
HOUSE BILL No. 1003

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-6.1-1.1.

Synopsis: 21st Century Tax Plan. Repeals the: (1) gross income tax; (2) supplemental net income tax; (3) bank tax; (4) savings and loan tax; and (5) production credit association tax. Reduces the maximum permissible school general fund property tax levy and the part of the county general fund levy used to fund the county's obligation for: (1) the hospital care for the indigent program or uninsured parent program; and (2) certain court personnel and other operating expenditures. Eliminates the property tax levy for the family and children's fund, the county medical assistance to wards fund, and the county children with special health care needs county fund. Provides state funding to replace the eliminated part of each levy. Provides for an additional distribution of \$30,000,000 per year for pension relief. Increases the homestead credit to 15%. Expands the earned income tax. Increases the renter's deduction and dependent child deduction. Increases and extends the research expense credit to 20%. Establishes: (1) a property tax replacement credit for inventory; and (2) a business investment credit against state tax liability for property taxes paid on personal business property. Establishes a business franchise tax. Increases the adjusted gross income tax rate. Eliminates the state property tax replacement credit. Transfers to the state certain court fees and a part of the excise tax and financial institution tax revenue previously distributed to counties. Increases the sales tax to 6%. Establishes the tax relief fund and the tuition support stabilization fund.

Effective: July 1, 2002; January 1, 2003; July 1, 2003.

Dobis, Wolkins

November 20, 2001, read first time and referred to Committee on Ways and Means.



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Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

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HOUSE BILL No. 1003



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

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

1 SECTION 1. IC 4-4-6.1-1.1, AS AMENDED BY P.L.73-2000,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003]: Sec. 1.1. As used in this chapter, "zone business"
4 means any entity that accesses at least one (1) tax credit or exemption
5 incentive available under this chapter ~~IC 6-1-1-20.8; IC 6-2-1-3-32;~~ or
6 IC 6-3-3-10.

7 SECTION 2. IC 4-4-6.1-2 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) The board
9 has the following powers, in addition to other powers which are
10 contained in this chapter:

- 11 (1) To review and approve or reject all applicants for enterprise
12 zone designation, according to the criteria for designation which
13 this chapter provides.
- 14 (2) To waive or modify rules as provided in this chapter.
- 15 (3) To provide a procedure by which enterprise zones may be
16 monitored and evaluated on an annual basis.
- 17 (4) To adopt rules for the disqualification of a zone business from



1 eligibility for any or all incentives available to zone businesses,
2 if that zone business does not do one (1) of the following:

3 (A) If all of its incentives, as contained in the summary
4 required under section 2.5 of this chapter, exceed one
5 thousand dollars (\$1,000) in any year, pay a registration fee to
6 the board in an amount equal to one percent (1%) of all of its
7 incentives.

8 (B) Use all of its incentives, except for the amount of
9 registration fee, for its property or employees in the zone.

10 (C) Remain open and operating as a zone business for twelve
11 (12) months of the assessment year for which the incentive is
12 claimed.

13 (5) To disqualify a zone business from eligibility for any or all
14 incentives available to zone businesses in accordance with the
15 procedures set forth in the board's rules.

16 (6) After a recommendation from an urban enterprise association,
17 to modify an enterprise zone boundary if the board determines
18 that the modification:

19 (A) is in the best interests of the zone; and

20 (B) meets the threshold criteria and factors set forth in section
21 3 of this chapter.

22 (7) To employ staff and contract for services.

23 (8) To receive funds from any source and expend these funds for
24 the administration and promotion of the enterprise zone program.

25 (9) To make determinations under IC 6-3.1-11 concerning the
26 designation of locations as industrial recovery sites. ~~and the~~
27 ~~availability of the credit provided by IC 6-1.1-20.7 to persons~~
28 ~~owning inventory located on an industrial recovery site.~~

29 (10) To make determinations under ~~IC 6-1.1-20.7 and~~ IC 6-3.1-11
30 concerning the disqualification of persons from claiming credits
31 provided by ~~those chapters that~~ **chapter** in appropriate cases.

32 (11) To make determinations under IC 6-3.1-11.5 concerning the
33 designation of locations as military base recovery sites and the
34 availability of the credit provided by IC 6-3.1-11.5 to persons
35 making qualified investments in military base recovery sites.

36 (12) To make determinations under IC 6-3.1-11.5 concerning the
37 disqualification of persons from claiming the credit provided by
38 IC 6-3.1-11.5 in appropriate cases.

39 (b) In addition to a registration fee paid under subsection (a)(4),
40 each zone business that receives a credit under this chapter shall assist
41 the zone urban enterprise association created under section 4 of this
42 chapter in an amount determined by the legislative body of the

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1 municipality in which the zone is located. If a zone business does not
 2 assist an urban enterprise association, the legislative body of the
 3 municipality in which the zone is located may pass an ordinance
 4 disqualifying a zone business from eligibility for all credits or
 5 incentives available to zone businesses. If a legislative body
 6 disqualifies a zone business under this subsection, the legislative body
 7 shall notify the board, the state board of tax commissioners, and the
 8 department of state revenue in writing within thirty (30) days of the
 9 passage of the ordinance disqualifying the zone business.
 10 Disqualification of a zone business under this section is effective
 11 beginning with the taxable year in which the ordinance disqualifying
 12 the zone business is passed.

13 SECTION 3. IC 4-4-28-14 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) An
 15 account must earn interest at a rate that is competitive in the county
 16 where the account is located.

17 (b) Interest earned on an account during a taxable year is not subject
 18 to taxation under ~~IC 6-2-1~~, IC 6-3 or IC 6-5.5.

19 SECTION 4. IC 4-10-13-3 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The Indiana
 21 department of state revenue is hereby authorized and directed to
 22 prepare and publish each year the following report, which shall contain
 23 the following data and information:

24 (1) a recital of the number of taxpayers, the amount of gross
 25 collections, the amount of net collections, the amount of refunds,
 26 the amount of collection allowances, the amount of administrative
 27 costs, and the amount of delinquencies by type of tax collected by
 28 the department.

29 (2) ~~Relative to the gross income tax, a recital of the number of~~
 30 ~~taxpayers, the total amount of gross income tax collected, the total~~
 31 ~~amount of exemptions allowed and the total amount of nontaxable~~
 32 ~~income. It shall also include a recital of the number of taxpayers~~
 33 ~~and the total amount of gross income tax received from farmers,~~
 34 ~~manufacturing interests, wholesalers, retailers, transportation and~~
 35 ~~communication interest, public utilities, financial and insurance~~
 36 ~~interests, real estate interests, personal service businesses, and~~
 37 ~~salaries and wages received from every other source to the extent~~
 38 ~~such information is available from gross income tax returns.~~

39 (3) ~~A breakdown of gross income tax collections received from~~
 40 ~~corporate taxpayers, from unincorporated businesses, from~~
 41 ~~income taxed at the rate of three eighths of one per cent (3/8%)~~
 42 ~~and one and one-half per cent (1 1/2%), and from types of~~

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businesses as described in subsection (2) of this section.

Such report shall be made available for inspection as soon as it is prepared and shall be published, in the manner hereinafter provided, by the Indiana state department of revenue not later than December 31st, 31 following the end of each fiscal year.

SECTION 5. IC 4-10-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 20. 21st Century Revenue Stabilization Plan

Sec. 1. As used in this chapter, "budget agency" refers to the budget agency established by IC 4-12-1-3.

Sec. 2. As used in this chapter, "budget director" has the meaning set forth in IC 4-12-1-2.

Sec. 3. As used in this chapter, "general fund revenue" has the meaning set forth in IC 4-10-18-1.

Sec. 4. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 5. As used in this chapter, "tax relief fund" refers to the tax relief fund established by section 9 of this chapter.

Sec. 6. As used in this chapter, "tuition support" has the meaning set forth in IC 21-3-1.7-4.

Sec. 7. As used in this chapter, "tuition support stabilization fund" refers to the tuition support stabilization fund established by section 10 of this chapter.

Sec. 8. As used in this chapter, "unused 21st century tax plan balance" refers to the amount determined for a state fiscal year under section 11 of this chapter.

Sec. 9. (a) The tax relief fund is established.

(b) The purpose of the tax relief fund is to provide a source of money to:

(1) maintain:

(A) inventory tax replacement credit distributions; and

(B) homestead credit distributions;

from the state to political subdivisions; and

(2) provide a source of money to meet the following obligations assumed by the state:

(A) assumption of county contributions to the medical assistance to wards program under IC 12-13-8 (repealed);

(B) assumption of county contribution to the children with special health care needs program under IC 16-35-3 (repealed);

(C) assumption of county contribution to the hospital care

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1 for the indigent program or the uninsured parent program
2 required under IC 12-16-14 (repealed);

3 (D) assumption of county obligation for child services (as
4 defined in IC 12-17-7-1);

5 (E) assumption of the obligation to pay court personnel
6 and other operating expenditures described in
7 IC 33-1-18-6; and

8 (F) additional distributions to political subdivisions for
9 police and firefighter pension relief;

10 when economic conditions result in lowered collections of general
11 tax revenues as determined by the budget agency under section 14
12 of this chapter.

13 (c) The tax relief fund shall be administered by the treasurer of
14 state.

15 (d) The treasurer of state shall invest the money in the tax relief
16 fund not currently needed to meet the obligations of the fund in the
17 same manner as other public money may be invested. Interest that
18 accrues from these investments shall be deposited in the tax relief
19 fund.

20 (e) Money in the tax relief fund at the end of a state fiscal year
21 does not revert to the state general fund.

22 Sec. 10. (a) The tuition support stabilization fund is established.

23 (b) The purpose of the tuition support stabilization fund is to
24 provide a source of money to maintain tuition support distributions
25 from the state to school corporations when economic conditions
26 result in lowered collections of general tax revenues as determined
27 by the budget agency under section 15 of this chapter.

28 (c) The tuition support stabilization fund shall be administered
29 by the treasurer of state.

30 (d) The treasurer of state shall invest the money in the tuition
31 support stabilization fund not currently needed to meet the
32 obligations of the fund in the same manner as other public money
33 may be invested. Interest that accrues from these investments shall
34 be deposited in the tuition support stabilization fund.

35 (e) Money in the tuition support stabilization fund at the end of
36 a state fiscal year does not revert to the state general fund.

37 Sec. 11. (a) At the same time that the budget director makes a
38 determination under IC 4-10-18-5 (determination of
39 appropriations to or from the counter-cyclical revenue and
40 economic stabilization fund), the budget director shall determine
41 the unused 21st century tax plan balance for the immediately
42 preceding year under this section.

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1 **(b) The unused 21st century tax plan balance for a state fiscal**
 2 **year is the amount determined under the last STEP of the**
 3 **following formula:**

4 **STEP ONE: Calculate the net amount of additional state**
 5 **general fund revenue accruing to the state general fund in the**
 6 **immediately preceding state fiscal year as a result of:**

7 **(A) the enactment of a business franchise tax (IC 6-2.2);**

8 **(B) elimination of the property tax replacement fund**
 9 **(IC 6-1.1-21 (repealed));**

10 **(C) the increase in the adjusted gross income tax rate**
 11 **(IC 6-3-1 through IC 6-3-7) for persons after offsetting the**
 12 **impact of the increased dependent deduction**
 13 **(IC 6-3-1-3.5), the renter's deduction (IC 6-3-2-6), and the**
 14 **earned income credit (IC 6-3.1-21);**

15 **(D) the increase in the adjusted gross income tax rate on**
 16 **corporations (IC 6-3-1 through IC 6-3-7) after offsetting**
 17 **the impact on state tax liability of the establishment of the**
 18 **investment credit (IC 6-3.1-24) and increasing the research**
 19 **expense credit (IC 6-3.1-4);**

20 **(E) the increase in the state gross retail and use taxes**
 21 **(IC 6-2.5);**

22 **(F) the elimination of the gross income tax (IC 6-2.1**
 23 **(repealed)); and**

24 **(G) the elimination of the supplemental net income tax**
 25 **(IC 6-3-8)**

26 **enacted by the general assembly in 2002.**

27 **STEP TWO: Calculate the amount of the additional expenses**
 28 **incurred by the state in the immediately preceding state fiscal**
 29 **year as a result of the:**

30 **(A) assumption of county contributions to the medical**
 31 **assistance to wards program under IC 12-13-8 (repealed);**

32 **(B) assumption of county contribution to the children with**
 33 **special health care needs program under IC 16-35-3**
 34 **(repealed);**

35 **(C) assumption of county contribution to the hospital care**
 36 **for the indigent program or the uninsured parent program**
 37 **required under IC 12-16-14 (repealed);**

38 **(D) assumption of county obligation for child services (as**
 39 **defined in IC 12-17-7-1);**

40 **(E) assumption of the obligation to pay court personnel**
 41 **and other operating expenditures described in**
 42 **IC 33-1-18-6;**

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1 (F) assumption of the obligation to provide additional
 2 state tuition support to replace the fifty percent (50%)
 3 reduction in school general fund property tax levies
 4 (IC 6-1.1-19; IC 21-3-1.7);

5 (G) increased homestead credit (IC 6-1.1-20.9); and

6 (H) inventory property tax replacement credit
 7 (IC 6-1.1-21.3);

8 enacted by the general assembly in 2002.

9 **STEP THREE: Determine the greater of the following:**

10 (A) Zero (0).

11 (B) The result of the STEP ONE amount minus the STEP
 12 TWO amount.

13 **Sec. 12.** As soon as possible after making the determination
 14 under section 11 of this chapter, the budget director shall certify
 15 the unused 21st century tax plan balance amount determined
 16 under section 11 of this chapter to the treasurer of state.

17 **Sec. 13.** If the unused 21st century tax plan balance amount
 18 certified under section 12 of this chapter is greater than zero (0),
 19 the treasurer of state shall transfer from the state general fund the
 20 following amounts:

21 (1) Fifty percent (50%) of the unused 21st century tax plan
 22 balance to the tax relief fund.

23 (2) Fifty percent (50%) of the unused 21st century tax plan
 24 balance to the tuition support stabilization fund.

25 **Sec. 14.** An amount of money in the tax relief fund determined
 26 by the budget director may be used to meet the state's obligations
 27 to:

28 (1) maintain:

29 (A) inventory tax replacement credit distributions; and

30 (B) homestead credit distributions;

31 from the state to political subdivisions; and

32 (2) provide a source of money to meet the following
 33 obligations assumed by the state:

34 (A) assumption of county contributions to the medical
 35 assistance to wards program under IC 12-13-8 (repealed);

36 (B) assumption of county contribution to the children with
 37 special health care needs program under IC 16-35-3
 38 (repealed);

39 (C) assumption of county contribution to the hospital care
 40 for the indigent program or the uninsured parent program
 41 required under IC 12-16-14 (repealed);

42 (D) assumption of county obligation for child services (as

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1 defined in IC 12-17-7-1);

2 (E) assumption of the obligation to pay court personnel
3 and other operating expenditures described in
4 IC 33-1-18-6; and

5 (F) additional distributions to political subdivisions for
6 police and firefighter pension relief;

7 if the budget director determines that general fund revenues being
8 collected in the state fiscal year are insufficient to meet the state's
9 obligations for the distributions described in subdivisions (1) and
10 (2).

11 **Sec. 15. An amount of money in the tuition support stabilization**
12 **fund determined by the budget director may be used to meet the**
13 **state's obligations for tuition support distributions to school**
14 **corporations in a state fiscal year if the budget director determines**
15 **that general fund revenues being collected in the state fiscal year**
16 **are insufficient to meet the state's obligations for tuition support.**

17 SECTION 6. IC 4-13-2-20 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 20. (a) Except as
19 otherwise provided in this section, IC 20-1-1.8-17.2, or IC 12-8-10-7,
20 payment for any services, supplies, materials, or equipment shall not be
21 paid from any fund or state money in advance of receipt of such
22 services, supplies, materials, or equipment by the state.

23 (b) With the prior approval of the budget agency, payment may be
24 made in advance for any of the following:

- 25 (1) War surplus property.
- 26 (2) Property purchased or leased from the United States
27 government or its agencies.
- 28 (3) Dues and subscriptions.
- 29 (4) License fees.
- 30 (5) Insurance premiums.
- 31 (6) Utility connection charges.
- 32 (7) Federal grant programs where advance funding is not
33 prohibited and, except as provided in subsection (i), the
34 contracting party posts sufficient security to cover the amount
35 advanced.
- 36 (8) Grants of state funds authorized by statute.
- 37 (9) Employee expense vouchers.
- 38 (10) Beneficiary payments to the administrator of a program of
39 self-insurance.
- 40 (11) Services, supplies, materials, or equipment to be received
41 from an agency or from a body corporate and politic.
- 42 (12) Expenses for the operation of offices that represent the state

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1 under contracts with the department of commerce and that are
2 located outside Indiana.

3 (13) Services, supplies, materials, or equipment to be used for
4 more than one (1) year under a discounted contractual
5 arrangement funded through a designated leasing entity.

6 (14) Maintenance of equipment and maintenance of software not
7 exceeding an annual amount of one thousand five hundred dollars
8 (\$1,500) for each piece of equipment or each software license.

9 **(15) Expenses (other than personal services) for the operation**
10 **of a court.**

11 (c) Any state agency and any state college or university supported
12 in whole or in part by state funds may make advance payments to its
13 employees for duly accountable expenses exceeding ten dollars (\$10)
14 incurred through travel approved by the employee's respective agency
15 director in the case of a state agency and by a duly authorized person
16 in the case of any such state college or university.

17 (d) The auditor of state may, with the approval of the budget agency
18 and of the commissioner of the Indiana department of administration:

19 (1) appoint a special disbursing officer for any state agency or
20 group of agencies where it is necessary or expedient that a special
21 record be kept of a particular class of disbursements or where
22 disbursements are made from a special fund; and

23 (2) approve advances to the special disbursing officer or officers
24 from any available appropriation for the purpose.

25 (e) The auditor of state shall issue the auditor's warrant to the
26 special disbursing officer to be disbursed by the disbursing officer as
27 provided in this section. Special disbursing officers shall in no event
28 make disbursements or payments for supplies or current operating
29 expenses of any agency or for contractual services or equipment not
30 purchased or contracted for in accordance with this chapter and
31 IC 5-22. No special disbursing officer shall be appointed and no money
32 shall be advanced until procedures covering the operations of special
33 disbursing officers have been adopted by the Indiana department of
34 administration and approved by the budget agency. These procedures
35 must include the following provisions:

36 (1) Provisions establishing the authorized levels of special
37 disbursing officer accounts and establishing the maximum
38 amount which may be expended on a single purchase from special
39 disbursing officer funds without prior approval.

40 (2) Provisions requiring that each time a special disbursing officer
41 makes an accounting to the auditor of state of the expenditure of
42 the advanced funds, the auditor of state shall request that the

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- 1 Indiana department of administration review the accounting for
 2 compliance with IC 5-22.
- 3 (3) A provision that, unless otherwise approved by the
 4 commissioner of the Indiana department of administration, the
 5 special disbursing officer must be the same individual as the
 6 procurements agent under IC 4-13-1.3-5.
- 7 (4) A provision that each disbursing officer be trained by the
 8 Indiana department of administration in the proper handling of
 9 money advanced to the officer under this section.
- 10 (f) The commissioner of the Indiana department of administration
 11 shall cite in a letter to the special disbursing officer the exact purpose
 12 or purposes for which the money advanced may be expended.
- 13 (g) A special disbursing officer may issue a check to a person
 14 without requiring a certification under IC 5-11-10-1 if the officer:
- 15 (1) is authorized to make the disbursement; and
 16 (2) complies with procedures adopted by the state board of
 17 accounts to govern the issuance of checks under this subsection.
- 18 (h) A special disbursing officer is not personally liable for a check
 19 issued under subsection (g) if:
- 20 (1) the officer complies with the procedures described in
 21 subsection (g); and
 22 (2) funds are appropriated and available to pay the warrant.
- 23 (i) For contracts entered into between the department of workforce
 24 development or the Indiana commission on vocational and technical
 25 education and:
- 26 (1) a school corporation (as defined in IC 20-10.1-1-1); or
 27 (2) a state educational institution (as defined in IC 20-12-0.5-1);
 28 the contracting parties are not required to post security to cover the
 29 amount advanced.
- 30 SECTION 7. IC 4-21.5-2-4, AS AMENDED BY P.L.198-2001,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2003]: Sec. 4. (a) This article does not apply to any of
 33 the following agencies:
- 34 (1) The governor.
 35 (2) The state board of accounts.
 36 (3) The state educational institutions (as defined by
 37 IC 20-12-0.5-1).
 38 (4) The department of workforce development.
 39 (5) The unemployment insurance review board of the department
 40 of workforce development.
 41 (6) The worker's compensation board.
 42 (7) The military officers or boards.

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1 (8) The Indiana utility regulatory commission.

2 (9) The department of state revenue (excluding an agency action
3 related to the licensure of private employment agencies **or an**
4 **agency action under IC 6-2.2-12-2 through IC 6-2.2-12-7).**

5 (b) This article does not apply to action related to railroad rate and
6 tariff regulation by the Indiana department of transportation.

7 SECTION 8. IC 5-2-1-9, AS AMENDED BY P.L.45-2001,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2003]: Sec. 9. (a) The board shall adopt in accordance
10 with IC 4-22-2 all necessary rules to carry out the provisions of this
11 chapter. Such rules, which shall be adopted only after necessary and
12 proper investigation and inquiry by the board, shall include the
13 establishment of the following:

14 (1) Minimum standards of physical, educational, mental, and
15 moral fitness which shall govern the acceptance of any person for
16 training by any law enforcement training school or academy
17 meeting or exceeding the minimum standards established
18 pursuant to this chapter.

19 (2) Minimum standards for law enforcement training schools
20 administered by towns, cities, counties, the northwest Indiana law
21 enforcement training center, agencies, or departments of the state.

22 (3) Minimum standards for courses of study, attendance
23 requirements, equipment, and facilities for approved town, city,
24 county, and state law enforcement officer, police reserve officer,
25 and conservation reserve officer training schools.

26 (4) Minimum standards for a course of study on cultural diversity
27 awareness that must be required for each person accepted for
28 training at a law enforcement training school or academy.

29 (5) Minimum qualifications for instructors at approved law
30 enforcement training schools.

31 (6) Minimum basic training requirements which law enforcement
32 officers appointed to probationary terms shall complete before
33 being eligible for continued or permanent employment.

34 (7) Minimum basic training requirements which law enforcement
35 officers not appointed for probationary terms but appointed on
36 other than a permanent basis shall complete in order to be eligible
37 for continued employment or permanent appointment.

38 (8) Minimum basic training requirements which law enforcement
39 officers appointed on a permanent basis shall complete in order
40 to be eligible for continued employment.

41 (b) Except as provided in subsection (1), a law enforcement officer
42 appointed after July 5, 1972 and before July 1, 1993 may not enforce

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1 the laws or ordinances of the state or any political subdivision unless
 2 the officer has, within one (1) year from the date of appointment,
 3 successfully completed the minimum basic training requirements
 4 established under this chapter by the board. If a person fails to
 5 successfully complete the basic training requirements within one (1)
 6 year from the date of employment, the officer may not perform any of
 7 the duties of a law enforcement officer involving control or direction
 8 of members of the public or exercising the power of arrest until the
 9 officer has successfully completed the training requirements. This
 10 subsection does not apply to any law enforcement officer appointed
 11 before July 6, 1972 or after June 30, 1993.

12 (c) Military leave or other authorized leave of absence from law
 13 enforcement duty during the first year of employment after July 6,
 14 1972, shall toll the running of the first year, which in such cases shall
 15 be calculated by the aggregate of the time before and after the leave, for
 16 the purposes of this chapter.

17 (d) Except as provided in subsections (e) and (l), a law enforcement
 18 officer appointed to a law enforcement department or agency after June
 19 30, 1993, may not:

- 20 (1) make an arrest;
- 21 (2) conduct a search or a seizure of a person or property; or
- 22 (3) carry a firearm;

23 unless the law enforcement officer successfully completes, at a board
 24 certified law enforcement academy or at the northwest Indiana law
 25 enforcement training center under section 15.2 of this chapter, the basic
 26 training requirements established by the board under this chapter.

27 (e) Before a law enforcement officer appointed after June 30, 1993,
 28 completes the basic training requirements, the law enforcement officer
 29 may exercise the police powers described in subsection (d) if the
 30 officer successfully completes the pre-basic course established in
 31 subsection (f). Successful completion of the pre-basic course authorizes
 32 a law enforcement officer to exercise the police powers described in
 33 subsection (d) for one (1) year after the date the law enforcement
 34 officer is appointed.

35 (f) The board shall adopt rules under IC 4-22-2 to establish a
 36 pre-basic course for the purpose of training:

- 37 (1) law enforcement officers;
- 38 (2) police reserve officers (as described in IC 36-8-3-20); and
- 39 (3) conservation reserve officers (as described in IC 14-9-8-27);

40 regarding the subjects of arrest, search and seizure, use of force, and
 41 firearm qualification. The pre-basic course must be offered on a
 42 periodic basis throughout the year at regional sites statewide. The

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1 pre-basic course must consist of forty (40) hours of course work. The
 2 board may prepare a pre-basic course on videotape that must be used
 3 in conjunction with live instruction. The board shall provide the course
 4 material, the instructors, and the facilities at the regional sites
 5 throughout the state that are used for the pre-basic course. In addition,
 6 the board may certify pre-basic courses that may be conducted by other
 7 public or private training entities, including colleges and universities.

8 (g) The board shall adopt rules under IC 4-22-2 to establish a
 9 mandatory inservice training program for police officers. After June 30,
 10 1993, a law enforcement officer who has satisfactorily completed the
 11 basic training and has been appointed to a law enforcement department
 12 or agency on either a full-time or part-time basis is not eligible for
 13 continued employment unless the officer satisfactorily completes a
 14 minimum of sixteen (16) hours each year of inservice training in any
 15 subject area included in the law enforcement academy's basic training
 16 course or other job related subjects that are approved by the board as
 17 determined by the law enforcement department's or agency's needs. In
 18 addition, a certified academy staff may develop and make available
 19 inservice training programs on a regional or local basis. The board may
 20 approve courses offered by other public or private training entities,
 21 including colleges and universities, as necessary in order to ensure the
 22 availability of an adequate number of inservice training programs. The
 23 board may waive an officer's inservice training requirements if the
 24 board determines that the officer's reason for lacking the required
 25 amount of inservice training hours is due to any of the following:

- 26 (1) An emergency situation.
- 27 (2) The unavailability of courses.

28 (h) The board shall also adopt rules establishing a town marshal
 29 basic training program, subject to the following:

- 30 (1) The program must require fewer hours of instruction and class
 31 attendance and fewer courses of study than are required for the
 32 mandated basic training program.
- 33 (2) Certain parts of the course materials may be studied by a
 34 candidate at the candidate's home in order to fulfill requirements
 35 of the program.
- 36 (3) Law enforcement officers successfully completing the
 37 requirements of the program are eligible for appointment only in
 38 towns employing the town marshal system (IC 36-5-7) and having
 39 no more than one (1) marshal and two (2) deputies.
- 40 (4) The limitation imposed by subdivision (3) does not apply to an
 41 officer who has successfully completed the mandated basic
 42 training program.

