies to a financial burden sustained by a county **or the division** as the result of costs paid by the county **or the division** under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 43. IC 31-40-1-2, AS AMENDED BY P.L.273-1999, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) The county shall pay from the county family and children's fund the cost of:

(1) any services ordered by the juvenile court for any child or the

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child's parent, guardian, or custodian, other than secure detention; and

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

(b) The ~~county fiscal body~~ **division** shall provide sufficient money to meet the court's requirements.

SECTION 44. IC 31-40-1-3, AS AMENDED BY P.L.273-1999, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

(1) a detention hearing;

(2) a hearing that is held after the payment of costs by a county under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);

(3) the dispositional hearing; or

(4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for, or reimburse the county **or the division** for the cost of, services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 45. IC 31-40-1-5, AS AMENDED BY P.L.273-1999, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 12-7-2-29), a foster family home (as defined in IC 12-7-2-90), or the home of a relative of the child that is not a foster family home.

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

C o p y

(1) entered the existing support order; or

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

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

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

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

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

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

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

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county office.

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(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 12-17-2 and 42 U.S.C. 654. The county office shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

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

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor, a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the county office **or the division** for all or any portion of the expenses for services provided to or for the benefit of the child that are paid from the county family and children's fund during the placement of the child out of the home of the parent or guardian, in addition to amounts reimbursed through payments in accordance with a support order assigned or entered as provided in this section, subject to applicable federal law.

SECTION 46. IC 36-2-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3. (a) This section does not apply to **the following:**

(1) Claims for salaries fixed in a definite amount by ordinance or statute, per diem of jurors, and salaries of officers of a court.

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

(b) The county auditor shall publish all claims that have been filed for the consideration of the county executive and shall publish all allowances made by courts of the county. Claims filed for the consideration of the executive shall be published at least three (3) days

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

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

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

SECTION 47. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2004]: IC 6-1.1-18.6; IC 12-19-5; IC 12-19-7-4; IC 12-19-7-5; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-16; IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20; IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24; IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28; IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 12-19-7-33; IC 31-34-24-13; IC 31-37-24-13.

SECTION 48. [EFFECTIVE JANUARY 1, 2004] **(a) The division of family and children shall reimburse each county for one hundred percent (100%) of the proportionate share of operating costs of the county auditor and county treasurer for the support of the county family and children's fund, based upon an approved indirect cost plan.**

(b) This SECTION expires July 1, 2005.

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