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- 1 (5) The time limitations imposed by subsections (b) and (c) for
 2 completing the training are also applicable to the town marshal
 3 basic training program.
- 4 (i) The board shall adopt rules under IC 4-22-2 to establish a police
 5 chief executive training program. The program must include training
 6 in the following areas:
- 7 (1) Liability.
 - 8 (2) Media relations.
 - 9 (3) Accounting and administration.
 - 10 (4) Discipline.
 - 11 (5) Department policy making.
 - 12 (6) Firearm policies.
 - 13 (7) Department programs.
- 14 (j) A police chief shall apply for admission to the police chief
 15 executive training program within two (2) months of the date the police
 16 chief initially takes office. A police chief must successfully complete
 17 the police chief executive training program within six (6) months of the
 18 date the police chief initially takes office. However, if space in the
 19 program is not available at a time that will allow the police chief to
 20 complete the program within six (6) months of the date the police chief
 21 initially takes office, the police chief must successfully complete the
 22 next available program that is offered to the police chief after the police
 23 chief initially takes office.
- 24 (k) A police chief who fails to comply with subsection (j) may not
 25 serve as the police chief until the police chief has completed the police
 26 chief executive training program. For the purposes of this subsection
 27 and subsection (j), "police chief" refers to:
- 28 (1) the police chief of any city; and
 - 29 (2) the police chief of any town having a metropolitan police
 30 department.
- 31 A town marshal is not considered to be a police chief for these
 32 purposes, but a town marshal may enroll in the police chief executive
 33 training program.
- 34 (l) An investigator in the arson division of the office of the state fire
 35 marshal appointed:
- 36 (1) before January 1, 1994, is not required; or
 - 37 (2) after December 31, 1993, is required;
- 38 to comply with the basic training standards established under this
 39 section.
- 40 (m) The board shall adopt rules under IC 4-22-2 to establish a
 41 program to certify handgun safety courses, including courses offered
 42 in the private sector, that meet standards approved by the board for

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training probation officers in handgun safety as required by
~~IC 11-13-1-3.5(3)~~. **IC 33-22-5-3.**

SECTION 9. IC 5-10.3-11-4.9 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JANUARY 1, 2003]: **Sec. 4.9. (a) In addition to the
amounts distributed under sections 4 through 4.7 of this chapter,
beginning in 2003 and each year thereafter, the auditor of state
shall distribute the amount appropriated under subsection (d) to
units of local government. The amount to be distributed to each
unit of local government shall be determined by the state board
under the following STEPS:**

**STEP ONE: Determine the amount of the payments to be
made by each unit in the calendar year for benefits under the
police and firefighter pension funds established by IC 36-8-6,
IC 36-8-7, and IC 36-8-7.5, as estimated by the state board
under section 4 of this chapter.**

**STEP TWO: Determine the sum of the STEP ONE amounts.
STEP THREE: Divide thirty million dollars (\$30,000,000) by
the STEP TWO sum.**

**STEP FOUR: Multiply the amount determined for the unit
under STEP ONE by the STEP THREE quotient.**

**(b) Distributions received by a local unit of government under
this section may be used only for pension payments, in the same
manner as distributions received from the pension relief fund.**

**(c) The distributions required by this section shall be made in
two (2) equal installments before July 1 and before October 2 of
each year, on warrants issued by the auditor of state drawn on the
treasurer of state.**

**(d) There is annually appropriated thirty million dollars
(\$30,000,000) from the state general fund to make the distributions
required by this section. The appropriation made by this
subsection is in addition to any other appropriation made to units
of local government for benefits under the police and firefighter
pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.**

**(e) Before September 1 of 2002 and each year thereafter, the
state board shall notify the auditor of state and the department of
local government finance of the amount to be distributed to each
unit of local government under this section in the following
calendar year. The department of local government finance shall:**

**(1) determine without regard to this section the ad valorem
property tax levy of each local unit of government for
property taxes first due and payable in the following calendar**

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1 **year; and**
 2 **(2) reduce the ad valorem property tax levy of each local unit**
 3 **of government for property taxes first due and payable in the**
 4 **following calendar year determined under subdivision (1) by**
 5 **an amount equal to the distribution to be received by the local**
 6 **unit under this section in that calendar year.**

7 SECTION 10. IC 6-1.1-3-7.5, AS AMENDED BY P.L.198-2001,
 8 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2003]: Sec. 7.5. (a) A taxpayer may file an amended
 10 personal property tax return, in conformity with the rules adopted by
 11 the state board of tax commissioners (before the board was abolished)
 12 or the department of local government finance, not more than six (6)
 13 months after the later of the following:

14 (1) The filing date for the original personal property tax return. if
 15 the taxpayer is not granted an extension in which to file under
 16 section 7 of this chapter.

17 (2) The extension date for the original personal property tax
 18 return, if the taxpayer is granted an extension under section 7 of
 19 this chapter.

20 (b) A tax adjustment related to an amended personal property tax
 21 return shall be made in conformity with rules adopted under IC 4-22-2
 22 by the state board of tax commissioners (before the board was
 23 abolished) or the department of local government finance.

24 (c) If a taxpayer wishes to correct an error made by the taxpayer on
 25 the taxpayer's original personal property tax return, the taxpayer must
 26 file an amended personal property tax return under this section within
 27 the time required by subsection (a). A taxpayer may claim on an
 28 amended personal property tax return any adjustment or exemption that
 29 would have been allowable under any statute or rule adopted by the
 30 state board of tax commissioners (before the board was abolished) or
 31 the department of local government finance if the adjustment or
 32 exemption had been claimed on the original personal property tax
 33 return.

34 (d) Notwithstanding any other provision, if:
 35 (1) a taxpayer files an amended personal property tax return under
 36 this section in order to correct an error made by the taxpayer on
 37 the taxpayer's original personal property tax return; and
 38 (2) the taxpayer is entitled to a refund of personal property taxes
 39 paid by the taxpayer under the original personal property tax
 40 return;

41 the taxpayer is not entitled to interest on the refund.

42 (e) If a taxpayer files an amended personal property tax return for

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1 a year before July 16 of that year, the taxpayer shall pay taxes payable
 2 in the immediately succeeding year based on the assessed value
 3 reported on the amended return.

4 (f) If a taxpayer files an amended personal property tax return for a
 5 year after July 15 of that year, the taxpayer shall pay taxes payable in
 6 the immediately succeeding year based on the assessed value reported
 7 on the taxpayer's original personal property tax return. A taxpayer that
 8 paid taxes under this subsection is entitled to a credit in the amount of
 9 taxes paid by the taxpayer on the remainder of:

10 (1) the assessed value reported on the taxpayer's original personal
 11 property tax return; minus

12 (2) the finally determined assessed value that results from the
 13 filing of the taxpayer's amended personal property tax return.

14 Except as provided in subsection (k), the county auditor shall apply the
 15 credit against the taxpayer's property taxes on personal property
 16 payable in the year that immediately succeeds the year in which the
 17 taxes were paid.

18 (g) If the amount of the credit to which the taxpayer is entitled under
 19 subsection (f) exceeds the amount of the taxpayer's property taxes on
 20 personal property payable in the year that immediately succeeds the
 21 year in which the taxes were paid, the county auditor shall apply the
 22 amount of the excess credit against the taxpayer's property taxes on
 23 personal property in the next succeeding year.

24 (h) Not later than December 31 of the year in which a credit is
 25 applied under subsection (g), the county auditor shall refund to the
 26 taxpayer the amount of any excess credit that remains after application
 27 of the credit under subsection (g).

28 (i) The taxpayer is not required to file an application for:

29 (1) a credit under subsection (f) or (g); or

30 (2) a refund under subsection (h).

31 (j) Before August 1 of each year, the county auditor shall provide to
 32 each taxing unit in the county an estimate of the total amount of the
 33 credits under subsection (f) or (g) that will be applied against taxes
 34 imposed by the taxing unit that are payable in the immediately
 35 succeeding year.

36 (k) A county auditor may refund a credit amount to a taxpayer
 37 before the time the credit would otherwise be applied against property
 38 tax payments under this section.

39 **(l) The county auditor shall report to the department of state**
 40 **revenue any refund or credit to a taxpayer made under this section**
 41 **resulting from a reduction of the amount of an assessment of**
 42 **business personal property (as defined in IC 6-3.1-24-2).**

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1 SECTION 11. IC 6-1.1-15-3, AS AMENDED BY P.L.198-2001,
 2 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003]: Sec. 3. (a) A taxpayer may obtain a review by the
 4 Indiana board of a county property tax assessment board of appeals
 5 action with respect to the assessment of that taxpayer's tangible
 6 property if the county property tax assessment board of appeals' action
 7 requires the giving of notice to the taxpayer. A township assessor,
 8 county assessor, member of a county property tax assessment board of
 9 appeals, or county property tax assessment board of appeals that made
 10 the original determination under appeal under this section ~~or a county~~
 11 ~~auditor who made the original enterprise zone inventory credit~~
 12 ~~determination under appeal under IC 6-1.1-20-8~~, is a party to the
 13 review under this section to defend the determination. At the time that
 14 notice is given to the taxpayer, the taxpayer shall also be informed in
 15 writing of:

- 16 (1) the taxpayer's opportunity for review under this section; and
- 17 (2) the procedures the taxpayer must follow in order to obtain
- 18 review under this section.

19 (b) A township assessor or county assessor may obtain a review by
 20 the Indiana board of any assessment which the township assessor or the
 21 county assessor has made, upon which the township assessor or the
 22 county assessor has passed, or which has been made over the township
 23 assessor's or the county assessor's protest.

24 (c) In order to obtain a review by the Indiana board under this
 25 section, the party must file a petition for review with the appropriate
 26 county assessor within thirty (30) days after the notice of the county
 27 property tax assessment board of appeals action is given to the
 28 taxpayer.

29 (d) The department of local government finance shall prescribe the
 30 form of the petition for review of an assessment determination by the
 31 county property tax assessment board of appeals. The department shall
 32 issue instructions for completion of the form. The form and the
 33 instructions must be clear, simple, and understandable to the average
 34 individual. An appeal of such a determination must be made on the
 35 form prescribed by the department. The form must require the
 36 petitioner to specify the following:

- 37 (1) The items listed in section 1(e)(1) and 1(e)(2) of this chapter.
- 38 (2) The reasons why the petitioner believes that the assessment
- 39 determination by the county property tax assessment board of
- 40 appeals is erroneous.

41 (e) The county assessor shall transmit the petition for review to the
 42 Indiana board within ten (10) days after it is filed.

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1 (f) If a township assessor or a member of the county property tax
 2 assessment board of appeals files a petition for review under this
 3 section concerning the assessment of a taxpayer's property, the county
 4 assessor must send a copy of the petition to the taxpayer.

5 SECTION 12. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001,
 6 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2003]: Sec. 5. (a) Within fifteen (15) days after the
 8 Indiana board gives notice of its final determination under section 4 of
 9 this chapter to the party or the maximum allowable time for the
 10 issuance of a final determination by the Indiana board under section 4
 11 of this chapter expires, a party to the proceeding may request a
 12 rehearing before the Indiana board. The Indiana board may conduct a
 13 rehearing and affirm or modify its final determination, giving the same
 14 notices after the rehearing as are required by section 4 of this chapter.
 15 The Indiana board has fifteen (15) days after receiving a petition for a
 16 rehearing to determine whether to grant a rehearing. Failure to grant a
 17 rehearing within fifteen (15) days after receiving the petition shall be
 18 treated as a final determination to deny the petition. A petition for a
 19 rehearing does not toll the time in which to file a petition for judicial
 20 review unless the petition for rehearing is granted. If the Indiana board
 21 determines to rehear a final determination, the Indiana board:

22 (1) may conduct the additional hearings that the Indiana board
 23 determines necessary or review the written record without
 24 additional hearings; and

25 (2) shall issue a final determination within ninety (90) days after
 26 notifying the parties that the Indiana board will rehear the final
 27 determination.

28 Failure of the Indiana board to make a final determination within the
 29 time allowed under subdivision (2) shall be treated as a final
 30 determination affirming the original decision of the Indiana board.

31 (b) A person may petition for judicial review of the final
 32 determination of the Indiana board regarding the assessment of that
 33 person's tangible property. The action shall be taken to the tax court
 34 under IC 4-21.5-5. Petitions for judicial review may be consolidated at
 35 the request of the appellants if it can be done in the interest of justice.
 36 The property tax assessment board of appeals that made the
 37 determination under appeal under this section may, with the approval
 38 of the county executive, file an amicus curiae brief in the review
 39 proceeding under this section. The expenses incurred by the property
 40 tax assessment board of appeals in filing the amicus curiae brief shall
 41 be paid from the reassessment fund under IC 6-1.1-4-27. In addition,
 42 the executive of a taxing unit may file an amicus curiae brief in the

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1 review proceeding under this section if the property whose assessment
 2 is under appeal is subject to assessment by that taxing unit. A ~~(1)~~
 3 township assessor, county assessor, member of a county property tax
 4 assessment board of appeals, or county property tax assessment board
 5 of appeals that made the original assessment determination under
 6 appeal under this section or ~~(2) county auditor who made the original~~
 7 ~~enterprise zone inventory credit determination under appeal under~~
 8 ~~IC 6-1.1-20.8~~; is a party to the review under this section to defend the
 9 determination.

10 (c) To initiate a proceeding for judicial review under this section, a
 11 person must take the action required by subsection (b) within:

12 (1) forty-five (45) days after the Indiana board gives the person
 13 notice of its final determination unless a rehearing is conducted
 14 under subsection (a); or

15 (2) thirty (30) days after the Indiana board gives the person notice
 16 under subsection (a) of its final determination, if a rehearing is
 17 conducted under subsection (a) or the maximum time elapses for
 18 the Indiana board to make a determination under this section.

19 (d) The failure of the Indiana board to conduct a hearing within the
 20 period prescribed in section 4(f) or 4(g) of this chapter does not
 21 constitute notice to the person of an Indiana board final determination.

22 (e) The county executive may petition for judicial review to the tax
 23 court in the manner prescribed in this section upon request by the
 24 county assessor or elected township assessor. If the county executive
 25 determines upon a request under this subsection to not appeal to the tax
 26 court, the entity described in subsection (b) that made the original
 27 determination under appeal under this section may take an appeal to the
 28 tax court in the manner prescribed in this section using funds from that
 29 entity's budget.

30 SECTION 13. IC 6-1.1-15-11 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. If a review or
 32 appeal authorized under this chapter results in a reduction of the
 33 amount of an assessment or if the ~~state board of tax commissioners~~
 34 **department of local government finance** on its own motion reduces
 35 an assessment, the taxpayer is entitled to a credit in the amount of any
 36 overpayment of tax on the next successive tax installment, if any, due
 37 in that year. If, after the credit is given, a further amount is due the
 38 taxpayer, he may file a claim for the amount due. If the claim is
 39 allowed by the board of county commissioners, the county auditor
 40 shall, without an appropriation being required, pay the amount due the
 41 taxpayer. The county auditor shall charge the amount refunded to the
 42 taxpayer against the accounts of the various taxing units to which the

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1 overpayment has been paid. **The county auditor shall report to the**
 2 **department of state revenue any refund or credit to a taxpayer**
 3 **made under this section resulting from a reduction of the amount**
 4 **of an assessment of business personal property (as defined in**
 5 **IC 6-3.1-24-2).**

6 SECTION 14. IC 6-1.1-17-16 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 16. (a) Subject to the
 8 limitations and requirements prescribed in this section, the ~~state board~~
 9 ~~of tax commissioners~~ **department of local government finance:**

10 (1) may revise, reduce, or increase a political subdivision's
 11 budget, tax rate, or tax levy; ~~which and~~

12 (2) **shall reduce under IC 5-10.3-11-4.9(e) the levy of a unit of**
 13 **local government;**

14 the ~~board~~ **department** reviews under section 8 or 10 of this chapter.

15 (b) Subject to the limitations and requirements prescribed in this
 16 section, the ~~state board of tax commissioners~~ **department of local**
 17 **government finance** may review, revise, reduce, or increase the
 18 budget, tax rate, or tax levy of any of the political subdivisions whose
 19 tax rates compose the aggregate tax rate within a political subdivision
 20 whose budget, tax rate, or tax levy is the subject of an appeal initiated
 21 under this chapter.

22 (c) Except as provided in subsection (i), before the ~~state board of tax~~
 23 ~~commissioners~~ **department of local government finance** reviews,
 24 revises, reduces, or increases a political subdivision's budget, tax rate,
 25 or tax levy under this section, the ~~board~~ **department** must hold a public
 26 hearing on the budget, tax rate, and tax levy. The ~~board~~ **department**
 27 shall hold the hearing in the county in which the political subdivision
 28 is located. The ~~board~~ **department** may consider the budgets, tax rates,
 29 and tax levies of several political subdivisions at the same public
 30 hearing. At least five (5) days before the date fixed for a public hearing,
 31 the ~~board~~ **department** shall give notice of the time and place of the
 32 hearing and of the budgets, levies, and tax rates to be considered at the
 33 hearing. The ~~board~~ **department** shall publish the notice in two (2)
 34 newspapers of general circulation published in the county. However,
 35 if only one (1) newspaper of general circulation is published in the
 36 county, the ~~board~~ **department** shall publish the notice in that
 37 newspaper.

38 (d) Except as provided in subsection (h), IC 6-1.1-19, or
 39 IC 6-1.1-18.5, the ~~state board of tax commissioners~~ **department of**
 40 **local government finance** may not increase a political subdivision's
 41 budget, tax rate, or tax levy to an amount which exceeds the amount
 42 originally fixed by the political subdivision. The ~~state board of tax~~

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1 **commissioners department** shall give the political subdivision written
 2 notification specifying any revision, reduction, or increase the **state**
 3 **board of tax commissioners department** proposes in a political
 4 subdivision's tax levy or tax rate. The political subdivision has one (1)
 5 week from the date the political subdivision receives the notice to
 6 provide a written response to the **state board of tax commissioners'**
 7 **department's** Indianapolis office specifying how to make the required
 8 reductions in the amount budgeted for each office or department. The
 9 **state board of tax commissioners department** shall make reductions as
 10 specified in the political subdivision's response if the response is
 11 provided as required by this subsection and sufficiently specifies all
 12 necessary reductions. The **state board of tax commissioners**
 13 **department** may make a revision, a reduction, or an increase in a
 14 political subdivision's budget only in the total amounts budgeted for
 15 each office or department within each of the major budget
 16 classifications prescribed by the state board of accounts.

17 (e) The **state board of tax commissioners department of local**
 18 **government finance** may not approve a levy for lease payments by a
 19 city, town, county, library, or school corporation if the lease payments
 20 are payable to a building corporation for use by the building
 21 corporation for debt service on bonds and if:

- 22 (1) no bonds of the building corporation are outstanding; or
- 23 (2) the building corporation has enough legally available funds on
 24 hand to redeem all outstanding bonds payable from the particular
 25 lease rental levy requested.

26 (f) The action of the **state board of tax commissioners department**
 27 **of local government finance** on a budget, tax rate, or tax levy is final.
 28 The **board department** shall certify its action to:

- 29 (1) the county auditor; and
- 30 (2) the political subdivision if the **state board department** acts
 31 pursuant to an appeal initiated by the political subdivision.

32 (g) The **state board of tax commissioners department of local**
 33 **government finance** is expressly directed to complete the duties
 34 assigned to it under this section not later than February 15th of each
 35 year for taxes to be collected during that year.

36 (h) Subject to the provisions of all applicable statutes, the **state**
 37 **board of tax commissioners department of local government finance**
 38 may increase a political subdivision's tax levy to an amount that
 39 exceeds the amount originally fixed by the political subdivision if the
 40 increase is:

- 41 (1) requested in writing by the officers of the political
 42 subdivision;



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- 1 (2) either:
- 2 (A) based on information first obtained by the political
- 3 subdivision after the public hearing under section 3 of this
- 4 chapter; or
- 5 (B) results from an inadvertent mathematical error made in
- 6 determining the levy; and
- 7 (3) published by the political subdivision according to a notice
- 8 provided by the ~~state board of tax commissioners~~ **department of**
- 9 **local government finance**.
- 10 (i) The ~~state board of tax commissioners~~ **department of local**
- 11 **government finance** shall annually review the budget of each school
- 12 corporation not later than April 1. The ~~state board of tax commissioners~~
- 13 **department** shall give the school corporation written notification
- 14 specifying any revision, reduction, or increase the ~~state board of tax~~
- 15 **commissioners department** proposes in the school corporation's
- 16 budget. A public hearing is not required in connection with this review
- 17 of the budget.
- 18 SECTION 15. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999,
- 19 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 20 JANUARY 1, 2003]: Sec. 3. (a) Except as provided in subsection (b),
- 21 the sum of all tax rates for all political subdivisions imposed on
- 22 tangible property within a political subdivision may not exceed:
- 23 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
- 24 one hundred dollars (\$100) of assessed valuation in territory
- 25 outside the corporate limits of a city or town; or
- 26 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
- 27 one hundred dollars (\$100) of assessed valuation in territory
- 28 inside the corporate limits of a city or town.
- 29 (b) The proper officers of a political subdivision shall fix tax rates
- 30 which are sufficient to provide funds for the purposes itemized in this
- 31 subsection. The portion of a tax rate fixed by a political subdivision
- 32 shall not be considered in computing the tax rate limits prescribed in
- 33 subsection (a) if that portion is to be used for one (1) of the following
- 34 purposes:
- 35 (1) To pay the principal or interest on a funding, refunding, or
- 36 judgment funding obligation of the political subdivision.
- 37 (2) To pay the principal or interest on an outstanding obligation
- 38 issued by the political subdivision if notice of the sale of the
- 39 obligation was published before March 9, 1937.
- 40 (3) To pay the principal or interest upon:
- 41 (A) an obligation issued by the political subdivision to meet an
- 42 emergency which results from a flood, fire, pestilence, war, or

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1 any other major disaster; or
 2 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 3 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county
 4 to acquire necessary equipment or facilities for municipal or
 5 county government.
 6 (4) To pay the principal or interest upon an obligation issued in
 7 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 8 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
 9 (5) To pay a judgment rendered against the political subdivision.
 10 (6) To ~~meet the requirements of the family and children's fund for~~
 11 ~~child services (as defined in IC 12-19-7-1);~~ **pay the principal of,**
 12 **interest on, issuance costs of, or liquidation costs of an**
 13 **obligation governed by IC 12-19-5 or IC 12-19-7.**
 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 16. 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, 2003]: 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) (1) IC 12-19-5.~~
 29 ~~(3) (2) IC 12-19-7.~~
 30 ~~(4) (3) IC 12-20-24.~~
 31 (b) For purposes of computing the ad valorem property tax levy
 32 limits imposed under section 3 of this chapter, a county's or township's
 33 ad valorem property tax levy for a particular calendar year does not
 34 include that part of the levy imposed under the citations listed in
 35 subsection (a).
 36 (c) Section 8(b) of this chapter does not apply to bonded
 37 indebtedness that will be repaid through property taxes imposed under
 38 IC 12-19.
 39 SECTION 17. IC 6-1.1-19-1.5, AS AMENDED BY P.L.291-2001,
 40 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2003]: Sec. 1.5. (a) The following definitions apply
 42 throughout this section and IC 21-3-1.7:

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- 1 (1) "Adjustment factor" means the adjustment factor determined
 2 by the **state board of tax commissioners department of local**
 3 **government finance** for a school corporation under IC 6-1.1-34.
 4 (2) "Adjusted target property tax rate" means:
 5 (A) the school corporation's target general fund property tax
 6 rate determined under IC 21-3-1.7-6.8; multiplied by
 7 (B) the school corporation's adjustment factor.
 8 (3) "Previous year property tax rate" means the school
 9 corporation's previous year general fund property tax rate after the
 10 reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and
 11 IC 21-3-1.7-5(3).
 12 (b) Except as otherwise provided in this chapter, a school
 13 corporation may not, for an ensuing calendar year, impose a general
 14 fund ad valorem property tax levy which exceeds the following:
 15 STEP ONE: Determine the result of:
 16 (A) the school corporation's adjusted target property tax rate;
 17 minus
 18 (B) the school corporation's previous year property tax rate.
 19 STEP TWO: Determine the result of:
 20 (A) the school corporation's target general fund property tax
 21 rate determined under IC 21-3-1.7-6.8; multiplied by
 22 (B) the quotient resulting from:
 23 (i) the absolute value of the result of the school corporation's
 24 adjustment factor minus one (1); divided by
 25 (ii) two (2).
 26 STEP THREE: If the school corporation's adjusted target property
 27 tax rate:
 28 (A) exceeds the school corporation's previous year property tax
 29 rate, perform the calculation under STEP FOUR and not under
 30 STEP FIVE;
 31 (B) is less than the school corporation's previous year property
 32 tax rate, perform the calculation under STEP FIVE and not
 33 under STEP FOUR; or
 34 (C) equals the school corporation's previous year property tax
 35 rate, determine the levy resulting from using the school
 36 corporation's adjusted target property tax rate and do not
 37 perform the calculation under STEP FOUR or STEP FIVE.
 38 The school corporation's 2002 assessed valuation shall be used for
 39 purposes of determining the levy under clause (C) in 2002 and in
 40 2003.
 41 STEP FOUR: Determine the levy resulting from using the school
 42 corporation's previous year property tax rate after increasing the

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1 rate by the lesser of:

2 (A) the STEP ONE result; or

3 (B) the sum of:

4 (i) five cents (\$0.05); plus

5 (ii) if the school corporation's adjustment factor is more than
6 one (1), the STEP TWO result.

7 The school corporation's 2002 assessed valuation shall be used for
8 purposes of determining the levy under this STEP in 2002 and in
9 2003.

10 STEP FIVE: Determine the levy resulting from using the school
11 corporation's previous year property tax rate after reducing the
12 rate by the lesser of:

13 (A) **for calendar year 2002 or 2003**, the absolute value of the
14 STEP ONE result; or

15 (B) **for calendar year 2002**, the sum of:

16 (i) nine cents (\$0.09); plus

17 (ii) if the school corporation's adjustment factor is less than
18 one (1), the STEP TWO result.

19 The school corporation's 2002 assessed valuation shall be used for
20 purposes of determining the levy under this STEP in 2002 and in
21 2003.

22 STEP SIX: Determine the result of:

23 (A) the STEP THREE (C), STEP FOUR, or STEP FIVE result,
24 whichever applies; plus

25 (B) an amount equal to the annual decrease in federal aid to
26 impacted areas from the year preceding the ensuing calendar
27 year by three (3) years to the year preceding the ensuing
28 calendar year by two (2) years.

29 The maximum levy is to include the portion of any excessive levy
30 and the levy for new facilities.

31 (c) For purposes of this section, "total assessed value", as adjusted
32 under subsection (d), with respect to a school corporation means the
33 total assessed value of all taxable property for ad valorem property
34 taxes first due and payable during that year.

35 (d) The ~~state board of tax commissioners~~ **department of local**
36 **government finance** may adjust the total assessed value of a school
37 corporation to eliminate the effects of appeals and settlements arising
38 from a statewide general reassessment of real property.

39 (e) The ~~state board~~ **department of local government finance** shall
40 annually establish an assessment ratio and adjustment factor for each
41 school corporation to be used upon the review and recommendation of
42 the budget committee. The information compiled, including

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- 1 background documentation, may not be used in a:
- 2 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 3 IC 6-1.1-14, or IC 6-1.1-15;
- 4 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 5 (3) petition for refund under IC 6-1.1-26.

6 (f) All tax rates shall be computed by rounding the rate to the
 7 nearest one-hundredth of a cent (\$0.0001). All tax levies shall be
 8 computed by rounding the levy to the nearest dollar amount.

9 SECTION 18. IC 6-1.1-20.9-2, AS AMENDED BY P.L.291-2001,
 10 SECTION 125, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) Except as otherwise
 12 provided in section 5 of this chapter, an individual who on March 1 of
 13 a particular year either owns or is buying a homestead under a contract
 14 that provides the individual is to pay the property taxes on the
 15 homestead is entitled each calendar year to a credit against the property
 16 taxes which the individual pays on the individual's homestead.
 17 However, only one (1) individual may receive a credit under this
 18 chapter for a particular homestead in a particular year.

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

- 21 (1) the percentage prescribed in subsection (d); multiplied by
- 22 (2) the amount of the individual's property tax liability, as ~~that~~
 23 ~~term is defined in IC 6-1.1-21-5; which determined under~~
 24 **IC 6-1.1-21.1-4, that** is attributable to the homestead during the
 25 particular calendar year.

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

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

35 YEAR	36 PERCENTAGE OF THE CREDIT
37 1996	8%
38 1997	6%
39 1998 through 2003 2002	10%
40 2004 2003 and thereafter	4% 15%

41 ~~However, the property tax replacement fund board established under~~
 42 ~~IC 6-1.1-21-10; in its sole discretion; may increase the percentage of~~

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1 the credit provided in the schedule for any year; if the board feels that
 2 the property tax replacement fund contains enough money for the
 3 resulting increased distribution. If the board increases the percentage
 4 of the credit provided in the schedule for any year, the percentage of
 5 the credit for the immediately following year is the percentage provided
 6 in the schedule for that particular year, unless as provided in this
 7 subsection the board in its discretion increases the percentage of the
 8 credit provided in the schedule for that particular year. However, the
 9 percentage credit allowed in a particular county for a particular year
 10 shall be increased if on January 1 of a year an ordinance adopted by a
 11 county income tax council was in effect in the county which increased
 12 the homestead credit. The amount of the increase equals the amount
 13 designated in the ordinance.

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

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

19 (g) ~~Notwithstanding the provisions of this chapter,~~ A taxpayer other
 20 than an individual is entitled to the credit provided by this chapter if:

- 21 (1) an individual uses the residence as the individual's principal
 22 place of residence;
- 23 (2) the residence is located in Indiana;
- 24 (3) the individual has a beneficial interest in the taxpayer;
- 25 (4) the taxpayer either owns the residence or is buying it under a
 26 contract, recorded in the county recorder's office, that provides that
 27 the individual is to pay the property taxes on the residence; and
- 28 (5) the residence consists of a single-family dwelling and the real
 29 estate, not exceeding one (1) acre, that immediately surrounds that
 30 dwelling.

31 SECTION 19. IC 6-1.1-21.1 IS ADDED TO THE INDIANA CODE
 32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2003]:

34 **Chapter 21.1. Distribution of Property Tax Replacement Credits**

35 **Sec. 1. This chapter applies to the following property tax credits:**

- 36 (1) **Homestead credit (IC 6-1.1-20.9).**
- 37 (2) **Inventory credit (IC 6-1.1-21.3), including an additional**
 38 **credit provided under IC 6-1.1-21.3-6.**

39 **Sec. 2. As used in this chapter, "allocation area" has the meaning**
 40 **set forth in IC 12-19-1.5-1.**

41 **Sec. 3. As used in this chapter, "allowable credit" refers to a**
 42 **credit described in section 1 of this chapter.**



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1 **Sec. 4. (a) Subject to subsection (b), the property tax liability of**
 2 **a taxpayer for the purpose of computing an allowable credit for a**
 3 **particular year is:**

4 **(1) the taxpayer's property tax liability as evidenced by the tax**
 5 **duplicate for the taxes payable in that year; plus**

6 **(2) the amount by which the tax payable by the taxpayer is**
 7 **reduced in that year by the application of county adjusted**
 8 **gross income tax revenues as property tax replacement credits;**
 9 **adjusted for any change in assessed valuation made as a result of**
 10 **a postabstract adjustment if the change is set forth on the tax**
 11 **statement or on a corrected tax statement stating the taxpayer's tax**
 12 **liability, as prepared by the county treasurer under**
 13 **IC 6-1.1-22-8(a).**

14 **(b) The tax liability of a taxpayer does not include the amount of**
 15 **any property tax owed by the taxpayer attributable to any of the**
 16 **following:**

17 **(1) The sum of any increases in property tax levies of taxing**
 18 **units of the county that result from appeals described in:**

19 **(A) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after**
 20 **December 31, 1982; and**

21 **(B) any other appeals described in IC 6-1.1-18.5-13 filed after**
 22 **December 31, 1983.**

23 **(2) The total amount of property taxes imposed for the stated**
 24 **assessment year by the taxing units of the county under the**
 25 **authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),**
 26 **IC 12-19-5, or IC 12-20-24.**

27 **(3) The total amount of property taxes to be paid during the**
 28 **stated assessment year that will be used to pay for interest or**
 29 **principal due on debt that:**

30 **(A) is entered into after December 31, 1983;**

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

33 **(C) does not constitute debt entered into for the purpose of**
 34 **building, repairing, or altering school buildings for which the**
 35 **requirements of IC 20-5-52 were satisfied before January 1,**
 36 **1984.**

37 **(4) The amount of property taxes imposed in the county for the**
 38 **stated assessment year under the authority of IC 21-2-6**
 39 **(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a**
 40 **cumulative building fund whose property tax rate was initially**
 41 **established or reestablished for a stated assessment year that**
 42 **succeeds the 1983 stated assessment year.**

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- (5) The remainder of:**
 - (A) 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**
 - (B) 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.**
- (6) The amount of property taxes imposed in the county for the stated assessment year under the following:**
 - (A) IC 21-2-15 for a capital projects fund.**
 - (B) IC 6-1.1-19-10 for a racial balance fund.**
 - (C) IC 20-14-13 for a library capital projects fund.**
 - (D) IC 20-5-17.5-3 for an art association fund.**
 - (E) IC 21-2-17 for a special education preschool fund.**
 - (F) 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.**
 - (G) 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.**
- (7) 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.**
- (8) For each township in the county, the lesser of:**
 - (A) 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**
 - (B) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4.**
- (9) For each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes**

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1 levied by each participating unit under IC 36-8-19-8 and
 2 IC 36-8-19-8.5 less the maximum levy limit for each of the
 3 participating units that would have otherwise been available
 4 for fire protection services under IC 6-1.1-18.5-3 and
 5 IC 6-1.1-18.5-19 for that same year.

6 (10) For each county the amount of property taxes imposed in
 7 the county for the repayment of loans under IC 12-19-5-6
 8 (repealed) that was included in the amount determined under
 9 IC 12-19-7-4(a) STEP SEVEN (repealed) for property taxes
 10 payable in 1995, or for property taxes payable in each year
 11 after 1995, the amount determined under IC 12-19-7-4(b)
 12 (repealed).

13 **Sec. 5.** Before March 2 of each year, the department of local
 14 government finance shall certify to the department of state revenue
 15 on a form approved by the state board of accounts, the amount of
 16 allowable credits provided under this chapter that is allowed by the
 17 county for the particular calendar year. The certified amount is the
 18 county's estimated distribution for the calendar year.

19 **Sec. 6. (a)** Each year the department of state revenue shall
 20 allocate from the state general fund an amount equal to the total
 21 amount of allowable credits that is provided under this chapter and
 22 allowed by each county for that year.

23 **(b)** Subject to section 7 of this chapter, the department of state
 24 revenue shall distribute the county's estimated distribution for the
 25 year as follows:

26	January	0.00%
27	February	0.00%
28	March	16.70%
29	April	16.70%
30	May	16.60%
31	June	0.00%
32	July	0.00%
33	August	0.00%
34	September	16.70%
35	October	16.70%
36	November	16.60%
37	December	0.00%

38 **(c)** Not later than December 31 of each year or as soon thereafter
 39 as possible, the department of state revenue shall make a final
 40 determination of the amount that should be distributed to each
 41 county for the calendar year. The department of state revenue shall
 42 distribute to the county treasurer or receive back from the county

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1 treasurer any deficit or excess, as the case may be, between the sum
 2 of the distributions made for the calendar year based on the
 3 estimated distribution and the final determination of distribution.
 4 The final determination of distribution shall be based on the
 5 auditor's abstract filed with the auditor of state, adjusted for
 6 postabstract adjustments included in the December settlement
 7 sheet for the year, and any additional information as the
 8 department may require.

9 (d) All distributions provided for in this section shall be made on
 10 warrants issued by the auditor of state and drawn on the treasurer
 11 of state.

12 Sec. 7. (a) Except as provided in subsection (c), the department
 13 of state revenue shall not make a distribution under section 6 of
 14 this chapter of the money attributable to the county's property
 15 reassessment fund in a year if the distribution is scheduled to be
 16 made after:

17 (1) August 1 of the year, and the department of local
 18 government finance certifies to the department of state revenue
 19 that the county auditor has not sent a certified statement
 20 required to be sent by that date under IC 6-1.1-17-1 to the
 21 department of local government finance; or

22 (2) October 1 of the year, and the department of local
 23 government finance certifies to the department of state revenue
 24 that the:

25 (A) elected township assessors in the county;

26 (B) elected township assessors and the county assessor; or

27 (C) county assessor;

28 has not transmitted to the department of local government
 29 finance the data for all townships in the county required to be
 30 transmitted under IC 6-1.1-4-25(b).

31 (b) Money not distributed under subsection (a) shall be
 32 distributed to the county when the department of local government
 33 finance certifies to the department of state revenue that the
 34 assessing officials in the county are in compliance with
 35 IC 6-1.1-17-1 and IC 6-1.1-4-25(b).

36 (c) The department of local government finance shall make the
 37 certifications described in subsection (a) unless the department of
 38 local government finance determines that:

39 (1) the failure of a county auditor to send a certified statement
 40 required under IC 6-1.1-17-1; or

41 (2) the failure of an official to transmit data required under
 42 IC 6-1.1-4-25(b);

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is justified by unusual circumstances.

Sec. 8. (a) If the tax liability of any taxpayer for which an allowable credit is determined and allowed under this chapter is, after the determination and allowance of the credit, changed due to a postabstract adjustment, the credit shall be correspondingly adjusted by the county auditor with the assistance of the county treasurer to reflect the changed tax liability.

(b) If a right to an additional refund results, as provided in section 8 of this chapter, the taxpayer, notwithstanding IC 6-1.1-26, has either:

(1) ninety (90) days after the date the change is effected to process a refund claim; or

(2) until the June 1 expiration date for refund claims as set forth in section 8 of this chapter;

whichever occurs later.

Sec. 9. (a) Notwithstanding IC 6-1.1-26, any taxpayer who:

(1) has properly filed for and is entitled to a credit under this chapter; and

(2) without taking the credit, pays in full the taxes to which the credit applies;

is entitled to a refund, without interest, of an amount equal to the amount of the credit. However, if the taxpayer, at the time a refund is claimed, owes any other taxes, interest, or penalties payable to the county treasurer to whom the taxes subject to the credit were paid, the credit shall be first applied in full or partial payment of the other taxes, interest, and penalties and the balance, if any, remaining after that application is available as a refund to the taxpayer.

(b) Any taxpayer entitled to a refund under this section shall be paid the refund from proceeds of the state general fund. However, the refund shall be paid from the state general fund only to the extent that the percentage of the allowable credit that the taxpayer was entitled to receive for a year does not exceed the percentage credit allowed by statute for that same year. Any refund that exceeds that amount shall be paid from the county's revenue distributions received under IC 6-3.5-1.1 or IC 6-3.5-6.

(c) The state board of accounts shall establish a procedure to simplify and expedite the method for the claiming and payment of refunds under this section. The procedure is the exclusive procedure for the processing of the refunds. The procedure must require the filing of a claim for refund under this section before June 2 of the year following the year in which the taxes to which

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1 the credit applied were paid.

2 **Sec. 10.** A county receiving a distribution under this chapter shall
 3 allocate the amounts distributed to the county among the taxing
 4 units and the allocation areas in the county in proportion to the
 5 amounts that the property tax levy of each taxing unit and
 6 allocation area is reduced by the application of the allowable
 7 credits. For purposes of this section, a taxpayer in an allocation
 8 area shall be treated as if the taxpayer had the taxpayer's property
 9 taxes reduced even if the additional credit is denied under
 10 IC 12-19-1.5-10.

11 **Sec. 11. (a)** Not later than October 15 of each year, each county
 12 auditor shall make a settlement with the department of state
 13 revenue as to the aggregate amount of allowable credits extended
 14 to taxpayers in the auditor's county during the first eight (8)
 15 months of that same year. Not later than December 31 of each
 16 year, each county auditor shall make a settlement with the
 17 department of state revenue along with the filing of the county
 18 auditor's December settlement as to the aggregate amount of
 19 allowable credits extended to taxpayers in the auditor's county
 20 during the last four (4) months of that same year. If the aggregate
 21 credits allowed during either period exceed the estimated
 22 distribution allocated and distributed to the county treasurer for
 23 that same period, the department of state revenue shall certify the
 24 amount of the excess to the auditor of state who shall issue a
 25 warrant to the treasurer of the state ordering the payment of the
 26 excess to the county treasurer. If the distribution exceeds the
 27 aggregate credits, the county treasurer shall repay to the treasurer
 28 of state the amount of the excess.

29 **(b)** In making the settlement required by subsection (a), the
 30 county auditor shall recognize the fact that any loss of revenue
 31 resulting from the provision of allowable credits in excess of the
 32 percentage credit allowed in section 2(d) of this chapter must be
 33 paid from county revenues under IC 6-3.5-1.1 or IC 6-3.5-6.

34 **Sec. 12.** Except as otherwise provided in this chapter, the state
 35 board of accounts, with the cooperation of the department of state
 36 revenue, shall prescribe the accounting forms, records, and
 37 procedures required to carry out this chapter.

38 SECTION 20. IC 6-1.1-21.3 IS ADDED TO THE INDIANA CODE
 39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2003]:

41 **Chapter 21.3. Inventory Tax Replacement Credits**

42 **Sec. 1.** As used in this chapter, "allocation area" has the meaning

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set forth in IC 12-19-1.5-1.

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

Sec. 3. As used in this chapter, "net property tax liability on inventory" means the property taxes attributable to inventory that are due and payable as shown on the property tax statement sent to a person after all deductions and credits have been applied under any other statute.

Sec. 4. As used in this chapter, "special fund" means an allocation fund created for an allocation area to receive the tax increment revenues (as defined in IC 12-19-1.5-7 from the allocation area.

Sec. 5. A credit applies against a person's net property tax liability on inventory under IC 6-1.1-2 for property taxes first due and payable in 2003 and thereafter. The credit is equal to the person's net property tax liability on inventory.

Sec. 6. A taxpayer in an allocation area is entitled to an additional credit for property taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the total amount of the taxpayer's property taxes levied in the allocation area attributable to inventory that would have been allocated to a special fund for the allocation area had the additional credit described in this section not been given. The additional credit reduces the amount of proceeds allocated to the allocation area and paid into a special fund.

Sec. 7. (a) The county assessor shall determine the amount of each property owner's assessed value that is attributable to inventory in the county. Before December 1 of 2002 and each year thereafter, the county assessor shall provide the county auditor with the amount of inventory assessed value for each owner.

(b) The county auditor shall compute the amount of property taxes in the county, including property taxes subject to the additional credit under section 6 of this chapter, that is attributable to inventory assessed value as reported by the county assessor using the property tax liability determined under IC 6-1.1-21.1-4.

SECTION 21. IC 6-1.1-21.5-5, AS AMENDED BY P.L.291-2001, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The board shall determine the terms of a loan made under this chapter. However, interest may not be charged on the loan, and the loan must be repaid not later than ten (10) years after the date on which the loan was made.

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- 1 (b) The loan shall be repaid ~~only~~ from:
- 2 (1) property tax revenues of the qualified taxing unit that are
- 3 subject to the levy limitations imposed by IC 6-1.1-18.5 or
- 4 IC 6-1.1-19; **or**
- 5 (2) **state tuition support distributions.**

6 The payment of any installment of principal constitutes a first charge
 7 against such property tax revenues as collected by the qualified taxing
 8 unit during the calendar year the installment is due and payable.

9 (c) The obligation to repay the loan is not a basis for the qualified
 10 taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or
 11 IC 6-1.1-19.

12 (d) Whenever the board receives a payment on a loan made under
 13 this chapter, the board shall deposit the amount paid in the
 14 counter-cyclical revenue and economic stabilization fund.

15 (e) This section may not be construed to prevent the qualified taxing
 16 unit from repaying a loan made under this chapter before the date
 17 specified in subsection (a) if a taxpayer described in section 3 of this
 18 chapter resumes paying property taxes to the qualified taxing unit.

19 SECTION 22. IC 6-1.1-21.7-7 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The ~~state~~
 21 ~~board of tax commissioners~~ **department of local government finance**
 22 shall grant emergency financial relief to a taxing unit that qualifies
 23 under section 6 of this chapter not more than thirty (30) days after the
 24 appeal is filed by the taxing unit. The ~~state board of tax commissioners~~
 25 **department of local government finance** shall compute the amount
 26 of the loan that a taxing unit is eligible to receive in a calendar year
 27 under this chapter. The amount of the loan is the lesser of the amount
 28 sought by the taxing unit or the maximum loan allowed under section
 29 9 of this chapter. The ~~state board of tax commissioners~~ **department of**
 30 **local government finance** shall include the amount of the approved
 31 loan for the initial year of the loan in the order granting emergency
 32 financial relief.

33 (b) Upon approval of emergency financial relief under this chapter,
 34 the ~~state board of tax commissioners~~ **department of local government**
 35 **finance** shall transmit sufficient information to the board to consider
 36 the application of the taxing unit. During the term of the loan, the ~~state~~
 37 ~~board of tax commissioners~~ **department of local government finance**
 38 shall annually compute and transmit to the board the amount of loan
 39 proceeds for which the taxing unit is eligible in a calendar year after
 40 the initial year of the loan.

41 SECTION 23. IC 6-1.1-21.7-8 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. The board shall

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1 make a loan from the counter-cyclical revenue and economic
 2 stabilization fund to the taxing unit in the amount specified in the order
 3 of the ~~state board of tax commissioners~~ **department of local**
 4 **government finance** under section 7 of this chapter not more than
 5 thirty (30) days after the ~~state board of tax commissioners~~ **department**
 6 **of local government finance** notifies the board under section 7 of this
 7 chapter that the appeal for emergency relief has been granted. The
 8 board and the taxing unit shall enter into a written agreement governing
 9 the terms and conditions of the loan. The agreement must contain the
 10 following provisions:

11 (1) The taxing unit is obligated to pay an interest rate of five
 12 percent (5%) simple interest per year on the outstanding balance
 13 of the loan.

14 (2) The taxing unit is obligated to begin repaying the principal of
 15 the loan after January 1 in the sixth year after the year in which the
 16 loan is granted.

17 (3) The taxing unit shall repay the loan on the schedule agreed to
 18 between the board and the taxing unit with the last payment being
 19 made not later than December 1 in the tenth year after the year in
 20 which the loan is granted.

21 (4) In addition to any other remedy available to the board, the
 22 board is authorized to offset the amount of any delinquent payment
 23 on the loan from ~~property tax replacement credit~~ or homestead
 24 credit distributions otherwise due the taxing unit.

25 SECTION 24. IC 6-1.1-21.7-11 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. Loan proceeds
 27 shall be distributed to a taxing unit either on the same schedule as
 28 ~~property tax replacement~~ **homestead** credits are distributed under
 29 ~~IC 6-1.1-21~~ **IC 6-1.1-20.9-8** or another schedule to which both the
 30 board and the taxing unit agree.

31 SECTION 25. IC 6-1.1-21.7-13 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. Loan proceeds
 33 received under this chapter shall be treated as property taxes receivable
 34 by the fund in which the loan proceeds are deposited for the purposes
 35 of receiving any excise tax, state distribution, or other distribution of
 36 tax revenues that is computed on the basis of the amount of the taxing
 37 unit's property tax levy, except ~~property tax replacement~~ and homestead
 38 credits.

39 SECTION 26. IC 6-1.1-21.7-17 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. If a taxing
 41 unit is delinquent in repaying a loan granted under this chapter, the
 42 board may certify the amount of the delinquency to the auditor of state

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1 and the department of state revenue. Upon receiving a certification
 2 under this section, the auditor of state and the department of state
 3 revenue shall reimburse the board in the amount of the delinquency
 4 from ~~property tax replacement credit~~ or homestead credit distributions
 5 otherwise due the taxing unit. The auditor of state and the department
 6 of state revenue shall reduce the amount distributed for payment to the
 7 taxing unit by the amount paid to the board under this section.

8 SECTION 27. IC 6-1.1-26-7 IS ADDED TO THE INDIANA CODE
 9 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
 10 JANUARY 1, 2003]: **Sec. 7. The county auditor shall report to the**
 11 **department of state revenue any refund to a taxpayer made under**
 12 **this chapter resulting from a reduction of the amount of an**
 13 **assessment of business personal property (as defined in**
 14 **IC 6-3.1-24-2).**

15 SECTION 28. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999,
 16 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2003]: Sec. 9. (a) A county council may adopt an
 18 ordinance to abolish the county board of tax adjustment. This ordinance
 19 must be adopted by July 1 and may not be rescinded in the year it is
 20 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19,
 21 ~~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,
 22 IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted,
 23 this section governs the treatment of tax rates, tax levies, and budgets
 24 that would otherwise be reviewed by a county board of tax adjustment
 25 under IC 6-1.1-17.

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

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

33 SECTION 29. IC 6-1.1-33-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The division of
 35 tax review shall:

- 36 (1) conduct continuing studies in the areas in which the state board
 37 of tax commissioners operates;
- 38 (2) make periodic field surveys and audits of tax rolls, plat books,
 39 building permits, real estate transfers, ~~gross income tax returns~~;
 40 federal income tax returns, and other data which may be useful in
 41 checking property valuations or taxpayer returns;
- 42 (3) make test checks of property valuations; and



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- 1 (4) furnish the state board of tax commissioners with information
 2 which the board requests. The division shall furnish the
 3 information in the form and at the time which the board directs.
- 4 SECTION 30. IC 6-1.1-33.5-3, AS ADDED BY P.L.198-2001,
 5 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2003]: Sec. 3. The division of data analysis shall:
- 7 (1) conduct continuing studies in the areas in which the department
 8 of local government finance operates;
- 9 (2) make periodic field surveys and audits of tax rolls, plat books,
 10 building permits, real estate transfers, ~~gross income tax returns~~;
 11 federal income tax returns, and other data that may be useful in
 12 checking property valuations or taxpayer returns;
- 13 (3) make test checks of property valuations to serve as the bases for
 14 special reassessments under this article;
- 15 (4) conduct biennially a coefficient of dispersion study for each
 16 township and county in Indiana;
- 17 (5) conduct quadrennially a sales assessment ratio study for each
 18 township and county in Indiana;
- 19 (6) compute school assessment ratios under IC 6-1.1-34; and
- 20 (7) report annually to the executive director of the legislative
 21 services agency, in a form prescribed by the legislative services
 22 agency, the information obtained or determined under this section
 23 for use by the executive director and the general assembly,
 24 including:
- 25 (A) all information obtained by the division of data analysis from
 26 units of local government; and
- 27 (B) all information included in:
- 28 (i) the local government data base; and
- 29 (ii) any other data compiled by the division of data analysis.
- 30 SECTION 31. IC 6-1.1-39-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) A
 32 declaratory ordinance adopted under section 2 of this chapter and
 33 confirmed under section 3 of this chapter must include a provision with
 34 respect to the allocation and distribution of property taxes for the
 35 purposes and in the manner provided in this section. The allocation
 36 provision must apply to the entire economic development district. The
 37 allocation provisions must require that any property taxes subsequently
 38 levied by or for the benefit of any public body entitled to a distribution
 39 of property taxes on taxable property in the economic development
 40 district be allocated and distributed as follows:
- 41 (1) Except as otherwise provided in this section, the proceeds of
 42 the taxes attributable to the lesser of:

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1 (A) the assessed value of the property for the assessment date
 2 with respect to which the allocation and distribution is made; or
 3 (B) the base assessed value;
 4 shall be allocated to and, when collected, paid into the funds of the
 5 respective taxing units. However, if the effective date of the
 6 allocation provision of a declaratory ordinance is after March 1,
 7 1985, and before January 1, 1986, and if an improvement to
 8 property was partially completed on March 1, 1985, the unit may
 9 provide in the declaratory ordinance that the taxes attributable to
 10 the assessed value of the property as finally determined for March
 11 1, 1984, shall be allocated to and, when collected, paid into the
 12 funds of the respective taxing units.

13 (2) Except as otherwise provided in this section, part or all of the
 14 property tax proceeds in excess of those described in subdivision
 15 (1), as specified in the declaratory ordinance, shall be allocated to
 16 the unit for the economic development district and, when collected,
 17 paid into a special fund established by the unit for that economic
 18 development district that may be used only to pay the principal of
 19 and interest on obligations owed by the unit under IC 4-4-8 for the
 20 financing of industrial development programs in, or serving, that
 21 economic development district. The amount not paid into the
 22 special fund shall be paid to the respective units in the manner
 23 prescribed by subdivision (1).

24 (3) When the money in the fund is sufficient to pay all outstanding
 25 principal of and interest (to the earliest date on which the
 26 obligations can be redeemed) on obligations owed by the unit
 27 under IC 4-4-8 for the financing of industrial development
 28 programs in, or serving, that economic development district,
 29 money in the special fund in excess of that amount shall be paid to
 30 the respective taxing units in the manner prescribed by subdivision
 31 (1).

32 (b) Property tax proceeds allocable to the economic development
 33 district under subsection (a)(2) must, subject to subsection (a)(3), be
 34 irrevocably pledged by the unit for payment as set forth in subsection
 35 (a)(2).

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

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- 1 (2) the base assessed value.
- 2 (d) Notwithstanding any other law, each assessor shall, upon petition
3 of the fiscal body, reassess the taxable property situated upon or in, or
4 added to, the economic development district effective on the next
5 assessment date after the petition.
- 6 (e) Notwithstanding any other law, the assessed value of all taxable
7 property in the economic development district, for purposes of tax
8 limitation ~~property tax replacement (except as provided in~~
9 ~~IC 6-1.1-21-3(e), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c))~~; and
10 formulation of the budget, tax rate, and tax levy for each political
11 subdivision in which the property is located is the lesser of:
12 (1) the assessed value of the property as valued without regard to
13 this section; or
14 (2) the base assessed value.
- 15 (f) The state board of accounts and state board of tax commissioners
16 shall make the rules and prescribe the forms and procedures that they
17 consider expedient for the implementation of this chapter. After each
18 general reassessment under IC 6-1.1-4, the ~~state board of tax~~
19 ~~commissioners~~ **department of local government finance** shall adjust
20 the base assessed value one (1) time to neutralize any effect of the
21 general reassessment on the property tax proceeds allocated to the
22 district under this section. However, the adjustment may not include
23 the effect of property tax abatements under IC 6-1.1-12.1.
- 24 (g) As used in this section, "property taxes" means:
25 (1) taxes imposed under this article on real property; and
26 (2) any part of the taxes imposed under this article on depreciable
27 personal property that the unit has by ordinance allocated to the
28 economic development district. However, the ordinance may not
29 limit the allocation to taxes on depreciable personal property with
30 any particular useful life or lives.
- 31 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
32 economic development district property taxes imposed under IC 6-1.1
33 on depreciable personal property that has a useful life in excess of eight
34 (8) years, the ordinance continues in effect until an ordinance is
35 adopted by the unit under subdivision (2).
- 36 (h) As used in this section, "base assessed value" means:
37 (1) the net assessed value of all the property as finally determined
38 for the assessment date immediately preceding the effective date
39 of the allocation provision of the declaratory resolution, as adjusted
40 under subsection (f); plus
41 (2) to the extent that it is not included in subdivision (1), the net
42 assessed value of property that is assessed as residential property

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1 under the rules of the state board of tax commissioners,
 2 **department of local government finance**, as finally determined
 3 for any assessment date after the effective date of the allocation
 4 provision.

5 Subdivision (2) applies only to economic development districts
 6 established after June 30, 1997, and to additional areas established
 7 after June 30, 1997.

8 SECTION 32. IC 6-1.1-39-6 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) An
 10 economic development district may be enlarged by the fiscal body by
 11 following the same procedure for the creation of an economic
 12 development district specified in this chapter. ~~Property taxes that are~~
 13 ~~attributable to the additional area and allocable to the economic~~
 14 ~~development district are not eligible for the property tax replacement~~
 15 ~~credit provided by IC 6-1.1-21-5. However, subject to subsection (c);~~
 16 ~~each taxpayer in an additional area is entitled to an additional credit for~~
 17 ~~property taxes that under IC 6-1.1-22-9 are due and payable in May and~~
 18 ~~November of that year. One-half (1/2) of the credit shall be applied to~~
 19 ~~each installment of property taxes. This credit equals the amount~~
 20 ~~determined under the following STEPS for each taxpayer in a taxing~~
 21 ~~district in a county that contains all or part of the additional area:~~

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

25 STEP TWO: Divide:

26 (A) that part of twenty percent (20%) of the county's total county
 27 tax levy payable that year as determined under IC 6-1.1-21-4 that
 28 is attributable to the taxing district; by

29 (B) the STEP ONE sum.

30 STEP THREE: Multiply:

31 (A) the STEP TWO quotient; times

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

36 The additional credit reduces the amount of proceeds allocated to the
 37 economic development district and paid into a special fund under
 38 section 5(a) of this chapter:

39 (b) If the additional credit under subsection (a) is not reduced under
 40 subsection (c) or (d), the credit for property tax replacement under
 41 IC 6-1.1-21-5 and the additional credit under subsection (a) shall be
 42 computed on an aggregate basis for all taxpayers in a taxing district

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1 that contains all or part of an additional area. The credit for property
 2 tax replacement under IC 6-1.1-21-5 and the additional credit under
 3 subsection (a) shall be combined on the tax statements sent to each
 4 taxpayer.

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

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

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

10 (d) Whenever the county fiscal body determines that granting the full
 11 additional credit under subsection (a) would adversely affect the
 12 interests of the holders of bonds or other contractual obligations that
 13 are payable from allocated tax proceeds in that economic development
 14 district in a way that would create a reasonable expectation that those
 15 bonds or other contractual obligations would not be paid when due, the
 16 county fiscal body must adopt an ordinance under subsection (c) to
 17 deny the additional credit or reduce the additional credit to a level that
 18 creates a reasonable expectation that the bonds or other obligations will
 19 be paid when due. An ordinance adopted under subsection (c) denies
 20 or reduces the additional credit for property taxes first due and payable
 21 in any year following the year in which the ordinance is adopted.

22 (e) An ordinance adopted under subsection (c) remains in effect until
 23 the ordinance is rescinded by the body that originally adopted the
 24 ordinance. However, an ordinance may not be rescinded if the
 25 rescission would adversely affect the interests of the holders of bonds
 26 or other obligations that are payable from allocated tax proceeds in that
 27 economic development district in a way that would create a reasonable
 28 expectation that the principal of or interest on the bonds or other
 29 obligations would not be paid when due. If an ordinance is rescinded
 30 and no other ordinance is adopted, the additional credit described in
 31 subsection (a) applies to property taxes first due and payable in each
 32 year following the year in which the resolution is rescinded.

33 SECTION 33. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2003]:

36 **Chapter 44. Miscellaneous Tax Allocation**

37 **Sec. 1. As used in this chapter, "miscellaneous tax" means the**
 38 **following:**

39 (1) **Financial institutions tax (IC 6-5.5-8-2).**

40 (2) **Motor vehicle excise tax (IC 6-6-5-10).**

41 (3) **Commercial vehicle excise tax (IC 6-6-5.5-20).**

42 (4) **Aircraft excise tax (IC 6-6-6.5-21).**



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(5) Auto rental excise tax (IC 6-6-9-11).

(6) Boat excise tax (IC 6-6-11-31).

Sec. 2. The department of local government finance shall compute a total levy miscellaneous tax allocation.

Sec. 3. The total levy miscellaneous tax allocation is equal to the sum of the following components:

- (1) A welfare allocation.
- (2) A human services fund allocation
- (3) A trial court allocation.
- (4) An education allocation.

Sec. 4. For each miscellaneous tax, the welfare allocation for a county is equal to the result determined under STEP SIX of 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 administration fund; divided by
- (B) the amounts appropriated by all the taxing units in the county for the year.

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

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

STEP FOUR: Determine the amount of the miscellaneous tax that would otherwise be distributed to all taxing units in the county under the law establishing the miscellaneous tax without regard to this section.

STEP FIVE: Determine the result of:

- (A) the STEP FOUR amount; multiplied by
- (B) the STEP THREE result.

STEP SIX: Determine the greater of:

- (A) zero (0); or
- (B) the STEP FIVE amount.

Sec. 5. For each miscellaneous tax, the human services allocation for a county is equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2000, 2001, and 2002, determine the result of:

- (A) the amounts appropriated by the county in the year for:
 - (i) the county's family and children's fund (IC 12-19-7-3 (repealed)) after the deduction of any amounts appropriated from the fund for the repayment of loans and bonds issued for the fund;
 - (ii) the county contributions to the medical assistance to

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- 1 wards program under IC 12-13-8 (repealed);
 2 (iii) the county contribution to the children with special
 3 health care needs program under IC 16-35-3 (repealed);
 4 and
 5 (iv) the county contribution to the hospital care for the
 6 indigent program under IC 12-16-14 (repealed);
 7 divided by
 8 (B) the amounts appropriated by all the taxing units in the
 9 county for the year.
- 10 **STEP TWO: Determine the sum of the results determined**
 11 **under STEP ONE.**
- 12 **STEP THREE: Divide the STEP TWO result by three (3).**
- 13 **STEP FOUR: Determine the amount of the miscellaneous tax**
 14 **that would otherwise be distributed to all taxing units in the**
 15 **county under the law establishing the miscellaneous tax**
 16 **without regard to this section.**
- 17 **STEP FIVE: Determine the result of:**
 18 (A) the STEP FOUR amount; multiplied by
 19 (B) the STEP THREE result.
- 20 **STEP SIX: Determine the greater of:**
 21 (A) zero (0); or
 22 (B) the STEP FIVE amount.
- 23 **Sec. 6. For each miscellaneous tax, the trial court allocation for**
 24 **a county is equal to the result determined under STEP SIX of the**
 25 **following formula:**
- 26 **STEP ONE: For 2000, 2001, and 2002, determine the result of:**
 27 (A) the amounts appropriated by the county in the year for
 28 the personnel and other operating expense of the circuit,
 29 superior, probate, and county courts in the county that after
 30 2002 will be paid by the state under IC 33-1-18-6; divided by
 31 (B) the amounts appropriated by all the taxing units in the
 32 county for the year.
- 33 **STEP TWO: Determine the sum of the results determined**
 34 **under STEP ONE.**
- 35 **STEP THREE: Divide the STEP TWO result by three (3).**
- 36 **STEP FOUR: Determine the amount of the miscellaneous tax**
 37 **that would otherwise be distributed to all taxing units in the**
 38 **county under the law establishing the miscellaneous tax**
 39 **without regard to this section.**
- 40 **STEP FIVE: Determine the result of:**
 41 (A) the STEP FOUR amount; multiplied by
 42 (B) the STEP THREE result.

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STEP SIX: Determine the greater of:

- (A) zero (0); or
- (B) the STEP FIVE amount.

Sec. 7. For each miscellaneous tax, the education allocation for a county is equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2000, 2001, and 2003, determine the result of:

(A) for fifty percent (50%) of the part of the tuition support levy (as defined in IC 21-3-1.7-5) levied in the county for each school corporation that is at least partially located in the county; divided by

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

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

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

STEP FOUR: Determine the amount of the miscellaneous tax that would otherwise be distributed to all taxing units in the county under the law establishing the miscellaneous tax without regard to this section.

STEP FIVE: Determine the result of:

- (A) the STEP FOUR amount; multiplied by
- (B) the STEP THREE result.

STEP SIX: Determine the greater of:

- (A) zero (0); or
- (B) the STEP FIVE amount.

Sec. 8. The total levy miscellaneous tax allocation shall be used, as provided in each law establishing a miscellaneous tax, to determine the amount of tax proceeds to be distributed to the state and to each county.

Sec. 9. The department of local government finance shall annually certify the amount of:

- (1) each county's total levy miscellaneous tax allocation; and
- (2) the amount of each component of each county's total levy miscellaneous tax allocation to the county auditor.

SECTION 34. IC 6-2.2 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

ARTICLE 2.2. BUSINESS FRANCHISE TAX

Chapter 1. Application

Sec. 1. Except as provided in IC 6-2.2-3 (exempt entities), this article applies to all business entities doing business in Indiana in

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- 1 a taxable year.
- 2 **Sec. 2. The entities to which this article applies include the**
- 3 **following:**
- 4 (1) Corporations.
- 5 (2) S corporations (as defined in Section 1361 of the Internal
- 6 Revenue Code).
- 7 (3) Partnerships.
- 8 (4) Limited partnerships.
- 9 (5) Limited liability partnerships.
- 10 (6) Limited liability companies.
- 11 (7) Business trusts (as defined in IC 23-5-1-2).
- 12 **Sec. 3. For purposes of this article, each business entity is treated**
- 13 **as a separate entity regardless of the extent to which the business**
- 14 **entity is owned or controlled by another business entity or whether**
- 15 **the business entity is taxed for federal income tax purposes.**
- 16 **Sec. 4. A business entity shall not be treated as doing business in**
- 17 **Indiana solely because it has an ownership interest in an entity**
- 18 **described in section 2 of this chapter that is doing business in**
- 19 **Indiana.**
- 20 **Chapter 2. Definitions**
- 21 **Sec. 1. The definitions in this chapter apply throughout this**
- 22 **article.**
- 23 **Sec. 2. "Adjusted net worth" means the net worth of a business**
- 24 **entity remaining after subtracting any exemptions allowed under**
- 25 **IC 6-2.2-5 and any deductions allowed under IC 6-2.2-6.**
- 26 **Sec. 3. "Business entity" means any legal entity, regardless of**
- 27 **form or place of formation, that engages in doing business in**
- 28 **Indiana in a taxable year.**
- 29 **Sec. 4. "Department" refers to the department of state revenue.**
- 30 **Sec. 5. "Doing business" means owning, renting, or operating**
- 31 **business or income producing property or engaging in other**
- 32 **business or income producing activity.**
- 33 **Sec. 6. "Exempt entity" refers to an entity described in**
- 34 **IC 6-2.2-3.**
- 35 **Sec. 7. "Net worth" refers to the net worth of a business entity as**
- 36 **determined under IC 6-2.2-5.**
- 37 **Sec. 8. "Taxable net worth" means the adjusted net worth of a**
- 38 **business entity that is attributed to Indiana under IC 6-2.2-7.**
- 39 **Sec. 9. "Taxable year" means the taxable year of a taxpayer**
- 40 **determined under IC 6-2.2-4.**
- 41 **Sec. 10. "Taxpayer" means a business entity that is not an**
- 42 **exempt entity.**

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1 **Chapter 3. Exempt Entities**

2 **Sec. 1. An individual is exempt from this article.**

3 **Sec. 2. The estate of a deceased individual is exempt from this**
4 **article.**

5 **Sec. 3. The following governmental or quasi-governmental**
6 **entities are exempt from this article:**

7 (1) **The United States government.**

8 (2) **The state of Indiana, another state, or an Indian tribe (as**
9 **defined in IC 34-6-2-66.7).**

10 (3) **A political subdivision.**

11 (4) **A body corporate and politic that is an instrumentality of**
12 **a governmental entity described in subdivisions (1) through (3),**
13 **including a state educational institution (as defined in**
14 **IC 20-12-0.5-1).**

15 (5) **A business entity that is wholly owned by a governmental**
16 **entity described in subdivisions (1) through (3), including a**
17 **municipally owned utility (as defined in IC 8-1-2-1).**

18 **Sec. 4. An organization that is exempt for federal income tax**
19 **purposes under Section 501(a) of the Internal Revenue Code is**
20 **exempt from this article, regardless of whether the organization**
21 **has unrelated business income that is taxable for federal income**
22 **tax purposes.**

23 **Sec. 5. A company (as defined in IC 27-1-2-3) is exempt from this**
24 **article.**

25 **Sec. 6. The following are exempt from this article:**

26 (1) **A holding company (as defined in IC 6-5.5-1-17).**

27 (2) **A regulated financial corporation (as defined in**
28 **IC 6-5.5-1-17).**

29 **Sec. 7. A trust (as described in IC 30-4-1-1) other than a business**
30 **trust (as defined in IC 23-5-1-2) is exempt from this article.**

31 **Sec. 8. The following political organizations are exempt from this**
32 **article:**

33 (1) **A bona fide political party (as defined in IC 3-5-2-5.5).**

34 (2) **A candidate's committee (as defined in IC 3-5-2-7).**

35 (3) **A central committee (as defined in IC 3-5-2-8).**

36 (4) **A regular party committee (as defined in IC 3-5-2-42).**

37 (5) **A political action committee (as defined in IC 3-5-2-37).**

38 (6) **A legislative caucus committee (as defined in IC 3-5-2-27.3).**

39 **Chapter 4. Accounting Practices**

40 **Sec. 1. A taxpayer's taxable year under this article is the year**
41 **that a taxpayer uses for its annual financial statements. If a**
42 **taxpayer does not prepare annual financial statements, the**

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1 taxpayer's taxable year under this article is a calendar year.

2 **Sec. 2.** The taxable net worth of a taxpayer for a taxable year is
3 the taxable net worth of the taxpayer on the last day immediately
4 preceding the beginning of the taxpayer's taxable year.

5 **Sec. 3.** Subject to this article, a taxpayer shall compute the
6 taxpayer's adjusted net worth and any credits allowed against the
7 business franchise tax using generally accepted accounting
8 principles applicable to the United States. If generally accepted
9 accounting principles allow more than one (1) method of
10 accounting for the net worth of a taxpayer, the taxpayer shall use
11 for purposes of this article the same method of accounting that the
12 taxpayer uses to prepare the taxpayer's annual financial
13 statements. If the taxpayer does not prepare annual financial
14 statements in accordance with generally accepted accounting
15 principles, the taxpayer shall use:

16 (1) the same method of accounting that the taxpayer uses for
17 filing a return for federal income tax purposes; or

18 (2) if the taxpayer does not file a return for federal income tax
19 purposes, a method of accounting consistent with the
20 requirements of Section 446 of the Internal Revenue Code.

21 **Chapter 5. Net Worth**

22 **Sec. 1.** The net worth of a taxpayer is the greater of the following:

23 (1) The difference between the taxpayer's total assets and the
24 taxpayer's total liabilities.

25 (2) Zero (0).

26 **Sec. 2.** Notwithstanding any other law, none of the net worth of
27 a taxpayer is exempt from taxation under this article.

28 **Chapter 6. Deductions**

29 **Sec. 1.** Notwithstanding any other law, the only deductions
30 allowable against the net worth of a taxpayer are the deductions
31 allowed by this chapter.

32 **Sec. 2.** A taxpayer may deduct the book value of the taxpayer's
33 ownership interest that the taxpayer has in another business entity
34 from the net worth of the taxpayer if:

35 (1) the taxpayer's ownership interest constitutes at least twenty
36 percent (20%) of the total ownership of the business entity;
37 and

38 (2) the value of the taxpayer's ownership interest in the other
39 business entity would otherwise be included in the net worth of
40 the taxpayer.

41 A deduction shall be allowed under this section only to the extent
42 that the deduction does not result in a business franchise tax for the

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1 taxpayer in a taxable year that is less than two thousand five
2 hundred dollars (\$2,500).

3 **Chapter 7. Apportionment of Net Worth**

4 **Sec. 1. The taxable net worth of a taxpayer is equal to the**
5 **adjusted net worth of the taxpayer multiplied by an apportionment**
6 **factor.**

7 **Sec 2. The apportionment factor for a taxpayer that is doing**
8 **business only in Indiana is one (1).**

9 **Sec. 3. (a) The apportionment factor for a taxpayer that is doing**
10 **business both in Indiana and outside Indiana is a fraction.**

11 **(b) Subject to this chapter, the numerator of the fraction is the**
12 **sum of the property factor, payroll factor, and receipts factor**
13 **determined under this chapter.**

14 **(c) Subject to this chapter, the denominator of the fraction is**
15 **three (3). However, if the taxpayer lacks one (1) of the factors**
16 **applicable to the numerator, the denominator is two (2), and if the**
17 **taxpayer lacks more than one (1) of the factors applicable to the**
18 **numerator, the denominator is one (1).**

19 **(d) Nonbusiness receipts or property may not be excluded from**
20 **the numerator or denominator computed under this chapter.**

21 **Sec. 4. (a) The property factor is a fraction.**

22 **(b) The numerator of the property factor fraction is the average**
23 **value of the taxpayer's real and tangible personal property owned**
24 **or rented and used in Indiana during the immediately preceding**
25 **taxable year.**

26 **(c) The denominator of the property factor fraction is the**
27 **average value of all the taxpayer's real and tangible personal**
28 **property owned or rented and used during the immediately**
29 **preceding taxable year.**

30 **(d) Property owned by the taxpayer is valued at its original cost.**

31 **(e) Property rented by the taxpayer is valued at eight (8) times**
32 **the net annual rental rate. Net annual rental rate is the annual**
33 **rental rate paid by the taxpayer less any annual rental rate**
34 **received by the taxpayer from subrentals.**

35 **(f) The average value of property shall be determined by**
36 **averaging the values at the beginning and ending of the taxpayer's**
37 **immediately preceding taxable year, but the department may**
38 **require the averaging of monthly values during the immediately**
39 **preceding taxable year if reasonably required to reflect properly**
40 **the average value of the taxpayer's property.**

41 **Sec. 5. (a) The payroll factor is a fraction.**

42 **(b) The numerator of the payroll fraction is the total amount**

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1 paid in Indiana during the immediately preceding taxable year by
2 the taxpayer for compensation.

3 (c) The denominator of the payroll fraction is the total
4 compensation paid everywhere during the immediately preceding
5 taxable year.

6 (d) Compensation is paid in Indiana if:

7 (1) the individual's service is performed entirely in Indiana;

8 (2) the individual's service is performed both in and outside
9 Indiana, but the service performed outside Indiana is
10 incidental to the individual's service in Indiana; or

11 (3) some of the service is performed in Indiana and:

12 (A) the base of operations or, if there is no base of
13 operations, the place from which the service is directed or
14 controlled is in Indiana; or

15 (B) the base of operations or the place from which the service
16 is directed or controlled is not in any state in which some
17 part of the service is performed, but the individual is a
18 resident of Indiana.

19 Sec. 6. (a) The receipts factor is a fraction.

20 (b) The numerator of the receipts factor fraction is the total
21 receipts of the taxpayer in Indiana during the immediately
22 preceding taxable year.

23 (c) The denominator of the receipts factor fraction is the total
24 receipts of the taxpayer everywhere during the immediately
25 preceding taxable year.

26 Sec. 7. (a) The receipts factor includes receipts from intangible
27 property and receipts from the sale or exchange of intangible
28 property.

29 (b) Receipts from intangible personal property are derived from
30 sources in Indiana if the receipts from the intangible personal
31 property are attributable to Indiana under section 8 of this
32 chapter.

33 (c) Sales of tangible personal property are in Indiana if:

34 (1) the property is delivered or shipped to a purchaser, other
35 than the United States government, in Indiana, regardless of
36 the f.o.b. point or other conditions of the sale; or

37 (2) the property is shipped from an office, a store, a warehouse,
38 a factory, or other place of storage in Indiana and:

39 (A) the purchaser is the United States government; or

40 (B) the taxpayer is not taxable, as determined under section
41 10 of this chapter, in the state of the purchaser.

42 (d) Gross receipts derived from commercial printing that results

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1 in printed materials, excluding the business of photocopying, shall
 2 be treated as receipts of tangible personal property for purposes of
 3 this chapter.

4 (e) Receipts, other than receipts from intangible property
 5 covered by subsection (b) and receipts of tangible personal
 6 property, are in Indiana if:

7 (1) the activity producing the receipts is performed in Indiana;
 8 or

9 (2) the activity producing the receipts is performed both in and
 10 outside Indiana and a greater proportion of the activity
 11 producing the receipts is performed in Indiana than in any
 12 other state, based on costs of performance.

13 **Sec. 8. (a) Interest and other receipts from assets in the nature of**
 14 **loans or installment receipts contracts that are primarily secured**
 15 **by or deal with real or tangible personal property are attributable**
 16 **to Indiana if the security or sale property is located in Indiana.**

17 (b) Interest and other receipts from consumer loans not secured
 18 by real or tangible personal property are attributable to Indiana
 19 if the loan is made to a resident of Indiana, whether at a place of
 20 business, by a traveling loan officer, by mail, by telephone, or by
 21 other electronic means.

22 (c) Interest and other receipts from commercial loans and
 23 installment obligations not secured by real or tangible personal
 24 property are attributable to Indiana if the proceeds of the loan are
 25 to be applied in Indiana. If it cannot be determined where the
 26 funds are to be applied, the receipts are attributable to the state in
 27 which the business applied for the loan. As used in this section,
 28 "applied for" means initial inquiry (including customer assistance
 29 in preparing the loan application) or submission of a completed
 30 loan application, whichever occurs first.

31 (d) Interest, merchant discount, and other receipts including
 32 service charges from financial institution credit card and travel
 33 and entertainment credit card receivables and credit card holders'
 34 fees are attributable to the state to which the card charges and fees
 35 are regularly billed.

36 (e) Receipts from the performance of fiduciary and other services
 37 are attributable to the state in which the benefits of the services are
 38 consumed. If the benefits are consumed in more than one (1) state,
 39 the receipts from those benefits are attributable to Indiana on a
 40 pro rata basis according to the part of the benefits consumed in
 41 Indiana.

42 (f) Receipts from the issuance of traveler's checks, money orders,

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1 or United States savings bonds are attributable to the state in
2 which the traveler's checks, money orders, or bonds are purchased.

3 (g) Receipts in the form of dividends from investments are
4 attributable to Indiana if the taxpayer's commercial domicile is in
5 Indiana.

6 **Sec. 9. (a) Receipts from rents and royalties from real or tangible**
7 **personal property, sale of capital assets, interest, dividends, or**
8 **patent or copyright royalties, to the extent that they constitute**
9 **nonbusiness income (as defined in IC 6-3-1-21), are attributed as**
10 **provided in this section.**

11 (b) Receipts from net rents and royalties from real property
12 located in Indiana are attributable to Indiana.

13 (c) Receipts from net rents and royalties from tangible personal
14 property are attributed to Indiana:

15 (1) if and to the extent that the property is used in Indiana; or

16 (2) in their entirety if the taxpayer's commercial domicile is in
17 Indiana and the taxpayer is not organized under the laws of or
18 taxable in the state in which the property is used.

19 (d) The extent of use of tangible personal property in a state is
20 determined by multiplying the rents and royalties by a fraction.
21 The numerator of the fraction is the number of days of physical
22 location of the property in the state during the rental or royalty
23 period in the taxable year. The denominator of the fraction is the
24 number of days of physical location of the property everywhere
25 during all rental or royalty periods in the taxable year. If the
26 physical location of the property during the rental or royalty
27 period is unknown or not ascertainable by the taxpayer, tangible
28 personal property is used in the state in which the property was
29 located at the time the rental or royalty payer obtained possession.

30 (e) Receipts from the sales of real property located in Indiana are
31 attributable to Indiana.

32 (f) Receipts from sales of tangible personal property are
33 attributable to Indiana if:

34 (1) the property had a situs in Indiana at the time of the sale;
35 or

36 (2) the taxpayer's commercial domicile is in Indiana and the
37 taxpayer is not taxable in the state in which the property had
38 a situs as determined under section 10 of this chapter.

39 (g) Receipts from intangible personal property are attributable
40 to Indiana if the taxpayer's commercial domicile is in Indiana.

41 (h) Receipts from interest and dividends are attributable to
42 Indiana if the taxpayer's commercial domicile is in Indiana.

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- 1 (i) Patent and copyright royalties are attributable to Indiana:
 2 (1) if and to the extent that the patent or copyright is used by
 3 the taxpayer in Indiana; or
 4 (2) if and to the extent that the patent or copyright is used by
 5 the taxpayer in a state in which the taxpayer is not taxable as
 6 determined under this section and the taxpayer's commercial
 7 domicile is in Indiana.

8 A patent is used in a state to the extent that it is employed in
 9 production, fabrication, manufacturing, or other processing in the
 10 state or to the extent that a patented product is produced in the
 11 state. If the basis of receipts from patent royalties does not permit
 12 allocation to states or if the accounting procedures do not reflect
 13 states of use, the patent is used in the state in which the taxpayer's
 14 commercial domicile is located. A copyright is used in a state to the
 15 extent that printing or other publication originates in the state. If
 16 the basis of receipts from copyright royalties does not permit
 17 allocation to states or if the accounting procedures do not reflect
 18 states of use, the copyright is used in the state in which the
 19 taxpayer's commercial domicile is located.

20 Sec. 10. For purposes of apportionment of net worth under this
 21 article, a taxpayer is taxable in another state if:

- 22 (1) in that state the taxpayer is subject to a franchise tax
 23 measured by net worth, a franchise tax for the privilege of
 24 doing business, or a corporate stock tax; or
 25 (2) that state has jurisdiction to subject the taxpayer to a net
 26 worth tax regardless of whether, in fact, the state does or does
 27 not.

28 Sec. 11. (a) The property factor in the numerator of the
 29 apportionment factor for a transportation company is computed
 30 as follows:

- 31 (1) Fixed properties such as buildings and land used in
 32 business, shop, and terminal equipment and trucks or cars
 33 used locally or any other tangible property connected with the
 34 transportation business is assigned to the state in which the
 35 properties are located.
 36 (2) The value of all movable equipment used in interstate
 37 transportation is assigned to Indiana on the basis of total miles
 38 traveled in Indiana as compared with total miles traveled
 39 everywhere.
 40 (3) Fixed and movable property is combined to arrive at the
 41 total property factor, Indiana property over property
 42 everywhere.

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1 Property owned by the transportation company is valued at
 2 original cost. Property rented is valued at eight (8) times the
 3 annual rental rate less any annual subrental.

4 (b) The payroll factor in the numerator of the apportionment
 5 factor for a transportation company is computed as follows:

6 (1) Wages and salaries of employees assigned to fixed locations
 7 in Indiana are included in the payroll factor of Indiana.

8 (2) Wages of personnel operating interstate transportation
 9 equipment are assigned to Indiana on the basis of total miles
 10 traveled in Indiana as compared to total miles traveled
 11 everywhere.

12 (3) The payroll of permanent and transient personnel is
 13 combined to arrive at the total payroll factor, Indiana payroll
 14 over payroll everywhere.

15 (c) The receipts factor in the numerator of the apportionment
 16 factor for a transportation company is computed as follows:

17 (1) The total revenue dollars from transportation (both
 18 intrastate and interstate) are assigned to the states traversed
 19 on the basis of class or category mileage in each state in which
 20 or through which the freight or passengers move.

21 (2) Pipelines may substitute revenue miles with barrel miles,
 22 cubic foot miles, or other appropriate measures of product
 23 movement.

24 (3) In order to determine the percentage of revenue from
 25 transportation services in Indiana, the fraction of revenue
 26 miles in Indiana over revenue miles everywhere must be
 27 applied to total revenue from transportation.

28 **Chapter 8. Business Franchise Tax**

29 **Sec. 1.** An excise tax is imposed on a taxpayer in each taxable
 30 year in which the taxpayer is doing business in Indiana.

31 **Sec. 2.** The tax imposed under section 1 of this chapter is for the
 32 privilege of doing business in Indiana in a taxable year regardless
 33 of the number of days in a taxable year that the taxpayer is
 34 actually doing business in Indiana.

35 **Sec. 3. (a)** This section applies if the taxpayer does not take a
 36 deduction under IC 6-2.2-6-2.

37 (b) The tax imposed under section 1 of this chapter is equal to the
 38 result determined under STEP THREE of the following formula:

39 **STEP ONE:** Multiply the taxpayer's taxable net worth by three
 40 thousandths (0.003).

41 **STEP TWO:** Determine the greater of the following:

42 (A) Fifty dollars (\$50).

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(B) The STEP ONE result.

STEP THREE: Determine the lesser of the following:

(A) One hundred thousand dollars (\$100,000).

(B) The STEP TWO result.

Sec. 4. (a) This section applies if the taxpayer takes a deduction under IC 6-2.2-6-2.

(b) The tax imposed by section 1 of this chapter is equal to the result determined under the following formula:

STEP ONE: Multiply the taxpayer's taxable net worth, without any deduction under IC 6-2.2-6-2, by twenty-five ten thousandths (0.0025).

STEP TWO: If the STEP ONE result is not greater than fifty dollars (\$50), the tax imposed under section 1 of this chapter is fifty dollars (\$50).

STEP THREE: If the STEP ONE result is greater than fifty dollars (\$50) and not greater than two thousand five hundred dollars (\$2,500), the tax imposed under section 1 of this chapter is the STEP ONE result.

STEP FOUR: If the STEP ONE result is greater than two thousand five hundred dollars (\$2,500), multiply the taxpayer's net worth, after subtracting the deduction under IC 6-2.2-6-2, by twenty-five ten thousandths (0.0025).

STEP FIVE: If the STEP FOUR result is not greater than two thousand five hundred dollars (\$2,500), the tax imposed under section 1 of this chapter is two thousand five hundred dollars (\$2,500).

STEP SIX: If the STEP FOUR result is greater than two thousand five hundred dollars (\$2,500), the tax imposed under section 1 of this chapter is equal to the lesser of the following:

(A) One hundred thousand dollars (\$100,000).

(B) The STEP FOUR result.

Chapter 9. Credits

Sec. 1. Notwithstanding any other law, a taxpayer is not eligible for any credit against the tax imposed under this article.

Chapter 10. Payment of Taxes; Final Returns

Sec. 1. A taxpayer shall file the return prescribed by the department for each taxable year that the taxpayer is doing business in Indiana regardless of whether the taxpayer has any tax due.

Sec. 2. The return must contain the information that the department may require by rule, including any detailed information that may be necessary to determine the taxpayer's tax

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1 liability under this article.

2 **Sec. 3.** Subject to IC 6-8.1-6-1, a return for a taxable year must
3 be filed before the sixteenth day of the fourth month after the
4 beginning of the taxpayer's taxable year.

5 **Sec. 4.** Subject to IC 6-8.1-6-1, a taxpayer shall pay the tax
6 imposed under this article for a taxable year before the sixteenth
7 day of the fourth month after the beginning of the taxpayer's
8 taxable year.

9 **Chapter 11. Administration**

10 **Sec. 1.** Money collected under this article shall be deposited in the
11 state general fund.

12 **Sec. 2.** The department may prescribe forms and adopt rules
13 under IC 4-22-2 to carry out this article and collect the tax imposed
14 by this article.

15 **Sec. 3.** The department may require a taxpayer to provide
16 information concerning any licenses and registrations that the
17 taxpayer has in Indiana.

18 **Sec. 4.** The department may require a taxpayer to notify the
19 department concerning any change in its method of accounting or
20 taxable year.

21 **Sec. 5.** The tax imposed under this article is a listed tax.

22 **Chapter 12. Penalties**

23 **Sec. 1.** The penalties in IC 6-8.1 apply to this article.

24 **Sec. 2.** If a taxpayer:

25 (1) fails to:

26 (A) file a notice, an information report, or a return; or

27 (B) pay the amount of the tax due;

28 as required under this article and IC 6-8.1; and

29 (2) within ninety (90) days after receiving written notice of a
30 failure described in subdivision (1), fails to comply with this
31 article and pay any penalty imposed under IC 6-8.1 for failure
32 to comply with this article;

33 the department may suspend the taxpayer's privilege of doing
34 business in Indiana for the remainder of the taxable year in which
35 the failure occurred and for any subsequent taxable year. Notice of
36 the suspension must be given under IC 4-21.5-3-4.

37 **Sec. 3.** A taxpayer may obtain administrative review of a
38 suspension under section 2 of this chapter under IC 4-21.5-3-7 and
39 judicial review of a final determination of the department under
40 IC 4-21.5-5. Judicial review shall be initiated by filing a petition in
41 the tax court. The tax court has exclusive jurisdiction over the
42 review.



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1 **Sec. 4. Except during any time that an order suspending a**
2 **taxpayer's privilege of doing business in Indiana is stayed under**
3 **IC 4-21.5:**

4 **(1) a taxpayer whose privilege of doing business in Indiana has**
5 **been suspended under this chapter is ineligible to enforce any**
6 **right or power otherwise accruing to the taxpayer after the**
7 **taxpayer receives written notice from the department that the**
8 **taxpayer's privilege of doing business in Indiana has been**
9 **suspended; and**

10 **(2) any contract entered into by the taxpayer after the taxpayer**
11 **has received written notice that the taxpayer's privilege of**
12 **doing business in Indiana has been suspended is voidable by**
13 **any other party to the contract.**

14 **Sec. 5. If:**

15 **(1) the department suspends a taxpayer's privilege of doing**
16 **business or a stay of an order suspending the taxpayer's**
17 **privilege of doing business in Indiana is terminated; and**

18 **(2) the department knows that the taxpayer is required by any**
19 **law to obtain a license or register with any state agency or**
20 **political subdivision to engage in doing business;**

21 **the department shall notify the state agency or political subdivision**
22 **that the taxpayer's privilege of doing business in Indiana has been**
23 **suspended. Upon receipt of the notification, the state agency or**
24 **political subdivision shall suspend the license or the rights accruing**
25 **from registration issued by the state agency or political**
26 **subdivision.**

27 **Sec. 6. An order suspending the privilege of doing business in**
28 **Indiana may be rescinded if the taxpayer:**

29 **(1) complies with this article; and**

30 **(2) pays the penalties imposed under IC 6-8.1 for violation of**
31 **this article.**

32 **Sec. 7. If an order suspending a taxpayer's privilege of doing**
33 **business in Indiana is rescinded or stayed, the department shall**
34 **notify each state agency and political subdivision described in**
35 **section 5 of this chapter of the action. Upon receipt of the notice,**
36 **each state agency and political subdivision shall reinstate any**
37 **license or rights accruing from registration if the taxpayer**
38 **otherwise qualifies for the license or registration and the taxpayer**
39 **pays any fees imposed to reinstate the license or registration.**

40 **SECTION 35. IC 6-2.5-1-10 IS ADDED TO THE INDIANA CODE**
41 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
42 **1, 2002]: Sec. 10. "Commercial printing" means a process or**

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activity, or both, that is related to the production of printed materials for others, including the following:

- (1) Receiving, processing, moving, storing, and transmitting, either physically or electronically, copy elements and images to be reproduced.
- (2) Plate making or cylinder making.
- (3) Applying ink by one (1) or more processes, such as printing by letter press, lithography, gravure, screen, or digital means.
- (4) Casemaking and binding.
- (5) Assembling, packaging, and distributing printed materials.

The term does not include the business of photocopying.

SECTION 36. IC 6-2.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The state gross retail tax is measured by the gross retail income received by a retail merchant in a retail unitary transaction and is imposed at the following rates:

STATE GROSS RETAIL TAX	GROSS RETAIL INCOME FROM THE RETAIL UNITARY TRANSACTION		
\$ 0		less than	\$.10
\$.01	at least \$.10;	but less than	\$.30
\$.02	at least \$.30;	but less than	\$.50
\$.03	at least \$.50;	but less than	\$.70
\$.04	at least \$.70;	but less than	\$.90
\$.05	at least \$.90;	but less than	\$1.10
\$ 0		less than	\$0.09
\$ 0.01	at least \$0.09	but less than	\$0.25
\$ 0.02	at least \$ 0.25	but less than	\$0.42
\$ 0.03	at least \$ 0.42	but less than	\$0.59
\$ 0.04	at least \$ 0.59	but less than	\$0.75
\$ 0.05	at least \$ 0.75	but less than	\$0.92
\$ 0.06	at least \$ 0.92	but less than	\$1.09

On a retail unitary transaction in which the gross retail income received by the retail merchant is one dollar and ~~ten nine~~ **nine** cents (~~\$1.10~~) (**\$1.09**) or more, the state gross retail tax is ~~five six~~ **six** percent (~~5%~~) (**6%**) of that gross retail income.

(b) If the tax, computed under subsection (a), results in a fraction of one-half cent (~~\$.005~~) (**\$0.005**) or more, the amount of the tax shall be rounded to the next additional cent.

SECTION 37. IC 6-2.5-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) For purposes of

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this section:

(1) the retreading of tires shall be treated as the processing of tangible personal property; and

(2) commercial printing ~~as described in IC 6-2.1-2-4~~ shall be treated as the production and manufacture of tangible personal property.

(b) Transactions involving manufacturing machinery, tools, and equipment are exempt from the state gross retail tax if the person acquiring that property acquires it for direct use in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property.

SECTION 38. IC 6-2.5-5-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5.1. (a) As used in this section, "tangible personal property" includes electrical energy, natural or artificial gas, water, steam, and steam heat.

(b) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property acquires it for direct consumption as a material to be consumed in the direct production of other tangible personal property in the person's business of manufacturing, processing, refining, repairing, mining, agriculture, horticulture, floriculture, or arboriculture. This exemption includes transactions involving acquisitions of tangible personal property used in commercial printing. ~~as described in IC 6-2.1-2-4.~~

SECTION 39. IC 6-2.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property acquires it for incorporation as a material part of other tangible personal property which the purchaser manufactures, assembles, refines, or processes for sale in his business. This exemption includes transactions involving acquisitions of tangible personal property used in commercial printing. ~~as described in IC 6-2.1-2-4.~~

SECTION 40. IC 6-2.5-5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. (a) **For purposes of this section, "private benefit or gain" does not include reasonable compensation paid to an employee for work or services actually performed.**

(b) Sales of food are exempt from the state gross retail tax, if:

(1) the seller ~~is an organization described in IC 6-2.1-3-19; IC 6-2.1-3-20; IC 6-2.1-3-21; or IC 6-2.1-3-22;~~ **meets the filing requirements under subsection (d) and is any of the following:**

(A) A fraternity, a sorority, or a student cooperative housing

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1 organization that is connected with and under the
 2 supervision of a college, a university, or any other
 3 educational institution if no part of its income is used for the
 4 private benefit or gain of any member, trustee, shareholder,
 5 employee, or associate.

6 **(B) Any:**

- 7 (i) institution;
- 8 (ii) trust;
- 9 (iii) group;
- 10 (iv) united fund;
- 11 (v) affiliated agency of a united fund;
- 12 (vi) nonprofit corporation;
- 13 (vii) cemetery association; or
- 14 (viii) organization;

15 that is organized and operated exclusively for religious,
 16 charitable, scientific, literary, educational, or civic purposes
 17 if no part of its income is used for the private benefit or gain
 18 of any member, trustee, shareholder, employee, or associate.

19 **(C) A group, an organization, or a nonprofit corporation that**
 20 **is organized and operated for fraternal or social purposes, or**
 21 **as a business league or association, and not for the private**
 22 **benefit or gain of any member, trustee, shareholder,**
 23 **employee, or associate.**

24 **(D) A:**

- 25 (i) hospital licensed by the state department of health;
- 26 (ii) shared hospital services organization exempt from
- 27 federal income taxation by Section 501(c)(3) or 501(e) of
- 28 the Internal Revenue Code;
- 29 (iii) labor union;
- 30 (iv) church;
- 31 (v) monastery;
- 32 (vi) convent;
- 33 (vii) school that is a part of the Indiana public school
- 34 system;
- 35 (viii) parochial school regularly maintained by a
- 36 recognized religious denomination; or
- 37 (ix) trust created for the purpose of paying pensions to
- 38 members of a particular profession or business who
- 39 created the trust for the purpose of paying pensions to each
- 40 other;

41 if the taxpayer is not organized or operated for private profit
 42 or gain;

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1 (2) the purchaser is a person confined to his home because of age,
2 sickness, or infirmity;

3 (3) the seller delivers the food to the purchaser; and

4 (4) the delivery is prescribed as medically necessary by a physician
5 licensed to practice medicine in Indiana.

6 ~~(b)~~ (c) Sales of food are exempt from the state gross retail tax, if the
7 seller is an organization described in ~~IC 6-2.1-3-19~~, ~~IC 6-2.1-3-20~~,
8 ~~IC 6-2.1-3-21~~, or ~~IC 6-2.1-3-22~~ **subsection (b)(1)**, and the purchaser is
9 a patient in a hospital operated by the seller.

10 **(d) To obtain the exemption provided by this section, a taxpayer**
11 **must file an application for exemption with the department:**

12 (1) before January 1, 2003, under IC 6-2.1-3-19 (repealed); or

13 (2) not later than one hundred twenty (120) days after the
14 taxpayer's formation.

15 **In addition, the taxpayer must file an annual report with the**
16 **department on or before the fifteenth day of the fifth month**
17 **following the close of each taxable year. If a taxpayer fails to file**
18 **the report, the department shall notify the taxpayer of the failure.**
19 **If within sixty (60) days after receiving such notice the taxpayer**
20 **does not provide the report, the taxpayer's exemption shall be**
21 **canceled. However, the department may reinstate the taxpayer's**
22 **exemption if the taxpayer shows by petition that the failure was**
23 **due to excusable neglect.**

24 SECTION 41. IC 6-2.5-5-22 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 22. (a) Sales of school
26 meals are exempt from the state gross retail tax, if:

27 (1) the seller is a school containing students in any grade, one (1)
28 through twelve (12);

29 (2) the purchaser is one (1) of those students or a school employee;
30 and

31 (3) the school furnishes the food on its premises.

32 (b) Sales of food by not-for-profit colleges or universities are exempt
33 from the state gross retail tax, if the purchaser is a student at the college
34 or university.

35 (c) Sales of meals after December 31, 1976, by a fraternity, sorority,
36 or student cooperative housing organization described in ~~IC 6-2.1-3-19~~
37 **section 21(b)(1)(A) of this chapter** are exempt from the state gross
38 retail tax, if the purchaser:

39 (1) is a member of the fraternity, sorority, or student cooperative
40 housing organization; and

41 (2) is enrolled in the college, university, or educational institution
42 with which the fraternity, sorority, or student cooperative housing

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1 organization is connected and by which it is supervised.

2 SECTION 42. IC 6-2.5-5-24 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 24. (a) Transactions are
 4 exempt from the state gross retail tax to the extent that the gross retail
 5 income from those transactions is derived from gross receipts that are:
 6 exempt from the gross income tax under IC 6-2.1-3-2, IC 6-2.1-3-3.5,
 7 IC 6-2.1-3-5, IC 6-2.1-3-6, IC 6-2.1-3-7, or IC 6-2.1-3-13.

8 (1) derived from sales to the United States government, to the
 9 extent the state is prohibited by the Constitution of the United
 10 States from taxing that income;

11 (2) derived from commercial printing that results in printed
 12 materials, excluding the business of photocopying, that are
 13 shipped, mailed, or delivered outside Indiana;

14 (3) United States or Indiana taxes received or collected as a
 15 collecting agent explicitly designated as a collecting agent for
 16 a tax by statute for the state or the United States;

17 (4) collections by a retail merchant of a retailer's excise tax
 18 imposed by the United States exempt tax if:

19 (A) the tax is imposed solely on the sale at retail of tangible
 20 personal property;

21 (B) the tax is remitted to the appropriate taxing authority;
 22 and

23 (C) the retail merchant collects the tax separately as an
 24 addition to the price of the property sold;

25 (5) collections of a manufacturer's excise tax imposed by the
 26 United States on motor vehicles, motor vehicle bodies and
 27 chassis, parts and accessories for motor vehicles, tires, tubes
 28 for tires, or tread rubber and laminated tires, if the excise tax
 29 is separately stated by the collecting taxpayer as either an
 30 addition to or an inclusion in the price of the property sold; or

31 (6) amounts represented by an encumbrance of any kind on
 32 tangible personal property received by a retail merchant in
 33 reciprocal exchange for tangible personal property of like kind.

34 (b) Transactions are exempt from the state gross retail tax to the
 35 extent that the gross retail income from those transactions is derived
 36 from gross receipts that are: exempt from the gross income tax under
 37 IC 6-2.1-3-1 or IC 6-2.1-3-3.

38 (1) interest or other earnings paid on bonds or other securities
 39 issued by the United States, to the extent the Constitution of the
 40 United States prohibits the taxation of that income; or

41 (2) derived from business conducted in commerce between the
 42 state and either another state or a foreign country, to the

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1 **extent the state is prohibited from taxing that gross income by**
2 **the Constitution of the United States.**

3 SECTION 43. IC 6-2.5-5-25 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 25. (a) Transactions
5 involving tangible personal property or service are exempt from the
6 state gross retail tax, if the person acquiring the property or service:

- 7 (1) is an organization ~~which that~~ **is granted a gross income tax**
8 **exemption under IC 6-2.1-3-20, IC 6-2.1-3-21, or IC 6-2.1-3-22;**
9 **described in section 21(b)(1) of this chapter;**
- 10 (2) primarily uses the property or service to carry on or to raise
11 money to carry on ~~the its~~ not-for-profit purpose; ~~for which it~~
12 ~~receives the gross income tax exemption;~~ and
- 13 (3) is not an organization operated predominantly for social
14 purposes.

15 (b) Transactions occurring after December 31, 1976, and involving
16 tangible personal property or service are exempt from the state gross
17 retail tax, if the person acquiring the property or service:

- 18 (1) is a fraternity, sorority, or student cooperative housing
19 organization ~~which that~~ **is granted a gross income tax exemption**
20 **under IC 6-2.1-3-19; described in section 21(b)(1)(A) of this**
21 **chapter;** and
- 22 (2) uses the property or service to carry on its ordinary and usual
23 activities and operations as a fraternity, sorority, or student
24 cooperative housing organization.

25 SECTION 44. IC 6-2.5-5-26 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 26. (a) Sales of tangible
27 personal property are exempt from the state gross retail tax, if:

- 28 (1) the seller is an organization ~~which that~~ **is granted a gross**
29 **income tax exemption under IC 6-2.1-3-19, IC 6-2.1-3-20;**
30 **IC 6-2.1-3-21, or IC 6-2.1-3-22; described in section 21(b)(1) of**
31 **this chapter;**
- 32 (2) the organization makes the sale to make money to carry on ~~the~~
33 ~~a~~ not-for-profit purpose; ~~for which it receives its gross income tax~~
34 ~~exemption;~~ and
- 35 (3) the organization does not make those sales during more than
36 thirty (30) days in a calendar year.

37 (b) Sales of tangible personal property are exempt from the state
38 gross retail tax, if:

- 39 (1) the seller is an organization ~~which is~~ **granted a gross income tax**
40 **exemption under IC 6-2.1-3-19, IC 6-2.1-3-20, IC 6-2.1-3-21, or**
41 **IC 6-2.1-3-22; described in section 21(b)(1) of this chapter;**
- 42 (2) the seller is not operated predominantly for social purposes;

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1 (3) the property sold is designed and intended primarily either for
2 the organization's educational, cultural, or religious purposes, or
3 for improvement of the work skills or professional qualifications
4 of the organization's members; and

5 (4) the property sold is not designed or intended primarily for use
6 in carrying on a private or proprietary business.

7 (c) The exemption provided by this section does not apply to an
8 accredited college or university's sales of books, stationery,
9 haberdashery, supplies, or other property.

10 SECTION 45. IC 6-2.5-6-1, AS AMENDED BY P.L.185-2001,
11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2002]: Sec. 1. (a) Each person liable for collecting the state
13 gross retail or use tax shall file a return for each calendar month and
14 pay the state gross retail and use taxes that the person collects during
15 that month. A person shall file the person's return for a particular
16 month with the department and make the person's tax payment for that
17 month to the department not more than thirty (30) days after the end of
18 that month, if that person's average monthly liability for collections of
19 state gross retail and use taxes under this section as determined by the
20 department for the preceding calendar year did not exceed one
21 thousand dollars (\$1,000). If a person's average monthly liability for
22 collections of state gross retail and use taxes under this section as
23 determined by the department for the preceding calendar year exceeded
24 one thousand dollars (\$1,000), that person shall file the person's return
25 for a particular month and make the person's tax payment for that
26 month to the department not more than twenty (20) days after the end
27 of that month.

28 (b) If a person files a combined sales and withholding tax report and
29 either this section or IC 6-3-4-8.1 requires sales or withholding tax
30 reports to be filed and remittances to be made within twenty (20) days
31 after the end of each month, then the person shall file the combined
32 report and remit the sales and withholding taxes due within twenty (20)
33 days after the end of each month.

34 (c) Instead of the reporting periods required under subsection (a), the
35 department may permit a retail merchant to report and pay the
36 merchant's state gross retail and use taxes for a period covering:

37 (1) a calendar year, if the retail merchant's average monthly state
38 gross retail and use tax liability in the previous calendar year does
39 not exceed ten dollars (\$10); or

40 (2) a calendar half year, if the retail merchant's average monthly
41 state gross retail and use tax liability in the previous calendar year
42 does not exceed twenty-five dollars (\$25).

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1 A retail merchant using a reporting period allowed under this
 2 subsection must file the merchant's return and pay the merchant's tax
 3 for a reporting period not later than the last day of the month
 4 immediately following the close of that reporting period.

5 (d) If a retail merchant reports the merchant's **adjusted** gross income
 6 tax, or the tax the merchant pays in place of the **adjusted** gross income
 7 tax, over a fiscal year or fiscal quarter not corresponding to the
 8 calendar year or calendar quarter, the merchant may, without prior
 9 departmental approval, report and pay the merchant's state gross retail
 10 and use taxes over the merchant's fiscal period that corresponds to the
 11 calendar period the merchant is permitted to use under subsection (c).
 12 However, the department may, at any time, require the retail merchant
 13 to stop using the fiscal reporting period.

14 (e) If a retail merchant files a combined sales and withholding tax
 15 report, the reporting period for the combined report is the shortest
 16 period required under:

- 17 (1) this section;
- 18 (2) IC 6-3-4-8; or
- 19 (3) IC 6-3-4-8.1.

20 (f) If the department determines that a person's:

- 21 (1) estimated monthly gross retail and use tax liability for the
 22 current year; or
- 23 (2) average monthly gross retail and use tax liability for the
 24 preceding year;

25 exceeds ten thousand dollars (\$10,000) the person shall pay the
 26 monthly gross retail and use taxes due by electronic fund transfer (as
 27 defined in IC 4-8.1-2-7) or by delivering in person or by overnight
 28 courier a payment by cashier's check, certified check, or money order
 29 to the department. The transfer or payment shall be made on or before
 30 the date the tax is due.

31 SECTION 46. IC 6-2.5-6-2 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. A retail merchant
 33 may, without prior departmental approval, report and pay his state
 34 gross retail and use taxes on an accrual basis, if he uses the accrual
 35 basis to pay and report the **adjusted** gross income tax or the tax
 36 imposed on him in place of the **adjusted** gross income tax. The
 37 department may, at any time, require the retail merchant to stop using
 38 the accrual basis.

39 SECTION 47. IC 6-2.5-6-7 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. Except as otherwise
 41 provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to
 42 the department, for a particular reporting period, an amount equal to

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1 the product of:

2 (1) ~~five six~~ percent (~~5%~~); (**6%**); multiplied by

3 (2) the retail merchant's total gross retail income from taxable
4 transactions made during the reporting period.

5 The amount determined under this section is the retail merchant's state
6 gross retail and use tax liability regardless of the amount of tax he
7 actually collects.

8 SECTION 48. IC 6-2.5-6-8 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) For purposes of
10 determining the amount of state gross retail and use taxes which he
11 must remit under section 7 of this chapter, a retail merchant may
12 exclude from his gross retail income from retail transactions made
13 during a particular reporting period, an amount equal to the product of:

14 (1) the amount of that gross retail income; multiplied by

15 (2) the retail merchant's "income exclusion ratio" for the tax year
16 which contains the reporting period.

17 (b) A retail merchant's "income exclusion ratio" for a particular tax
18 year equals a fraction, the numerator of which is the retail merchant's
19 estimated total gross retail income for the tax year from unitary retail
20 transactions which produce gross retail income of less than ~~ten nine~~
21 cents (~~\$10~~) (**\$0.09**) each, and the denominator of which is the retail
22 merchant's estimated total gross retail income for the tax year from all
23 retail transactions.

24 (c) In order to minimize a retail merchant's recordkeeping
25 requirements, the department shall prescribe a procedure for
26 determining the retail merchant's income exclusion ratio for a tax year,
27 based on a period of time, not to exceed fifteen (15) consecutive days,
28 during the first quarter of the retail merchant's tax year. However, the
29 period of time may be changed if the change is requested by the retail
30 merchant because of his peculiar accounting procedures or marketing
31 factors. In addition, if a retail merchant has multiple sales locations or
32 diverse types of sales, the department shall permit the retail merchant
33 to determine the ratio on the basis of a representative sampling of the
34 locations and types of sales.

35 SECTION 49. IC 6-2.5-6-10 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) In order to
37 compensate retail merchants for collecting and timely remitting the
38 state gross retail tax and the state use tax, every retail merchant, except
39 a retail merchant referred to in subsection (c), is entitled to deduct and
40 retain from the amount of those taxes otherwise required to be remitted
41 under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail
42 merchant's collection allowance.



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1 (b) The allowance equals ~~one eighty-three hundredths~~ percent (~~1%~~)
 2 **(0.83%)** of the retail merchant's state gross retail and use tax liability
 3 accrued during a reporting period.

4 (c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
 5 entitled to the allowance provided by this section.

6 SECTION 50. IC 6-2.5-7-3, AS AMENDED BY P.L.222-1999,
 7 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2002]: Sec. 3. (a) With respect to the sale of gasoline which
 9 is dispensed from a metered pump, a retail merchant shall collect, for
 10 each unit of gasoline sold, state gross retail tax in an amount equal to
 11 the product, rounded to the nearest one-tenth of one cent (~~\$.001~~);
 12 **(\$0.001)**, of:

13 (i) **(1)** the price per unit before the addition of state and federal
 14 taxes; multiplied by

15 (ii) ~~five~~ **(2) six** percent (~~5%~~): **(6%)**.

16 The retail merchant shall collect the state gross retail tax prescribed in
 17 this section even if the transaction is exempt from taxation under
 18 IC 6-2.5-5.

19 (b) With respect to the sale of special fuel or kerosene which is
 20 dispensed from a metered pump, unless the purchaser provides an
 21 exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant
 22 shall collect, for each unit of special fuel or kerosene sold, state gross
 23 retail tax in an amount equal to the product, rounded to the nearest
 24 one-tenth of one cent (~~\$.001~~); **(\$0.001)**, of:

25 (i) **(1)** the price per unit before the addition of state and federal
 26 taxes; multiplied by

27 (ii) ~~five~~ **(2) six** percent (~~5%~~): **(6%)**.

28 Unless the exemption certificate is provided, the retail merchant shall
 29 collect the state gross retail tax prescribed in this section even if the
 30 transaction is exempt from taxation under IC 6-2.5-5.

31 SECTION 51. IC 6-2.5-7-5 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) Each retail
 33 merchant who dispenses gasoline or special fuel from a metered pump
 34 shall, in the manner prescribed in IC 6-2.5-6, report to the department
 35 the following information:

36 (1) The total number of gallons of gasoline sold from a metered
 37 pump during the period covered by the report.

38 (2) The total amount of money received from the sale of gasoline
 39 described in subdivision (1) during the period covered by the
 40 report.

41 (3) That portion of the amount described in subdivision (2) which
 42 represents state and federal taxes imposed under IC 6-2.5,

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1 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.

2 (4) The total number of gallons of special fuel sold from a metered
3 pump during the period covered by the report.

4 (5) The total amount of money received from the sale of special
5 fuel during the period covered by the report.

6 (6) That portion of the amount described in subdivision (5) that
7 represents state and federal taxes imposed under IC 6-2.5,
8 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.

9 (b) Concurrently with filing the report, the retail merchant shall remit
10 the state gross retail tax in an amount which equals ~~one twenty-first~~
11 ~~(1/21)~~ **five and sixty-six hundredths percent (5.66%)** of the gross
12 receipts, including state gross retail taxes but excluding Indiana and
13 federal gasoline and special fuel taxes, received by the retail merchant
14 from the sale of the gasoline and special fuel that is covered by the
15 report and on which the retail merchant was required to collect state
16 gross retail tax. The retail merchant shall remit that amount regardless
17 of the amount of state gross retail tax which he has actually collected
18 under this chapter. However, the retail merchant is entitled to deduct
19 and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and
20 IC 6-2.5-6-11.

21 (c) A retail merchant is entitled to deduct from the amount of state
22 gross retail tax required to be remitted under subsection (b) an amount
23 equal to:

24 (1) the sum of the prepayment amounts made during the period
25 covered by the retail merchant's report; minus

26 (2) the sum of prepayment amounts collected by the retail
27 merchant, in the merchant's capacity as a qualified distributor,
28 during the period covered by the retail merchant's report.

29 For purposes of this section, a prepayment of the gross retail tax is
30 presumed to occur on the date on which it is invoiced.

31 SECTION 52. IC 6-2.5-10-1, AS AMENDED BY P.L.253-1999,
32 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2002]: Sec. 1. (a) The department shall account for all state
34 gross retail and use taxes that it collects.

35 (b) The department shall deposit those collections in the following
36 manner:

37 ~~(1) Forty percent (40%) of the collections shall be paid into the~~
38 ~~property tax replacement fund established under IC 6-1.1-21.~~

39 ~~(2) Fifty-nine and three-hundredths percent (59.03%)~~

40 **(1) Ninety-nine and one hundred ninety-two thousandths**
41 **percent (99.192%)** of the collections shall be paid into the state
42 general fund.

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- 1 ~~(3) Seventy-six hundredths~~ **(2) Six hundred thirty-three**
- 2 **thousandths** of one percent ~~(0.76%)~~ **(0.633%)** of the collections
- 3 shall be paid into the public mass transportation fund established
- 4 by IC 8-23-3-8.
- 5 ~~(4) Four hundredths~~ **(3) Thirty-three thousandths** of one percent
- 6 ~~(0.04%)~~ **(0.033%)** of the collections shall be deposited into the
- 7 industrial rail service fund established under IC 8-3-1.7-2.
- 8 ~~(5) Seventeen hundredths~~ **(4) One hundred forty-two**
- 9 **thousandths** of one percent ~~(0.17%)~~ **(0.142%)** of the collections
- 10 shall be deposited into the commuter rail service fund established
- 11 under IC 8-3-1.5-20.5.

12 SECTION 53. IC 6-2.5-10-2 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The provisions of the
 14 **adjusted** gross income tax law ~~(IC 6-2-1)~~; **(IC 6-3)**, which do not
 15 conflict with the provisions of this article and which deal with any of
 16 the following subjects, apply for the purposes of imposing, collecting,
 17 and administering the state gross retail and use taxes under this article:

- 18 (1) Filing of returns.
- 19 (2) Auditing of returns.
- 20 (3) Investigation of tax liability.
- 21 (4) Determination of tax liability.
- 22 (5) Notification of tax liability.
- 23 (6) Assessment of tax liability.
- 24 (7) Collection of tax liability.
- 25 (8) Examination of taxpayer's books and records.
- 26 (9) Legal proceedings.
- 27 (10) Court actions.
- 28 (11) Remedies.
- 29 (12) Privileges.
- 30 (13) Taxpayer and departmental relief.
- 31 (14) Statutes of limitations.
- 32 (15) Hearings.
- 33 (16) Refunds.
- 34 (17) Remittances.
- 35 (18) Imposition of penalties and interest.
- 36 (19) Maintenance of departmental records.
- 37 (20) Confidentiality of taxpayer's returns.
- 38 (21) Duties of the secretary of state and the treasurer of state.
- 39 (22) Administration.

40 SECTION 54. IC 6-3-1-3.5, AS AMENDED BY P.L.14-2000,
 41 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2003]: Sec. 3.5. When used in ~~IC 6-3~~; **this article**, the

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- 1 term "adjusted gross income" shall mean the following:
- 2 (a) In the case of all individuals, "adjusted gross income" (as defined
- 3 in Section 62 of the Internal Revenue Code), modified as follows:
- 4 (1) Subtract income that is exempt from taxation under ~~IC 6-3~~ **this**
- 5 **article** by the Constitution and statutes of the United States.
- 6 (2) Add an amount equal to any deduction or deductions allowed
- 7 or allowable pursuant to Section 62 of the Internal Revenue Code
- 8 for taxes based on or measured by income and levied at the state
- 9 level by any state of the United States.
- 10 (3) Subtract one thousand dollars (\$1,000), or in the case of a joint
- 11 return filed by a husband and wife, subtract for each spouse one
- 12 thousand dollars (\$1,000).
- 13 (4) Subtract one thousand dollars (\$1,000) for:
- 14 (A) each of the exemptions provided by Section 151(c) of the
- 15 Internal Revenue Code;
- 16 (B) each additional amount allowable under Section 63(f) of the
- 17 Internal Revenue Code; and
- 18 (C) the spouse of the taxpayer if a separate return is made by the
- 19 taxpayer and if the spouse, for the calendar year in which the
- 20 taxable year of the taxpayer begins, has no gross income and is
- 21 not the dependent of another taxpayer.
- 22 (5) Subtract:
- 23 (A) ~~one two thousand five hundred dollars (\$1,500)~~ **(\$2,000)** for
- 24 each of the exemptions allowed under Section 151(c)(1)(B) of
- 25 the Internal Revenue Code; ~~for taxable years beginning after~~
- 26 ~~December 31, 1996;~~ and
- 27 (B) five hundred dollars (\$500) for each additional amount
- 28 allowable under Section 63(f)(1) of the Internal Revenue Code
- 29 if the adjusted gross income of the taxpayer, or the taxpayer and
- 30 the taxpayer's spouse in the case of a joint return, is less than
- 31 forty thousand dollars (\$40,000).
- 32 This amount is in addition to the amount subtracted under
- 33 subdivision (4).
- 34 (6) Subtract an amount equal to the lesser of:
- 35 (A) that part of the individual's adjusted gross income (as
- 36 defined in Section 62 of the Internal Revenue Code) for that
- 37 taxable year that is subject to a tax that is imposed by a political
- 38 subdivision of another state and that is imposed on or measured
- 39 by income; or
- 40 (B) two thousand dollars (\$2,000).
- 41 (7) Add an amount equal to the total capital gain portion of a lump
- 42 sum distribution (as defined in Section 402(e)(4)(D) of the Internal

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- 1 Revenue Code) if the lump sum distribution is received by the
2 individual during the taxable year and if the capital gain portion of
3 the distribution is taxed in the manner provided in Section 402 of
4 the Internal Revenue Code.
- 5 (8) Subtract any amounts included in federal adjusted gross income
6 under Internal Revenue Code Section 111 as a recovery of items
7 previously deducted as an itemized deduction from adjusted gross
8 income.
- 9 (9) Subtract any amounts included in federal adjusted gross income
10 under the Internal Revenue Code which amounts were received by
11 the individual as supplemental railroad retirement annuities under
12 45 U.S.C. 231 and which are not deductible under subdivision (1).
- 13 (10) Add an amount equal to the deduction allowed under Section
14 221 of the Internal Revenue Code for married couples filing joint
15 returns if the taxable year began before January 1, 1987.
- 16 (11) Add an amount equal to the interest excluded from federal
17 gross income by the individual for the taxable year under Section
18 128 of the Internal Revenue Code if the taxable year began before
19 January 1, 1985.
- 20 (12) Subtract an amount equal to the amount of federal Social
21 Security and Railroad Retirement benefits included in a taxpayer's
22 federal gross income by Section 86 of the Internal Revenue Code.
- 23 (13) In the case of a nonresident taxpayer or a resident taxpayer
24 residing in Indiana for a period of less than the taxpayer's entire
25 taxable year, the total amount of the deductions allowed pursuant
26 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
27 which bears the same ratio to the total as the taxpayer's income
28 taxable in Indiana bears to the taxpayer's total income.
- 29 (14) In the case of an individual who is a recipient of assistance
30 under IC 12-10-6-1, IC 12-10-6-2, IC 12-15-2-2, or IC 12-15-7,
31 subtract an amount equal to that portion of the individual's adjusted
32 gross income with respect to which the individual is not allowed
33 under federal law to retain an amount to pay state and local income
34 taxes.
- 35 (15) In the case of an eligible individual, subtract the amount of a
36 Holocaust victim's settlement payment included in the individual's
37 federal adjusted gross income.
- 38 (16) For taxable years beginning after December 31, 1999, subtract
39 an amount equal to the portion of any premiums paid during the
40 taxable year by the taxpayer for a qualified long term care policy
41 (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's
42 spouse, or both.

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- 1 (17) Subtract an amount equal to the lesser of:
 2 (A) two thousand five hundred dollars (\$2,500); or
 3 (B) the amount of property taxes that are paid during the taxable
 4 year in Indiana by the individual on the individual's principal
 5 place of residence.
- 6 (b) In the case of corporations, the same as "taxable income" (as
 7 defined in Section 63 of the Internal Revenue Code) adjusted as
 8 follows:
 9 (1) Subtract income that is exempt from taxation under ~~IC 6-3~~ **this**
 10 **article** by the Constitution and statutes of the United States.
 11 (2) Add an amount equal to any deduction or deductions allowed
 12 or allowable pursuant to Section 170 of the Internal Revenue Code.
 13 (3) Add an amount equal to any deduction or deductions allowed
 14 or allowable pursuant to Section 63 of the Internal Revenue Code
 15 for taxes based on or measured by income and levied at the state
 16 level by any state of the United States.
 17 (4) Subtract an amount equal to the amount included in the
 18 corporation's taxable income under Section 78 of the Internal
 19 Revenue Code.
- 20 (c) In the case of trusts and estates, "taxable income" (as defined for
 21 trusts and estates in Section 641(b) of the Internal Revenue Code)
 22 reduced by income that is exempt from taxation under ~~IC 6-3~~ **this**
 23 **article** by the Constitution and statutes of the United States.
- 24 SECTION 55. IC 6-3-1-11, AS AMENDED BY P.L.9-2001,
 25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2003]: Sec. 11. (a) The term "Internal Revenue Code"
 27 means the Internal Revenue Code of 1986 of the United States as
 28 amended and in effect on January 1, 2001.
- 29 (b) Whenever the Internal Revenue Code is mentioned in this article,
 30 the particular provisions that are referred to, together with all the other
 31 provisions of the Internal Revenue Code in effect on January 1, 2001,
 32 that pertain to the provisions specifically mentioned, shall be regarded
 33 as incorporated in this article by reference and have the same force and
 34 effect as though fully set forth in this article. To the extent the
 35 provisions apply to this article, regulations adopted under Section
 36 7805(a) of the Internal Revenue Code and in effect on January 1, 2001,
 37 shall be regarded as rules adopted by the department under this article,
 38 unless the department adopts specific rules that supersede the
 39 regulation.
- 40 (c) An amendment to the Internal Revenue Code made by an act
 41 passed by Congress before January 1, 2001, that is effective for any
 42 taxable year that began before January 1, 2001, and that affects:

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- 1 (1) individual adjusted gross income (as defined in Section 62 of
 2 the Internal Revenue Code);
 3 (2) corporate taxable income (as defined in Section 63 of the
 4 Internal Revenue Code);
 5 (3) trust and estate taxable income (as defined in Section 641(b) of
 6 the Internal Revenue Code);
 7 (4) life insurance company taxable income (as defined in Section
 8 801(b) of the Internal Revenue Code);
 9 (5) mutual insurance company taxable income (as defined in
 10 Section 821(b) of the Internal Revenue Code); or
 11 (6) taxable income (as defined in Section 832 of the Internal
 12 Revenue Code);

13 is also effective for that same taxable year for purposes of determining
 14 adjusted gross income under ~~IC 6-3-1-3.5~~ and net income under
 15 ~~IC 6-3-8-2(b)~~; **section 3.5 of this chapter.**

16 SECTION 56. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2003]: Sec. 1. (a) Each taxable year, a tax
 18 at the rate of:

- 19 (1) three and ~~four-tenths~~ **nine-tenths** percent (~~3.4%~~) **(3.9%)** of the
 20 **first ninety thousand dollars (\$90,000)** of adjusted gross income;
 21 **and**
 22 (2) **four and four-tenths percent (4.4%) of adjusted gross**
 23 **income that exceeds ninety thousand dollars (\$90,000);**

24 is imposed upon the adjusted gross income of every resident person,
 25 and on that part of the adjusted gross income derived from sources
 26 within Indiana of every nonresident person. **The tax rate imposed by**
 27 **this subsection applies to the total taxable income reported on a**
 28 **return filed under IC 6-3-4, regardless of whether the return is a**
 29 **separate or joint return.**

30 (b) Each taxable year, a tax at the rate of ~~three~~ **eight** and ~~four-tenths~~
 31 **five-tenths** percent (~~3.4%~~) **(8.5%)** of adjusted gross income is imposed
 32 on that part of the adjusted gross income derived from sources within
 33 Indiana of every corporation.

34 SECTION 57. IC 6-3-2-2.3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2.3.
 36 Notwithstanding any other provision of this article, with respect to a
 37 person, corporation, or partnership that has contracted with a
 38 commercial printer for printing:

- 39 (1) the ownership or leasing by that entity of tangible or intangible
 40 property located at the Indiana premises of the commercial printer;
 41 (2) the sale by that entity of property of any kind produced at and
 42 shipped or distributed from the Indiana premises of the commercial

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- 1 printer;
- 2 (3) the activities of any kind performed by or on behalf of that
- 3 entity at the Indiana premises of the commercial printer; and
- 4 (4) the activities performed by the commercial printer in Indiana
- 5 for or on behalf of that entity;
- 6 shall not cause that entity to have adjusted gross income derived from
- 7 sources within Indiana for purposes of the taxes imposed by this
- 8 chapter, ~~and IC 6-3-8~~; unless that entity engages in other activities in
- 9 Indiana away from the premises of the commercial printer that exceed
- 10 the protection of 15 U.S.C. 381.
- 11 SECTION 58. IC 6-3-2-3.1 IS AMENDED TO READ AS
- 12 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3.1. (a) Except as
- 13 otherwise provided in subsection (b), income is not exempt from the
- 14 adjusted gross income tax ~~or the supplemental net income tax~~; under
- 15 section 2.8(1) of this chapter if the income is derived by the exempt
- 16 organization from an unrelated trade or business, as defined in Section
- 17 513 of the Internal Revenue Code.
- 18 (b) This section does not apply to:
- 19 (1) the United States government;
- 20 (2) an agency or instrumentality of the United States government;
- 21 (3) this state;
- 22 (4) a state agency, as defined in IC 34-6-2-141;
- 23 (5) a political subdivision, as defined in IC 34-6-2-110; or
- 24 (6) a county solid waste management district or a joint solid waste
- 25 management district established under IC 13-21 or IC 13-9.5-2
- 26 (before its repeal).
- 27 SECTION 59. IC 6-3-2-6, AS AMENDED BY P.L.14-1999,
- 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JANUARY 1, 2003]: Sec. 6. (a) Each taxable year, an individual who
- 30 rents a dwelling for use as ~~his~~ **the individual's** principal place of
- 31 residence may deduct from ~~his~~ **the individual's** adjusted gross income
- 32 (as defined in IC 6-3-1-3.5(a)), the lesser of:
- 33 (1) the amount of rent paid by ~~him~~ **the individual** with respect to
- 34 the dwelling during the taxable year; or
- 35 (2) ~~two~~ **three** thousand dollars ~~(\$2,000)~~: **(\$3,000)**.
- 36 (b) Notwithstanding subsection (a), a husband and wife filing a joint
- 37 adjusted gross income tax return for a particular taxable year may not
- 38 claim a deduction under this section of more than ~~two~~ **three** thousand
- 39 dollars ~~(\$2,000)~~: **(\$3,000)**.
- 40 (c) The deduction provided by this section does not apply to an
- 41 individual who rents a dwelling that is exempt from Indiana property
- 42 tax.

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1 (d) For purposes of this section, a "dwelling" includes a single family
2 dwelling and unit of a multi-family dwelling.

3 SECTION 60. IC 6-3-4-4.1 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4.1. (a) This
5 section applies to taxable years beginning after December 31, 1993.

6 (b) Any individual required by the Internal Revenue Code to file
7 estimated tax returns and to make payments on account of such
8 estimated tax shall file estimated tax returns and make payments of the
9 tax imposed by this article to the department at the time or times and
10 in the installments as provided by Section 6654 of the Internal Revenue
11 Code. However, in applying Section 6654 of the Internal Revenue Code
12 for the purposes of this article, "estimated tax" means the amount
13 which the individual estimates as the amount of the adjusted gross
14 income tax imposed by this article for the taxable year, minus the
15 amount which the individual estimates as the sum of any credits against
16 the tax provided by IC 6-3-3.

17 (c) Every individual who has **adjusted** gross income subject to the
18 tax imposed by this article and from which tax is not withheld under
19 the requirements of section 8 of this chapter shall make a declaration
20 of estimated tax for the taxable year. However, no such declaration
21 shall be required if the estimated tax can reasonably be expected to be
22 less than four hundred dollars (\$400). In the case of an underpayment
23 of the estimated tax as provided in Section 6654 of the Internal
24 Revenue Code, there shall be added to the tax a penalty in an amount
25 prescribed by IC 6-8.1-10-2.1(b).

26 (d) Every corporation subject to the adjusted gross income tax
27 liability imposed by IC 6-3 shall be required to report and pay an
28 estimated tax equal to twenty-five percent (25%) of such corporation's
29 estimated adjusted gross income tax liability for the taxable year. ~~less~~
30 ~~the credit allowed by IC 6-3-3-2 for the tax imposed on gross income.~~
31 ~~Such estimated payment shall be made at the same time and in~~
32 ~~conjunction with the reporting of gross income tax as provided for in~~
33 ~~IC 6-2.1-5. A taxpayer who uses a taxable year that ends on~~
34 **December 31 shall file the taxpayer's estimated adjusted gross**
35 **income tax returns and pay the tax to the department on or before**
36 **April 20, June 20, September 20, and December 20 of the taxable**
37 **year. If a taxpayer uses a taxable year that does not end on**
38 **December 31, the due dates for filing estimated adjusted gross**
39 **income tax returns and paying the tax are on or before the**
40 **twentieth day of the fourth, sixth, ninth, and twelfth months of the**
41 **taxpayer's taxable year.** The department shall prescribe the manner
42 and forms for such reporting and payment.

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1 (e) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed by
 2 the department on corporations failing to make payments as required
 3 in subsection (d) or (g). However, no penalty shall be assessed as to
 4 any estimated payments of adjusted gross income tax plus
 5 supplemental net income tax plus gross income tax which equal or
 6 exceed:

7 (1) twenty percent (20%) of the final tax liability for such taxable
 8 year; or

9 (2) twenty-five percent (25%) of the final tax liability for the
 10 taxpayer's previous taxable year.

11 In addition, the penalty as to any underpayment of tax on an estimated
 12 return shall only be assessed on the difference between the actual
 13 amount paid by the corporation on such estimated return and
 14 twenty-five percent (25%) of the sum of the corporation's final adjusted
 15 gross income tax plus supplemental net income tax liability for such
 16 taxable year.

17 (f) The provisions of subsection (d) requiring the reporting and
 18 estimated payment of adjusted gross income tax shall be applicable
 19 only to corporations having an adjusted gross income tax liability
 20 which, after application of the credit allowed by IC 6-3-3-2, shall
 21 exceed one thousand dollars (\$1,000) for its taxable year.

22 (g) If the department determines that a corporation's:

23 (1) estimated quarterly adjusted gross income tax liability for the
 24 current year; or

25 (2) average estimated quarterly adjusted gross income tax liability
 26 for the preceding year;

27 exceeds, before January 1, 1998, twenty thousand dollars (\$20,000),
 28 and, after December 31, 1997, ten thousand dollars (\$10,000), after the
 29 credit allowed by IC 6-3-3-2, the corporation shall pay the estimated
 30 adjusted gross income taxes due by electronic funds transfer (as
 31 defined in IC 4-8.1-2-7) or by delivering in person or overnight by
 32 courier a payment by cashier's check, certified check, or money order
 33 to the department. The transfer or payment shall be made on or before
 34 the date the tax is due.

35 (h) If a corporation's adjusted gross income tax payment is made by
 36 electronic funds transfer, the corporation is not required to file an
 37 estimated adjusted gross income tax return.

38 SECTION 61. IC 6-3-4-8 IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) Except as provided in
 40 subsection (d) **or (I)**, every employer making payments of wages
 41 subject to tax under IC 6-3, regardless of the place where such payment
 42 is made, who is required under the provisions of the Internal Revenue

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1 Code to withhold, collect, and pay over income tax on wages paid by
 2 such employer to such employee, shall, at the time of payment of such
 3 wages, deduct and retain therefrom the amount prescribed in
 4 withholding instructions issued by the department. The department
 5 shall base its withholding instructions on the adjusted gross income tax
 6 rate for persons, on the total rates of any income taxes that the taxpayer
 7 is subject to under IC 6-3.5, and on the total amount of exclusions the
 8 taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4).
 9 Such employer making payments of any wages:

10 (1) shall be liable to the state of Indiana for the payment of the tax
 11 required to be deducted and withheld under this section and shall
 12 not be liable to any individual for the amount deducted from ~~his~~
 13 **the individual's** wages and paid over in compliance or intended
 14 compliance with this section; and

15 (2) shall make return of and payment to the department monthly of
 16 the amount of tax which under IC 6-3 and IC 6-3.5 ~~he~~ **the**
 17 **employer** is required to withhold.

18 (b) An employer shall pay taxes withheld under subsection (a) during
 19 a particular month to the department no later than thirty (30) days after
 20 the end of that month. However, in place of monthly reporting periods,
 21 the department may permit an employer to report and pay the tax for:

22 (1) a calendar year reporting period, if the average monthly amount
 23 of all tax required to be withheld by the employer in the previous
 24 calendar year does not exceed ten dollars (\$10);

25 (2) a six (6) month reporting period, if the average monthly amount
 26 of all tax required to be withheld by the employer in the previous
 27 calendar year does not exceed twenty-five dollars (\$25); or

28 (3) a three (3) month reporting period, if the average monthly
 29 amount of all tax required to be withheld by the employer in the
 30 previous calendar year does not exceed seventy-five dollars (\$75).

31 An employer using a reporting period (other than a monthly reporting
 32 period) must file the employer's return and pay the tax for a reporting
 33 period no later than the last day of the month immediately following
 34 the close of the reporting period. If an employer files a combined sales
 35 and withholding tax report, the reporting period for the combined
 36 report is the shortest period required under this section, section 8.1 of
 37 this chapter, or IC 6-2.5-6-1.

38 (c) For purposes of determining whether an employee is subject to
 39 taxation under IC 6-3.5, an employer is entitled to rely on the statement
 40 of ~~his~~ **an** employee as to ~~his~~ **the employee's** county of residence as
 41 represented by the statement of address in forms claiming exemptions
 42 for purposes of withholding, regardless of when the employee supplied

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1 the forms. Every employee shall notify ~~his~~ **the employee's** employer
 2 within five (5) days after any change in ~~his~~ **the employee's** county of
 3 residence.

4 (d) A county that makes payments of wages subject to tax under
 5 IC 6-3:

6 (1) to a precinct election officer (as defined in IC 3-5-2-40.1); and

7 (2) for the performance of the duties of the precinct election officer
 8 imposed by IC 3 that are performed on election day;

9 is not required, at the time of payment of the wages, to deduct and
 10 retain from the wages the amount prescribed in withholding
 11 instructions issued by the department.

12 (e) Every employer shall, at the time of each payment made by ~~him~~
 13 **the employer** to the department, deliver to the department a return
 14 upon the form prescribed by the department showing:

15 (1) the total amount of wages paid to ~~his~~ **the employer's**
 16 employees;

17 (2) the amount deducted therefrom in accordance with the
 18 provisions of the Internal Revenue Code;

19 (3) the amount of adjusted gross income tax deducted therefrom in
 20 accordance with the provisions of this section;

21 (4) the amount of income tax, if any, imposed under IC 6-3.5 and
 22 deducted therefrom in accordance with this section; and

23 (5) any other information the department may require.

24 Every employer making a declaration of withholding as provided in this
 25 section shall furnish ~~his~~ **the employer's** employees annually, but not
 26 later than thirty (30) days after the end of the calendar year, a record of
 27 the total amount of adjusted gross income tax and the amount of each
 28 income tax, if any, imposed under IC 6-3.5, withheld from the
 29 employees, on the forms prescribed by the department.

30 (f) All money deducted and withheld by an employer shall
 31 immediately upon such deduction be the money of the state, and every
 32 employer who deducts and retains any amount of money under the
 33 provisions of IC 6-3 shall hold the same in trust for the state of Indiana
 34 and for payment thereof to the department in the manner and at the
 35 times provided in IC 6-3. Any employer may be required to post a
 36 surety bond in the sum the department determines to be appropriate to
 37 protect the state with respect to money withheld pursuant to this
 38 section.

39 (g) The provisions of IC 6-8.1 relating to additions to tax in case of
 40 delinquency and penalties shall apply to employers subject to the
 41 provisions of this section, and for these purposes any amount deducted
 42 or required to be deducted and remitted to the department under this

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1 section shall be considered to be the tax of the employer, and with
2 respect to such amount the employer shall be considered the taxpayer.
3 In the case of a corporate or partnership employer, every officer,
4 employee, or member of such employer, who, as such officer,
5 employee, or member is under a duty to deduct and remit such taxes
6 shall be personally liable for such taxes, penalties, and interest.

7 (h) Amounts deducted from wages of an employee during any
8 calendar year in accordance with the provisions of this section shall be
9 considered to be in part payment of the tax imposed on such employee
10 for **his the employee's** taxable year which begins in such calendar year,
11 and a return made by the employer under subsection (b) shall be
12 accepted by the department as evidence in favor of the employee of the
13 amount so deducted from **his the employee's** wages. Where the total
14 amount so deducted exceeds the amount of tax on the employee as
15 computed under IC 6-3 and IC 6-3.5, the department shall, after
16 examining the return or returns filed by the employee in accordance
17 with IC 6-3 and IC 6-3.5, refund the amount of the excess deduction.
18 However, under rules promulgated by the department, the excess or any
19 part thereof may be applied to any taxes or other claim due from the
20 taxpayer to the state of Indiana or any subdivision thereof. No refund
21 shall be made to an employee who fails to file **his the employee's**
22 return or returns as required under IC 6-3 and IC 6-3.5 within two (2)
23 years from the due date of the return or returns. In the event that the
24 excess tax deducted is less than one dollar (\$1), no refund shall be
25 made.

26 (i) This section shall in no way relieve any taxpayer from **his the**
27 **taxpayer's** obligation of filing a return or returns at the time required
28 under IC 6-3 and IC 6-3.5, and, should the amount withheld under the
29 provisions of this section be insufficient to pay the total tax of such
30 taxpayer, such unpaid tax shall be paid at the time prescribed by
31 section 5 of this chapter.

32 (j) Notwithstanding subsection (b), an employer of a domestic service
33 employee that enters into an agreement with the domestic service
34 employee to withhold federal income tax under Section 3402 of the
35 Internal Revenue Code may withhold Indiana income tax on the
36 domestic service employee's wages on the employer's Indiana
37 individual income tax return in the same manner as allowed by Section
38 3510 of the Internal Revenue Code.

39 (k) To the extent allowed by Section 1137 of the Social Security Act,
40 an employer of a domestic service employee may report and remit state
41 unemployment insurance contributions on the employee's wages on the
42 employer's Indiana individual income tax return in the same manner as

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allowed by Section 3510 of the Internal Revenue Code.

(l) An employer is exempt from the withholding requirements of this section for an individual if the individual certifies to the employer, on forms prescribed by the department, that the individual's wages from the employer for the calendar year will:

- (1) comprise more than eighty percent (80%) of the individual's Indiana total income (as defined in IC 6-3.1-21-3);**
- and**
- (2) not exceed fifteen thousand dollars (\$15,000).**

(m) A person who knowingly fails to remit trust fund money as set forth in this section commits a Class D felony.

SECTION 62. IC 6-3-7-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2.5. ~~(a)~~ Revenues derived from the imposition and collection of the adjusted gross income tax (IC 6-3-1 through IC 6-3-7) shall be allocated between and deposited in the state general fund. and the property tax replacement fund (IC 6-1.1-21) in the manner prescribed by this section and section 3 of this chapter:

~~(b)~~ With respect to each adjusted gross income tax payment received from a corporation, the amount determined in STEP FOUR of the following STEPS shall be allocated to and deposited in the state general fund:

- STEP ONE: Enter the adjusted gross income tax rate in effect for the taxable year for which the payment is made.
- STEP TWO: Subtract three percent (3%) from the rate entered under STEP ONE.
- STEP THREE: Divide the remainder determined under STEP TWO by three percent (3%).
- STEP FOUR: Multiply the amount of the adjusted gross income tax payment by the quotient determined under STEP THREE.

SECTION 63. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. ~~(a)~~ All revenues derived from collection of the adjusted gross income tax imposed on corporations (except the tax revenues allocated under section 2.5 of this chapter to the state general fund) shall be deposited as follows:

- ~~(1)~~ Ten million dollars (\$10,000,000) shall for each state fiscal year be deposited in the state general fund.
- ~~(2)~~ The balance of such revenues shall be deposited into the property tax replacement fund.

~~(b)~~ All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited in the state general fund.

SECTION 64. IC 6-3.1-2-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
2 chapter, the following terms have the following meanings:

3 (1) "Eligible teacher" means a teacher:

4 (A) certified in a shortage area by the professional standards
5 board established by IC 20-1-1.4; and

6 (B) employed under contract during the regular school term by
7 a school corporation in a shortage area.

8 (2) "Qualified position" means a position that:

9 (A) is relevant to the teacher's academic training in a shortage
10 area; and

11 (B) has been approved by the Indiana state board of education
12 under section 6 of this chapter.

13 (3) "Regular school term" means the period, other than the school
14 summer recess, during which a teacher is required to perform
15 duties assigned to him under a teaching contract.

16 (4) "School corporation" means any corporation authorized by law
17 to establish public schools and levy taxes for their maintenance.

18 (5) "Shortage area" means the subject areas of mathematics and
19 science and any other subject area designated as a shortage area by
20 the Indiana state board of education.

21 (6) "State income tax liability" means a taxpayer's total income tax
22 liability incurred under ~~IC 6-2-1~~ and IC 6-3 and IC 6-5.5, as
23 computed after application of credits that under IC 6-3.1-1-2 are to
24 be applied before the credit provided by this chapter.

25 SECTION 65. IC 6-3.1-2-5 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) A credit to
27 which a taxpayer is entitled under this chapter shall be applied in the
28 following manner:

29 ~~(1) First, against the taxpayer's gross income tax liability for the~~
30 ~~taxable year:~~

31 ~~(2) Second,~~ against the taxpayer's adjusted gross income tax
32 liability for the taxable year.

33 ~~(3) Third, against the taxpayer's supplemental net income tax~~
34 ~~liability for the taxable year:~~

35 (b) A taxpayer that is subject to the financial institutions tax may
36 apply the credit provided by this chapter against the taxpayer's financial
37 institutions tax liability for the taxable year.

38 SECTION 66. IC 6-3.1-4-1 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
40 chapter:

41 "Base amount" means base amount (as defined in Section 41(c) of
42 the Internal Revenue Code as in effect on January 1, 2001).



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1 "Base period Indiana qualified research expense" means base period
2 research expense that is incurred for research conducted in Indiana.

3 "Base period research expense" means base period research expense
4 (as defined in Section 41(c) of the Internal Revenue Code before
5 January 1, 1990).

6 "Indiana qualified research expense" means qualified research
7 expense that is incurred for research conducted in Indiana.

8 "Qualified research expense" means qualified research expense (as
9 defined in Section 41(b) of the Internal Revenue Code **as in effect on**
10 **January 1, 2001**).

11 "Pass through entity" means:

12 (1) a corporation that is exempt from the adjusted gross income tax
13 under IC 6-3-2-2.8(2);

14 (2) a partnership;

15 (3) a limited liability company; or

16 (4) a limited liability partnership.

17 "Research expense tax credit" means a credit provided under this
18 chapter against any tax otherwise due and payable under IC 6-2.1 or
19 IC 6-3.

20 "Taxpayer" means an individual, a corporation, a limited liability
21 company, a limited liability partnership, a trust, or a partnership.

22 SECTION 67. IC 6-3.1-4-1 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
24 chapter:

25 "Base amount" means base amount (as defined in Section 41(c) of
26 the Internal Revenue Code).

27 "Base period Indiana qualified research expense" means base period
28 research expense that is incurred for research conducted in Indiana.

29 "Base period research expense" means base period research expense
30 (as defined in Section 41(c) of the Internal Revenue Code before
31 January 1, 1990).

32 "Indiana qualified research expense" means qualified research
33 expense that is incurred for research conducted in Indiana.

34 "Qualified research expense" means qualified research expense (as
35 defined in Section 41(b) of the Internal Revenue Code).

36 "Pass through entity" means:

37 (1) a corporation that is exempt from the adjusted gross income tax
38 under IC 6-3-2-2.8(2);

39 (2) a partnership;

40 (3) a limited liability company; or

41 (4) a limited liability partnership.

42 "Research expense tax credit" means a credit provided under this

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1 chapter against any tax otherwise due and payable under ~~IC 6-2-1~~ or
2 IC 6-3.

3 "Taxpayer" means an individual, a corporation, a limited liability
4 company, a limited liability partnership, a trust, or a partnership **that**
5 **has any tax liability under IC 6-3 (adjusted gross income tax).**

6 SECTION 68. IC 6-3.1-4-2 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) A taxpayer
8 who incurs Indiana qualified research expense in a particular taxable
9 year is entitled to a research expense tax credit for the taxable year

10 (b) ~~A taxpayer who does not have income apportioned to this state~~
11 ~~for a taxable year under IC 6-3-2-2 is entitled to a research expense tax~~
12 ~~credit for the taxable year~~ in the amount of the product of:

13 (1) ~~five~~ **twenty** percent (~~5%~~); (**20%**); multiplied by

14 (2) the remainder of the taxpayer's Indiana qualified research
15 expenses for the taxable year, minus:

16 (A) the taxpayer's base period Indiana qualified research
17 expenses, for taxable years beginning before January 1, 1990; or

18 (B) the taxpayer's base amount, for taxable years beginning after
19 December 31, 1989.

20 (c) ~~A taxpayer who has income apportioned to this state for a taxable~~
21 ~~year under IC 6-3-2-2 is entitled to a research expense tax credit for the~~
22 ~~taxable year in the amount of the lesser of:~~

23 (1) ~~the amount determined under subsection (b); or~~

24 (2) ~~five percent (5%) multiplied by the remainder of the taxpayer's~~
25 ~~total qualified research expenses for the taxable year; minus:~~

26 (A) ~~the taxpayer's base period research expenses; for taxable~~
27 ~~years beginning before January 1, 1990; or~~

28 (B) ~~the taxpayer's base amount; for taxable years beginning after~~
29 ~~December 31, 1989;~~

30 ~~further multiplied by the percentage determined under IC 6-3-2-2~~
31 ~~for the apportionment of the taxpayer's income for the taxable year~~
32 ~~to this state.~~

33 SECTION 69. IC 6-3.1-4-3 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The amount
35 of the credit provided by this chapter that a taxpayer uses during a
36 particular taxable year may not exceed the sum of the taxes imposed by
37 ~~IC 6-2-1~~ and IC 6-3 for the taxable year after the application of all
38 credits that under IC 6-3.1-1-2 are to be applied before the credit
39 provided by this chapter. If the credit provided by this chapter exceeds
40 that sum for the taxable year for which the credit is first claimed, then
41 the excess may be carried over to succeeding taxable years and used as
42 a credit against the tax otherwise due and payable by the taxpayer



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1 under ~~IC 6-2-1~~ or IC 6-3 during those taxable years. Each time that the
 2 credit is carried over to a succeeding taxable year, it is to be reduced by
 3 the amount which was used as a credit during the immediately
 4 preceding taxable year. The credit provided by this chapter may be
 5 carried forward and applied to succeeding taxable years for fifteen (15)
 6 taxable years following the unused credit year.

7 (b) A credit earned by a taxpayer in a particular taxable year shall be
 8 applied against the taxpayer's tax liability for that taxable year before
 9 any credit carryover is applied against that liability under subsection
 10 (a).

11 (c) A taxpayer is not entitled to any carryback or refund of any
 12 unused credit.

13 SECTION 70. IC 6-3.1-4-4 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. The provisions
 15 of Section 41 of the Internal Revenue Code **as in effect on January 1,**
 16 **2001**, and the regulations promulgated in respect to those provisions
 17 **and in effect on January 1, 2001**, are applicable to the interpretation
 18 and administration by the department of the credit provided by this
 19 chapter, including the allocation and pass through of the credit to
 20 various taxpayers and the transitional rules for determination of the
 21 base period.

22 SECTION 71. IC 6-3.1-4-6, AS AMENDED BY P.L.4-2000,
 23 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2003]: Sec. 6. ~~Notwithstanding the other provisions of~~
 25 ~~this chapter, a taxpayer is not entitled to a credit for Indiana qualified~~
 26 ~~research expense incurred after December 31, 2002.~~ Notwithstanding
 27 Section 41 of the Internal Revenue Code, the termination date in
 28 Section 41(h) of the Internal Revenue Code does not apply to a
 29 taxpayer who is eligible for the credit under this chapter for the taxable
 30 year in which the Indiana qualified research expense is incurred.

31 SECTION 72. IC 6-3.1-5-2 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. As used in this
 33 chapter:

34 "New partnership interest" means a general or a limited partnership
 35 interest in a limited partnership if the interest is acquired by the
 36 taxpayer from the limited partnership.

37 "New stock" means a share of stock of a corporation if the stock,
 38 when purchased by the taxpayer, is authorized but unissued.

39 "Qualified entity" means the state corporation or other corporation or
 40 limited partnership in which the state corporation purchases, before
 41 January 1, 1984, new stock or a new partnership interest under section
 42 7(d) of this chapter.



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1 "Qualified investment" means new stock or a new partnership
2 interest in a qualified entity, if the new stock or the new partnership
3 interest is purchased by the taxpayer solely for cash.

4 "State corporation" means the corporation organized under sections
5 7 and 8 of this chapter.

6 "State tax liability" means a taxpayer's total tax liability that is
7 incurred under:

8 ~~(1) IC 6-2-1 (the gross income tax);~~

9 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~

10 ~~(3) IC 6-3-8 (the supplemental net income tax);~~

11 ~~(4) IC 6-5-10 (the bank tax);~~

12 ~~(5) IC 6-5-11 (the savings and loan association tax);~~

13 ~~(6) (2) IC 27-1-18-2 (the insurance premiums tax); and~~

14 ~~(7) (3) IC 6-5.5 (the financial institutions tax);~~

15 as computed after the application of the credits that under IC 6-3.1-1-2
16 are to be applied before the credit provided by this chapter.

17 "Taxpayer" means any person, corporation, partnership, or other
18 entity that has any state tax liability.

19 SECTION 73. IC 6-3.1-5-9 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The state
21 corporation is exempt from all state tax levies, including but not limited
22 to the ~~gross income tax (IC 6-2-1)~~; state gross retail tax (IC 6-2.5), use
23 tax (IC 6-2.5-3), **and** adjusted gross income tax (IC 6-3-1 through
24 IC 6-3-7). ~~and the supplemental net income tax (IC 6-3-8)~~. However,
25 the state corporation is not exempt from employment taxes or taxes
26 imposed by a county or by a municipal corporation.

27 SECTION 74. IC 6-3.1-5-10 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. (a) Except as
29 provided in subsection (b), income that is received by a taxpayer **that**
30 **is a corporation (as defined in IC 6-3-1-10)** by reason of ownership
31 of a qualified investment is exempt from ~~gross income tax (IC 6-2-1)~~;
32 adjusted gross income tax (IC 6-3-1 through IC 6-3-7). ~~and~~
33 ~~supplemental net income tax (IC 6-3-8)~~.

34 (b) The exemption provided under subsection (a) shall not apply to
35 any income realized by reason of the sale or other disposition of the
36 qualified investment.

37 SECTION 75. IC 6-3.1-5-11 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. A taxpayer is
39 exempt from a tax to the extent that the tax is based on or measured by
40 a qualified investment, including but not limited to a tax which might
41 otherwise be imposed with respect to the qualified investment. ~~under~~
42 ~~the bank tax (IC 6-5-10) or the savings and loan association tax~~



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1 ~~(IC 6-5-11).~~

2 SECTION 76. IC 6-3.1-5-13 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. (a) A credit
4 to which a taxpayer is entitled under this chapter shall be applied
5 against taxes owed by the taxpayer in the following order:

6 (1) First, against the taxpayer's ~~gross income tax liability (IC 6-2-1)~~
7 ~~for the taxable year.~~

8 (2) ~~Second, against the taxpayer's~~ adjusted gross income tax
9 liability (IC 6-3-1 through IC 6-3-7) for the taxable year.

10 (3) ~~Third, against the taxpayer's supplemental net income tax~~
11 ~~liability (IC 6-3-8) for the taxable year.~~

12 (4) ~~Fourth, against the taxpayer's bank tax liability (IC 6-5-10) or~~
13 ~~savings and loan association tax liability (IC 6-5-11) for the taxable~~
14 ~~year.~~

15 (5) ~~Fifth,~~ **(2) Second,** against the taxpayer's insurance premiums
16 tax liability (IC 27-1-18-2) for the taxable year.

17 (b) If the tax paid by the taxpayer under a tax provision listed in
18 subsection (a) is a credit against the liability or a deduction in
19 determining the tax base under another Indiana tax provision, the credit
20 or deduction shall be computed without regard to the credit to which a
21 taxpayer is entitled under this chapter.

22 (c) A taxpayer that is subject to the financial institutions tax may
23 apply the credit provided by this chapter against the taxpayer's financial
24 institutions tax liability for the taxable year.

25 SECTION 77. IC 6-3.1-6-1, AS AMENDED BY P.L.129-2001,
26 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2003]: Sec. 1. For the purposes of this chapter:

28 "Agreement" means any agreement entered into with the
29 commissioner of the department of correction under IC 11-10-7-2 that
30 has been approved by a majority of the members of the state board of
31 correction.

32 "Pass through entity" means a:

33 (1) corporation that is exempt from the adjusted gross income tax
34 under IC 6-3-2-2.8(2);

35 (2) partnership;

36 (3) trust;

37 (4) limited liability company; or

38 (5) limited liability partnership.

39 "Qualified property" means any machinery, tools, equipment,
40 building, structure, or other tangible property considered qualified
41 property under Section 38 of the Internal Revenue Code that is used as
42 an integral part of the operation contemplated by an agreement and that



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1 is installed, used, or operated exclusively on property managed by the
2 department of correction.

3 "State income tax liability" means a taxpayer's total income tax
4 liability incurred under ~~IC 6-2-1~~ and IC 6-3, as computed after
5 application of credits that, under IC 6-3.1-1-2, are to be applied before
6 the credit provided by this chapter.

7 "Taxpayer" means any person, corporation, limited liability company,
8 partnership, or other entity that has state tax liability. The term includes
9 a pass through entity.

10 "Wages paid" includes all earnings surrendered to the department of
11 correction under IC 11-10-7-5.

12 SECTION 78. IC 6-3.1-7-1, AS AMENDED BY P.L.120-1999,
13 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2003]: Sec. 1. As used in this chapter:

15 "Enterprise zone" means an enterprise zone created under IC 4-4-6.1.

16 "Pass through entity" means a:

- 17 (1) corporation that is exempt from the adjusted gross income tax
- 18 under IC 6-3-2-2.8(2);
- 19 (2) partnership;
- 20 (3) trust;
- 21 (4) limited liability company; or
- 22 (5) limited liability partnership.

23 "Qualified loan" means a loan made to an entity that uses the loan
24 proceeds for:

- 25 (1) a purpose that is directly related to a business located in an
- 26 enterprise zone;
- 27 (2) an improvement that increases the assessed value of real
- 28 property located in an enterprise zone; or
- 29 (3) rehabilitation, repair, or improvement of a residence.

30 "State tax liability" means a taxpayer's total tax liability that is
31 incurred under:

- 32 ~~(1) IC 6-2-1 (the gross income tax);~~
- 33 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
- 34 ~~(3) IC 6-3-8 (the supplemental net income tax);~~
- 35 ~~(4) IC 6-5-10 (the bank tax);~~
- 36 ~~(5) IC 6-5-11 (the savings and loan association tax);~~
- 37 ~~(6) (2) IC 27-1-18-2 (the insurance premiums tax); and~~
- 38 ~~(7) (3) IC 6-5.5 (the financial institutions tax);~~

39 as computed after the application of the credits that, under
40 IC 6-3.1-1-2, are to be applied before the credit provided by this
41 chapter.

42 "Taxpayer" means any person, corporation, limited liability company,

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1 partnership, or other entity that has any state tax liability The term
2 includes a pass through entity.

3 SECTION 79. IC 6-3.1-7-4 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) A credit to
5 which a taxpayer is entitled under this chapter shall be applied against
6 taxes owed by the taxpayer in the following order:

7 (1) First, against the taxpayer's ~~gross income tax liability (IC 6-2-1)~~
8 ~~for the taxable year.~~

9 (2) ~~Second, against the taxpayer's~~ adjusted gross income tax
10 liability (IC 6-3-1 through IC 6-3-7) for the taxable year.

11 (3) ~~Third, against the taxpayer's supplemental net income tax~~
12 ~~liability (IC 6-3-8) for the taxable year.~~

13 (4) ~~Fourth, against the taxpayer's bank tax liability (IC 6-5-10) or~~
14 ~~savings and loan association tax liability (IC 6-5-11) for the taxable~~
15 ~~year.~~

16 (5) ~~Fifth, (2) Second,~~ against the taxpayer's insurance premiums
17 tax liability (IC 27-1-18-2) for the taxable year.

18 (3) **Third, against the taxpayer's financial institutions tax**
19 **liability (IC 6-5.5) for the taxable year.**

20 (b) If the tax paid by the taxpayer under a tax provision listed in
21 subsection (a) is a credit against the liability or a deduction in
22 determining the tax base under another Indiana tax provision, the credit
23 or deduction shall be computed without regard to the credit to which a
24 taxpayer is entitled under this chapter.

25 SECTION 80. IC 6-3.1-9-1 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
27 chapter:

28 "Business firm" means any business entity authorized to do business
29 in the state of Indiana that is:

30 (1) ~~subject to the gross, adjusted gross, supplemental net income,~~
31 ~~or financial institutions tax;~~

32 (2) ~~an employer exempt from adjusted gross income tax (IC 6-3-1~~
33 ~~through IC 6-3-7) under IC 6-3-2-2.8(2); or~~

34 (3) **a partnership: has state tax liability.**

35 "Community services" means any type of counseling and advice,
36 emergency assistance, medical care, recreational facilities, housing
37 facilities, or economic development assistance to individuals, groups,
38 or neighborhood organizations in an economically disadvantaged area.

39 "Crime prevention" means any activity which aids in the reduction
40 of crime in an economically disadvantaged area.

41 "Economically disadvantaged area" means an enterprise zone, or any
42 area in Indiana that is certified as an economically disadvantaged area



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1 by the department of commerce after consultation with the community
 2 services agency. The certification shall be made on the basis of current
 3 indices of social and economic conditions, which shall include but not
 4 be limited to the median per capita income of the area in relation to the
 5 median per capita income of the state or standard metropolitan
 6 statistical area in which the area is located.

7 "Education" means any type of scholastic instruction or scholarship
 8 assistance to an individual who resides in an economically
 9 disadvantaged area that enables him to prepare himself for better life
 10 opportunities.

11 "Enterprise zone" means an enterprise zone created under IC 4-4-6.1.

12 "Job training" means any type of instruction to an individual who
 13 resides in an economically disadvantaged area that enables him to
 14 acquire vocational skills so that he can become employable or be able
 15 to seek a higher grade of employment.

16 "Neighborhood assistance" means either:

17 (1) furnishing financial assistance, labor, material, and technical
 18 advice to aid in the physical or economic improvement of any part
 19 or all of an economically disadvantaged area; or

20 (2) furnishing technical advice to promote higher employment in
 21 any neighborhood in Indiana.

22 "Neighborhood organization" means any organization, including but
 23 not limited to a nonprofit development corporation:

24 (1) performing community services in an economically
 25 disadvantaged area; and

26 (2) holding a ruling:

27 (A) from the Internal Revenue Service of the United States
 28 Department of the Treasury that the organization is exempt from
 29 income taxation under the provisions of the Internal Revenue
 30 Code; and

31 (B) from the department of state revenue that the organization is
 32 exempt from income taxation under IC 6-2.1-3-20.

33 "Person" means any individual subject to Indiana gross or adjusted
 34 gross income tax.

35 "State fiscal year" means a twelve (12) month period beginning on
 36 July 1 and ending on June 30.

37 **"State tax liability" means the taxpayer's total tax liability that**
 38 **is incurred under:**

39 **(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**
 40 **and**

41 **(2) IC 6-5.5 (the financial institutions tax);**

42 **as computed after the application of the credits that, under**

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1 **IC 6-3.1-1-2, are to be applied before the credit provided by this**
 2 **chapter.**

3 "Tax credit" means a deduction from any tax otherwise due and
 4 payable under ~~IC 6-2.1~~, IC 6-3 or IC 6-5.5.

5 SECTION 81. IC 6-3.1-9-3 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) Subject to
 7 the limitations provided in subsection (b) and sections 4, 5, and 6 of
 8 this chapter, the department shall grant a tax credit against any ~~gross,~~
 9 ~~adjusted gross or supplemental net income state~~ tax liability due equal
 10 to fifty percent (50%) of the amount invested by a business firm or
 11 person in a program the proposal for which was approved under section
 12 2 of this chapter.

13 (b) The credit provided by this chapter shall only be applied against
 14 any ~~income state~~ tax liability owed by the taxpayer after the application
 15 of any credits, which under IC 6-3.1-1-2 must be applied before the
 16 credit provided by this chapter. In addition, the tax credit which a
 17 taxpayer receives under this chapter may not exceed twenty-five
 18 thousand dollars (\$25,000) for any taxable year of the taxpayer.

19 (c) If a business firm that is:

- 20 (1) exempt from adjusted gross income tax (IC 6-3-1 through
 21 IC 6-3-7) under IC 6-3-2-2.8(2); or
 22 (2) a partnership;

23 does not have any tax liability against which the credit provided by this
 24 section may be applied, a shareholder or a partner of the business firm
 25 is entitled to a credit against the shareholder's or the partner's liability
 26 under the adjusted gross income tax.

27 (d) The amount of the credit provided by this section is equal to:

- 28 (1) the tax credit determined for the business firm for the taxable
 29 year under subsection (a); multiplied by
 30 (2) the percentage of the business firm's distributive income to
 31 which the shareholder or the partner is entitled.

32 The credit provided by this section is in addition to any credit to which
 33 a shareholder or partner is otherwise entitled under this chapter.
 34 However, a business firm and a shareholder or partner of that business
 35 firm may not claim a credit under this chapter for the same investment.

36 SECTION 82. IC 6-3.1-11-12 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12. As used in
 38 this chapter, "state tax liability" means the taxpayer's total tax liability
 39 that is incurred under:

- 40 ~~(1) IC 6-2.1 (the gross income tax);~~
 41 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
 42 ~~(3) IC 6-3-8 (the supplemental net income tax);~~



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- 1 ~~(4) IC 6-5-10 (the bank tax);~~
 2 ~~(5) IC 6-5-11 (the savings and loan association tax);~~
 3 ~~(6) (2) IC 27-1-18-2 (the insurance premiums tax); and~~
 4 ~~(7) (3) IC 6-5.5 (the financial institutions tax);~~

5 as computed after the application of the credits that, under
 6 IC 6-3.1-1-2, are to be applied before the credit provided by this
 7 chapter.

8 SECTION 83. IC 6-3.1-11-19 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 19. The board
 10 shall consider the following factors in evaluating applications filed
 11 under this chapter:

12 (1) The level of distress in the surrounding community caused by
 13 the loss of jobs at the vacant industrial facility.

14 (2) The desirability of the intended use of the vacant industrial
 15 facility under the plan proposed by the municipality or county and
 16 the likelihood that the implementation of the plan will improve the
 17 economic and employment conditions in the surrounding
 18 community.

19 (3) Evidence of support for the designation by residents,
 20 businesses, and private organizations in the surrounding
 21 community.

22 (4) Evidence of a commitment by private or governmental entities
 23 to provide financial assistance in implementing the plan proposed
 24 by the municipality or county, including the application of
 25 IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist in the
 26 financing of improvements or redevelopment activities benefiting
 27 the vacant industrial facility.

28 (5) Evidence of efforts by the municipality or county to implement
 29 the proposed plan without additional financial assistance from the
 30 state.

31 (6) Whether the industrial recovery site is within an economic
 32 revitalization area designated under IC 6-1.1-12.1.

33 ~~(7) Whether action has been taken by the metropolitan~~
 34 ~~development commission or the legislative body of the~~
 35 ~~municipality or county having jurisdiction over the proposed~~
 36 ~~industrial recovery site to make the property tax credit under~~
 37 ~~IC 6-1.1-20.7 available to persons owning inventory located within~~
 38 ~~the industrial recovery site and meeting the other conditions~~
 39 ~~established by IC 6-1.1-20.7.~~

40 SECTION 84. IC 6-3.1-11-22 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 22. (a) A credit
 42 to which a taxpayer is entitled under this chapter shall be applied

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1 against taxes owed by the taxpayer in the following order:

2 (1) Against the taxpayer's ~~gross income tax liability (IC 6-2.1)~~ for
3 the taxable year.

4 (2) Against the taxpayer's adjusted gross income tax liability
5 (IC 6-3-1 through IC 6-3-7) for the taxable year.

6 (3) Against the taxpayer's ~~supplemental net income tax liability~~
7 (IC 6-3-8) for the taxable year.

8 (4) Against the taxpayer's bank tax liability (IC 6-5-10) or savings
9 and loan association tax liability (IC 6-5-11) for the taxable year.

10 (5) (2) Against the taxpayer's insurance premiums tax liability
11 (IC 27-1-18-2) for the taxable year.

12 (6) (3) Against the taxpayer's financial institutions tax (IC 6-5.5)
13 for the taxable year.

14 (b) Whenever the tax paid by the taxpayer under any of the tax
15 provisions listed in subsection (a) is a credit against the liability or a
16 deduction in determining the tax base under another Indiana tax
17 provision, the credit or deduction shall be computed without regard to
18 the credit to which a taxpayer is entitled under this chapter.

19 SECTION 85. IC 6-3.1-11.5-14 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. As used in
21 this chapter, "state tax liability" means the taxpayer's total tax liability
22 that is incurred under:

23 (1) ~~IC 6-2.1 (the gross income tax);~~

24 (2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

25 (3) ~~IC 6-3-8 (the supplemental net income tax);~~

26 (4) ~~IC 6-5-10 (the bank tax);~~

27 (5) ~~IC 6-5-11 (the savings and loan association tax);~~

28 (6) (2) IC 27-1-18-2 (the insurance premiums tax); and

29 (7) (3) IC 6-5.5 (the financial institutions tax);

30 as computed after the application of the credits that, under
31 IC 6-3.1-1-2, are to be applied before the credit provided by this
32 chapter.

33 SECTION 86. IC 6-3.1-11.5-24 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 24. (a) A credit
35 to which a taxpayer is entitled under this chapter shall be applied
36 against taxes owed by the taxpayer in the following order:

37 (1) Against the taxpayer's ~~gross income tax liability (IC 6-2.1)~~ for
38 the taxable year.

39 (2) Against the taxpayer's adjusted gross income tax liability
40 (IC 6-3-1 through IC 6-3-7) for the taxable year.

41 (3) Against the taxpayer's ~~supplemental net income tax liability~~
42 (IC 6-3-8) for the taxable year.

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1 (4) ~~Against the taxpayer's bank tax liability (IC 6-5-10) or savings~~
2 ~~and loan association tax liability (IC 6-5-11) for the taxable year.~~

3 (5) **(2)** Against the taxpayer's insurance premiums tax liability
4 (IC 27-1-18-2) for the taxable year.

5 (6) **(3)** Against the taxpayer's financial institutions tax (IC 6-5.5)
6 for the taxable year.

7 (b) Whenever the tax paid by the taxpayer under any of the tax
8 provisions listed in subsection (a) is a credit against the liability or a
9 deduction in determining the tax base under another Indiana tax
10 provision, the credit or deduction shall be computed without regard to
11 the credit to which a taxpayer is entitled under this chapter.

12 SECTION 87. IC 6-3.1-13-9 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. As used in this
14 chapter, "state tax liability" means a taxpayer's total tax liability that is
15 incurred under:

16 (1) ~~IC 6-2-1 (the gross income tax);~~

17 (2) **(1)** IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

18 (3) ~~IC 6-3-8 (the supplemental net income tax);~~

19 (4) ~~IC 6-5-10 (the bank tax);~~

20 (5) ~~IC 6-5-11 (the savings and loan association tax);~~

21 (6) **(2)** IC 27-1-18-2 (the insurance premiums tax); and

22 (7) **(3)** IC 6-5.5 (the financial institutions tax);

23 as computed after the application of the credits that under IC 6-3.1-1-2
24 are to be applied before the credit provided by this chapter.

25 SECTION 88. IC 6-3.1-13.5-4, AS ADDED BY P.L.291-2001,
26 SECTION 177, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2003]: Sec. 4. As used in this chapter,
28 "state tax liability" means a taxpayer's total tax liability that is incurred
29 under:

30 (1) ~~IC 6-2-1 (the gross income tax);~~

31 (2) **(1)** IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

32 (3) ~~IC 6-3-8 (the supplemental net income tax);~~

33 (4) ~~IC 6-5-10 (the bank tax);~~

34 (5) ~~IC 6-5-11 (the savings and loan association tax);~~

35 (6) **(2)** IC 27-1-18-2 (the insurance premiums tax); and

36 (7) **(3)** IC 6-5.5 (the financial institutions tax);

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

39 SECTION 89. IC 6-3.1-15-5 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. As used in this
41 chapter, "state tax liability" means a taxpayer's total tax liability
42 incurred under:

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- 1 ~~(1) IC 6-2-1 (the gross income tax);~~
 2 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
 3 ~~(3) IC 6-3-8 (the supplemental net income tax);~~
 4 ~~(4) IC 6-5-10 (the bank tax);~~
 5 ~~(5) IC 6-5-11 (the savings and loan association tax);~~
 6 ~~(6) (2) IC 6-5.5 (the financial institutions tax); and~~
 7 ~~(7) (3) IC 27-1-18-2 (the insurance premiums tax);~~

8 as computed after the application of the credits that under IC 6-3.1-1-2
 9 are to be applied before the credit provided by this chapter.

10 SECTION 90. IC 6-3.1-16-6 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. As used in this
 12 chapter, "state tax liability" means a taxpayer's total tax liability
 13 incurred under

- 14 ~~(1) IC 6-2-1 (the gross income tax);~~
 15 ~~(2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) and~~
 16 ~~(3) IC 6-3-8 (the supplemental net income tax);~~

17 as computed after the application of all credits that under IC 6-3.1-1-2
 18 are to be applied before the credit provided by this chapter.

19 SECTION 91. IC 6-3.1-16-13 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. (a) If the
 21 credit provided by this chapter exceeds a taxpayer's state tax liability
 22 for the taxable year for which the credit is first claimed, the excess may
 23 be carried over to succeeding taxable years and used as a credit against
 24 the tax otherwise due and payable by the taxpayer under ~~IC 6-2-1 or~~
 25 IC 6-3 during those taxable years. Each time that the credit is carried
 26 over to a succeeding taxable year, the credit is to be reduced by the
 27 amount that was used as a credit during the immediately preceding
 28 taxable year. The credit provided by this chapter may be carried
 29 forward and applied to succeeding taxable years for fifteen (15) taxable
 30 years following the unused credit year.

31 (b) A credit earned by a taxpayer in a particular taxable year shall be
 32 applied against the taxpayer's tax liability for that taxable year before
 33 any credit carryover is applied against that liability under subsection
 34 (a).

35 (c) A taxpayer is not entitled to any carryback or refund of any
 36 unused credit.

37 SECTION 92. IC 6-3.1-17-3 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. As used in this
 39 chapter, "state tax liability" means a taxpayer's total tax liability that is
 40 incurred under:

- 41 ~~(1) IC 6-2-1 (the gross income tax);~~
 42 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~

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- 1 ~~(3) IC 6-3-8 (the supplemental net income tax);~~
 2 ~~(4) IC 6-5-10 (the bank tax);~~
 3 ~~(5) IC 6-5-11 (the savings and loan association tax);~~
 4 ~~(6) (2) IC 27-1-18-2 (the insurance premiums tax);~~
 5 ~~(7) (3) IC 6-5.5 (the financial institutions tax); and~~
 6 ~~(8) (4) IC 6-2.5 (state gross retail and use tax);~~

7 as computed after the application of the credits that under IC 6-3.1-1-2
 8 are to be applied before the credit provided by this chapter.

9 SECTION 93. IC 6-3.1-18-5 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. As used in this
 11 chapter, "state tax liability" means a taxpayer's total tax liability
 12 incurred under:

- 13 ~~(1) IC 6-2.1 (the gross income tax);~~
 14 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
 15 **and**
 16 ~~(3) IC 6-3-8 (the supplemental corporate net income tax); and~~
 17 ~~(4) (2) IC 6-5.5 (the financial institutions tax);~~

18 as computed after the application of all credits that under IC 6-3.1-1-2
 19 are to be applied before the credit provided by this chapter.

20 SECTION 94. IC 6-3.1-18-6, AS AMENDED BY P.L.4-1999,
 21 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2003]: Sec. 6. (a) Subject to the limitations provided in
 23 subsection (b) and sections 7, 8, 9, 10, and 11 of this chapter, the
 24 department shall grant a tax credit against any ~~gross, adjusted gross or~~
 25 ~~supplemental net income state tax liability~~ due equal to fifty percent
 26 (50%) of the amount contributed by a person or an individual to a fund
 27 if the contribution is not less than one hundred dollars (\$100) and not
 28 more than fifty thousand dollars (\$50,000).

29 (b) The credit provided by this chapter shall only be applied against
 30 any ~~income state~~ tax liability owed by the taxpayer after the application
 31 of any credits that under IC 6-3.1-1-2 must be applied before the credit
 32 provided by this chapter.

33 SECTION 95. IC 6-3.1-19-1 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
 35 chapter, "state and local tax liability" means a taxpayer's total tax
 36 liability incurred under:

- 37 ~~(1) IC 6-2.1 (the gross income tax);~~
 38 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
 39 ~~(3) IC 6-3-8 (the supplemental net income tax);~~
 40 ~~(4) (2) IC 6-3.5-1.1 (county adjusted gross income tax);~~
 41 ~~(5) (3) IC 6-3.5-6 (county option income tax);~~
 42 ~~(6) (4) IC 6-3.5-7 (county economic development income tax);~~



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- 1 ~~(7) IC 6-5-10 (the bank tax);~~
 2 ~~(8) IC 6-5-11 (the savings and loan association tax);~~
 3 ~~(9) (5) IC 6-5.5 (the financial institutions tax); and~~
 4 ~~(10) (6) IC 27-1-18-2 (the insurance premiums tax);~~

5 as computed after the application of all credits that under IC 6-3.1-1-2
 6 are to be applied before the credit provided by this chapter.

7 SECTION 96. IC 6-3.1-21-5, AS ADDED BY P.L.273-1999,
 8 SECTION 227, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2003]: Sec. 5. An individual who, in a
 10 year, has:

- 11 (1) at least one (1) qualifying child;
 12 (2) Indiana total income from all sources of not more than ~~twelve~~
 13 **eighteen** thousand dollars ~~(\$12,000); (\$18,000); and~~
 14 (3) Indiana total income from earned income that is at least eighty
 15 percent (80%) of the individual's Indiana total income;

16 is entitled to a credit against the taxpayer's adjusted gross income tax
 17 liability for the taxable year in the amount determined in section 6 of
 18 this chapter.

19 SECTION 97. IC 6-3.1-21-6, AS ADDED BY P.L.273-1999,
 20 SECTION 227, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2003]: Sec. 6. The credit authorized under
 22 section 5 of this chapter is equal to three and ~~four-tenths~~ **nine-tenths**
 23 percent ~~(3.4%)~~ **(3.9%)** of:

- 24 (1) ~~twelve~~ **eighteen** thousand dollars ~~(\$12,000); (\$18,000);~~ minus
 25 (2) the amount of the individual's Indiana total income.

26 If the credit amount exceeds the taxpayer's adjusted gross income tax
 27 liability for the taxable year, the excess shall be refunded to the
 28 taxpayer.

29 SECTION 98. IC 6-3.1-22.2-3, AS ADDED BY P.L.291-2001,
 30 SECTION 149, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2003]: Sec. 3. As used in this chapter,
 32 "state tax liability" means a taxpayer's total tax liability that is incurred
 33 under:

- 34 ~~(1) IC 6-2-1 (the gross income tax);~~
 35 ~~(2) (1) IC 6-2.5 (state gross retail and use tax);~~
 36 ~~(3) (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
 37 ~~(4) IC 6-3-8 (the supplemental corporate net income tax);~~
 38 ~~(5) IC 6-5-10 (the bank tax);~~
 39 ~~(6) IC 6-5-11 (the savings and loan association tax);~~
 40 ~~(7) (3) IC 6-5.5 (the financial institutions tax); and~~
 41 ~~(8) (4) IC 27-1-18-2 (the insurance premiums tax);~~

42 as computed after the application of the credits that under IC 6-3.1-1-2

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1 are to be applied before the credit provided by this chapter.

2 SECTION 99. IC 6-3.1-23-4, AS ADDED BY P.L.109-2001,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2003]: Sec. 4. As used in this chapter, "state tax
5 liability" means a taxpayer's total tax liability incurred under:

- 6 ~~(1) IC 6-2-1 (the gross income tax);~~
7 ~~(2) (1) IC 6-2.5 (the state gross retail and use tax);~~
8 ~~(3) (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);~~
9 ~~(4) IC 6-3-8 (the supplemental net income tax);~~
10 ~~(5) IC 6-5-10 (the bank tax);~~
11 ~~(6) IC 6-5-11 (the savings and loan association tax);~~
12 ~~(7) (3) IC 6-5.5 (the financial institutions tax); and~~
13 ~~(8) (4) IC 27-1-18-2 (the insurance premiums tax);~~

14 as computed after the application of the credits that under IC 6-3.1-1-2
15 are to be applied before the credit provided by this chapter.

16 SECTION 100. IC 6-3.1-23.8-4, AS ADDED BY P.L.291-2001,
17 SECTION 122, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2003]: Sec. 4. As used in this chapter,
19 "state tax liability" means a taxpayer's total tax liability that is incurred
20 under:

- 21 ~~(1) IC 6-2-1 (gross income tax);~~
22 ~~(2) (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);~~
23 ~~(3) IC 6-3-8 (supplemental net income tax);~~
24 ~~(4) (2) IC 6-5.5 (financial institutions tax); and~~
25 ~~(5) (3) IC 27-1-18-2 (insurance premiums tax);~~

26 as computed after the application of the credits that under IC 6-3.1-1-2
27 are to be applied before the credit provided by this chapter.

28 SECTION 101. IC 6-3.1-23.8-6, AS ADDED BY P.L.291-2001,
29 SECTION 122, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) Except as provided in
31 this chapter, a taxpayer is entitled to a credit against the taxpayer's state
32 tax liability for a taxable year for the net ad valorem property taxes paid
33 by the taxpayer in the taxable year on business personal property with
34 an assessed value equal to the lesser of:

- 35 (1) the assessed value of the person's business personal property;
36 or
37 (2) an assessed value of thirty-seven thousand five hundred dollars
38 (\$37,500).

39 A taxpayer is entitled to only one (1) credit under this chapter each
40 taxable year.

41 (b) An affiliated group that files a consolidated return under
42 ~~IC 6-2-1-5-5~~ IC 6-3-4-14 is entitled to only one (1) credit under this

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1 chapter each taxable year on that consolidated return. A taxpayer that
 2 is a partnership, joint venture, or pool is entitled to only one (1) credit
 3 under this chapter each taxable year, regardless of the number of
 4 partners or participants in the organization.

5 (c) A utility company is not entitled to claim the credit under this
 6 chapter.

7 SECTION 102. IC 6-3.1-24 IS ADDED TO THE INDIANA CODE
 8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2003]:

10 **Chapter 24. Investment Tax Credit**

11 **Sec. 1. As used in this chapter, "assessed value" means the**
 12 **assessed value determined under IC 6-1.1-3.**

13 **Sec. 2. As used in this chapter, "business personal property"**
 14 **means tangible property (other than real property) that:**

- 15 (1) was first reported by the taxpayer on a personal property
 16 tax return filed for the assessment date of 2003 or a later year;
 17 (2) was never before used by the taxpayer for any purpose in
 18 Indiana;
 19 (3) was acquired in a bona fide, good faith transaction,
 20 negotiated at arm's length, between parties under separate
 21 ownership and control; and
 22 (4) is being held or used in connection with the production of
 23 income and is property for which depreciation is allowed for
 24 federal income tax purposes, with a useful life of at least three
 25 (3) years.

26 **The term does not include inventory as defined in IC 6-1.1-3-11.**

27 **Sec. 3. As used in this chapter, "net ad valorem property taxes"**
 28 **means the amount of property taxes paid by a taxpayer for a**
 29 **particular calendar year after the application of all property tax**
 30 **deductions and property tax credits.**

31 **Sec. 4. As used in this chapter, "pass through entity" means:**

- 32 (1) a corporation that is exempt from the adjusted gross
 33 income tax under IC 6-3-2-2.8(2);
 34 (2) a partnership;
 35 (3) a trust;
 36 (4) a limited liability company; or
 37 (5) a limited liability partnership.

38 **Sec. 5. As used in this chapter, "state tax liability" means a**
 39 **taxpayer's total tax liability that is incurred under:**

- 40 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
 41 (2) IC 6-5.5 (financial institutions tax); and
 42 (3) IC 27-1-18-2 (insurance premiums tax);

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1 as computed after the application of the credits that under
2 IC 6-3.1-1-2 are to be applied before the credit provided by this
3 chapter.

4 **Sec. 6.** As used in this chapter, "taxpayer" means an individual
5 or entity that has state tax liability.

6 **Sec. 7. (a)** Except as provided in this chapter, a taxpayer that
7 purchases business personal property is entitled to a credit against
8 the taxpayer's state tax liability for a taxable year for the net ad
9 valorem property taxes on that property paid by the taxpayer by
10 the installment due date under IC 6-1.1-22-9 in the taxable year
11 with respect to the first or second assessment date the property is
12 subject to assessment under IC 6-1.1. The amount of the credit is
13 determined as follows:

14 (1) For a taxable year in which the property tax is paid with
15 respect to the first assessment date the property is subject to
16 assessment under IC 6-1.1, the credit is equal to twenty-five
17 percent (25%) of the net ad valorem property taxes paid on the
18 property in that taxable year.

19 (2) For a taxable year in which the property tax is paid with
20 respect to the second assessment date the property is subject to
21 assessment under IC 6-1.1, the credit is equal to fifteen percent
22 (15%) of the net ad valorem property taxes paid on the
23 property in that year.

24 (b) A taxpayer that receives a credit for a qualified investment
25 under IC 6-3.1-13.5 is not entitled to a credit under this chapter for
26 ad valorem property taxes paid on the property that constitutes the
27 qualified investment.

28 (c) A taxpayer that receives a credit for ad valorem property
29 taxes under IC 6-3.1-22.2 is not entitled to a credit under this
30 chapter for personal property with respect to which a credit was
31 granted under IC 6-3.1-22.2.

32 **Sec. 8.** If the amount of the credit determined under section 7 of
33 this chapter for a taxpayer in a taxable year exceeds the taxpayer's
34 state tax liability for that taxable year, the excess shall be refunded
35 to the taxpayer.

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

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

42 (2) the percentage of the pass through entity's distributive

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1 income to which the shareholder or partner is entitled.

2 **Sec. 10. (a) To receive the credit provided by this chapter, a**
 3 **taxpayer must claim the credit on the taxpayer's state tax return**
 4 **or returns in the manner prescribed by the department. The**
 5 **taxpayer shall submit to the department proof of payment of an ad**
 6 **valorem property tax and all information that the department**
 7 **determines is necessary for the calculation of the credit provided**
 8 **by this chapter.**

9 **(b) If the department determines that property taxes for which**
 10 **a credit was granted under this chapter have been reduced, the**
 11 **department shall make an assessment against the taxpayer under**
 12 **IC 6-8.1 equal to the difference between:**

13 **(1) the amount of the credit that was granted under this**
 14 **chapter; and**

15 **(2) the amount of the credit that would have been granted**
 16 **under this chapter if the property tax reduction had been in**
 17 **effect at the time the credit was granted under this chapter.**

18 SECTION 103. IC 6-3.5-1.1-15, AS AMENDED BY P.L.283-2001,
 19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2003]: Sec. 15. (a) As used in this section, "attributed
 21 levy" of a civil taxing unit means the sum of:

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

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

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

34 (4) in the case of a county, an amount equal to **the sum of the**
 35 **following:**

36 (A) The property taxes imposed by the county in 1999 for the
 37 county's welfare fund and welfare administration fund. ~~plus~~

38 (B) after December 31, 2002, the greater of zero (0) or the
 39 difference between:

40 (i) **Ninety percent (90%) of the county hospital care for the**
 41 **indigent property tax levy imposed by the county in 2002,**
 42 **adjusted each year after 2002 by the statewide average**

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1 assessed value growth quotient described in IC 12-16-14-3;
2 minus

3 (ii) the current uninsured parents program property tax levy
4 imposed by the county.

5 **(C) The property taxes imposed by the county for the**
6 **county's family and children's fund (IC 12-19-7-3 (repealed))**
7 **in 2003 after the deduction of any amounts levied for the**
8 **fund for the repayment of loans and bonds issued for the**
9 **fund.**

10 **(D) The property taxes imposed by the county in 2002 for the**
11 **county's contributions to the medical assistance to wards**
12 **program under IC 12-13-8 (repealed).**

13 **(E) The property taxes imposed by the county in 2002 for the**
14 **county's contribution to the children with special health care**
15 **needs program under IC 16-35-3 (repealed).**

16 **(F) The property taxes imposed by the county in 2002 for the**
17 **county's contribution to the court personnel and other**
18 **operating expenses assumed by the state after 2002 under**
19 **IC 33-1-18-6.**

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

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

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

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1 of its attributed levy.

2 SECTION 104. IC 6-3.5-2-4 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. The following
4 persons are exempt from the employment tax:

- 5 (1) the United States;
6 (2) an agency of the United States;
7 (3) this state;
8 (4) an agency of this state;
9 (5) a political subdivision of this state; and
10 (6) a taxpayer described in ~~IC 6-2.1-3-19, IC 6-2.1-3-20,~~
11 ~~IC 6-2.1-3-21, and IC 6-2.1-3-22.~~ **IC 6-2.5-5-21(b)(1).**

12 However, employees of such persons are not exempt from the
13 employment tax.

14 SECTION 105. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001,
15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2003]: Sec. 17.6. (a) This section applies to a county
17 containing a consolidated city.

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

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

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

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

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

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

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

- 41 (1) the maximum permissible property tax levy under IC 6-1.1-18.5
42 for the civil taxing unit, plus, for a county, an amount equal to:

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1 (A) the property taxes imposed by the county in 1999 for the
 2 county's **welfare fund and** welfare administration fund; plus
 3 (B) after December 31, 2002, the **greater of zero (0) or the**
 4 **difference between:**

5 (i) the county hospital care for the indigent property tax levy
 6 imposed by the county in 2002; adjusted each year after 2002
 7 by the statewide average assessed value growth quotient
 8 described in IC 12-16-14-3; minus

9 (ii) the current uninsured parents program property tax levy
 10 imposed by the county; **sum of the property taxes imposed**
 11 **by the county in 2002 for:**

12 (i) **ninety percent (90%) of the county's contributions to**
 13 **the hospital care for the indigent program under**
 14 **IC 12-16-14 (repealed);**

15 (ii) **the county's family and children's fund (IC 12-19-7-3**
 16 **(repealed)) in 2003 after the deduction of any amounts**
 17 **levied for the fund for the repayment of loans and bonds**
 18 **issued for the fund;**

19 (iii) **the county's contributions to the medical assistance to**
 20 **wards program under IC 12-13-8 (repealed);**

21 (iv) **the county's contribution to the children with special**
 22 **health care needs program under IC 16-35-3 (repealed);**
 23 **and**

24 (v) **the county's contribution to the court personnel and**
 25 **other operating expenses assumed by the state after 2002**
 26 **under IC 33-1-18-6; divided by**

27 (2) the sum of the maximum permissible property tax levies under
 28 IC 6-1.1-18.5 for all civil taxing units of the county, plus an
 29 amount equal to:

30 (A) the property taxes imposed by the county in 1999 for the
 31 county's welfare administration fund; plus

32 (B) after December 31, 2002, the **greater of zero (0) or the**
 33 **difference between:**

34 (i) the county hospital care for the indigent property tax levy
 35 imposed by the county in 2002; adjusted each year after 2002
 36 by the statewide average assessed value growth quotient
 37 described in IC 12-16-14-3; minus

38 (ii) the current uninsured parents program property tax levy
 39 imposed by the county; **sum of the property taxes imposed**
 40 **by the county in 2002 for:**

41 (i) **ninety percent (90%) of the county's contributions to**
 42 **the hospital care for the indigent program under**

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- 1 **IC 12-16-14 (repealed);**
 2 **(ii) the county's family and children's fund (IC 12-19-7-3**
 3 **(repealed)) in 2003 after the deduction of any amounts**
 4 **levied for the fund for the repayment of loans and bonds**
 5 **issued for the fund;**
 6 **(iii) the county's contributions to the medical assistance to**
 7 **wards program under IC 12-13-8 (repealed);**
 8 **(iv) the county's contribution to the children with special**
 9 **health care needs program under IC 16-35-3 (repealed);**
 10 **and**
 11 **(v) the county's contribution to the court personnel and**
 12 **other operating expenses assumed by the state after 2002**
 13 **under IC 33-1-18-6.**

14 SECTION 106. IC 6-3.5-6-18, AS AMENDED BY P.L.283-2001,
 15 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2003]: Sec. 18. (a) The revenue a county auditor
 17 receives under this chapter shall be used to:

- 18 (1) replace the amount, if any, of property tax revenue lost due to
 19 the allowance of an increased homestead credit within the county;
 20 (2) fund the operation of a public communications system and
 21 computer facilities district as provided in an election, if any, made
 22 by the county fiscal body under IC 36-8-15-19(b);
 23 (3) fund the operation of a public transportation corporation as
 24 provided in an election, if any, made by the county fiscal body
 25 under IC 36-9-4-42;
 26 (4) make payments permitted under IC 36-7-15.1-17.5;
 27 (5) make payments permitted under subsection (i); and
 28 (6) make distributions of distributive shares to the civil taxing units
 29 of a county.

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

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



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

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

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

9 (2) A fraction **determined as follows:**

10 **(A)** The numerator of the fraction equals the total property taxes
 11 that are first due and payable to the civil taxing unit during the
 12 calendar year in which the month falls; plus for a county, an
 13 amount equal to the property taxes imposed by the county in
 14 1999 for the county's welfare fund and welfare administration
 15 fund; and after December 31, 2002, the ~~greater of zero (0) or the~~
 16 ~~difference between the county hospital care for the indigent~~
 17 ~~property tax levy imposed by the county in 2002; adjusted each~~
 18 ~~year after 2002 by the statewide average assessed value growth~~
 19 ~~quotient described in IC 12-16-14-3; minus the current uninsured~~
 20 ~~parents program property tax levy imposed by the county; sum~~
 21 ~~of the property taxes imposed by the county in 2002 for:~~

22 **(i) ninety percent (90%) of the county's contributions to**
 23 **the hospital care for the indigent program under**
 24 **IC 12-16-14 (repealed);**

25 **(ii) the county's family and children's fund (IC 12-19-7-3**
 26 **(repealed)) in 2003 after the deduction of any amounts**
 27 **levied for the fund for the repayment of loans and bonds**
 28 **issued for the fund;**

29 **(iii) the county's contributions to the medical assistance to**
 30 **wards program under IC 12-13-8 (repealed);**

31 **(iv) the county's contribution to the children with special**
 32 **health care needs program under IC 16-35-3 (repealed);**
 33 **and**

34 **(v) the county's contribution to the court personnel and**
 35 **other operating expenses assumed by the state after 2002**
 36 **under IC 33-1-18-6.**

37 **(B)** The denominator of the fraction equals the sum of the total
 38 property taxes that are first due and payable to all civil taxing
 39 units of the county during the calendar year in which the month
 40 falls, plus an amount equal to the property taxes imposed by the
 41 county in 1999 for the county's welfare fund and welfare
 42 administration fund, and after December 31, 2002, the ~~greater of~~

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1 zero (0) or the difference between the county hospital care for
 2 the indigent property tax levy imposed by the county in 2002;
 3 adjusted each year after 2002 by the statewide average assessed
 4 value growth quotient described in IC 12-16-14-3, minus the
 5 current uninsured parents program property tax levy imposed by
 6 the county: **sum of the property taxes imposed by the county
 7 in 2002 for:**

8 **(i) ninety percent (90%) of the county's contributions to
 9 the hospital care for the indigent program under
 10 IC 12-16-14 (repealed);**

11 **(ii) the county's family and children's fund (IC 12-19-7-3
 12 (repealed)) in 2003 after the deduction of any amounts
 13 levied for the fund for the repayment of loans and bonds
 14 issued for the fund;**

15 **(iii) the county's contributions to the medical assistance to
 16 wards program under IC 12-13-8 (repealed);**

17 **(iv) the county's contribution to the children with special
 18 health care needs program under IC 16-35-3 (repealed);
 19 and**

20 **(v) the county's contribution to the court personnel and
 21 other operating expenses assumed by the state after 2002
 22 under IC 33-1-18-6.**

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

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

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

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

41 (h) If for a calendar year a civil taxing unit is allocated a part of a
 42 county's distributive shares by subsection (g), then the formula used in

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1 subsection (e) to determine all other civil taxing units' distributive
 2 shares shall be changed each month for that same year by reducing the
 3 amount to be distributed as distributive shares under subsection (e) by
 4 the amount of distributive shares allocated under subsection (g) for that
 5 same month. The state board of tax commissioners shall make any
 6 adjustments required by this subsection and provide them to the
 7 appropriate county auditors.

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

15 SECTION 107. IC 6-3.5-6-18.5, AS AMENDED BY P.L.283-2001,
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2003]: Sec. 18.5. (a) This section applies to a county
 18 containing a consolidated city.

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

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

25	Center Township	.0251
26	Decatur Township	.00217
27	Franklin Township	.0023
28	Lawrence Township	.01177
29	Perry Township	.01130
30	Pike Township	.01865
31	Warren Township	.01359
32	Washington Township	.01346
33	Wayne Township	.01307
34	Lawrence-City	.00858
35	Beech Grove	.00845
36	Southport	.00025
37	Speedway	.00722
38	Indianapolis/Marion County	.86409

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

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1	Center Township	\$1,898,145
2	Decatur Township	\$164,103
3	Franklin Township	\$173,934
4	Lawrence Township	\$890,086
5	Perry Township	\$854,544
6	Pike Township	\$1,410,375
7	Warren Township	\$1,027,721
8	Washington Township	\$1,017,890
9	Wayne Township	\$988,397
10	Lawrence-City	\$648,848
11	Beech Grove	\$639,017
12	Southport	\$18,906
13	Speedway	\$546,000

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

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

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

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

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

28 STEP FIVE: Determine the ratio of:

29 (A) the maximum permissible property tax levy under
 30 IC 6-1.1-18.5 and ~~IC 6-1.1-18.6~~ for each civil taxing unit for
 31 the calendar year in which the month falls, plus, for a county
 32 an amount equal to the property taxes imposed by the county
 33 in 1999 for the county's welfare fund and welfare
 34 administration fund; and after December 31, 2002, the **greater**
 35 **of zero (0) or the difference between the county hospital care**
 36 **for the indigent property tax levy imposed by the county in**
 37 **2002, adjusted each year after 2002 by the statewide average**
 38 **assessed value growth quotient described in IC 12-16-14-3,**
 39 **minus the current uninsured parents program property tax**
 40 **levy imposed by the county; sum of the property taxes**
 41 **imposed by the county in 2002 for ninety percent (90%)**
 42 **of the county's contributions to the hospital care for the**

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1 indigent program under IC 12-16-14 (repealed), the
 2 county's family and children's fund (IC 12-19-7-3
 3 (repealed)) in 2003 after the deduction of any amounts
 4 levied for the fund for the repayment of loans and bonds
 5 issued for the fund, the county's contributions to the
 6 medical assistance to wards program under IC 12-13-8
 7 (repealed), the county's contribution to the children with
 8 special health care needs program under IC 16-35-3
 9 (repealed), and the county's contribution to the court
 10 personnel and other operating expenses assumed by the
 11 state after 2002 under IC 33-1-18-6; divided by

12 (B) the sum of the maximum permissible property tax levies
 13 under IC 6-1.1-18.5 and ~~IC 6-1.1-18.6~~ for all civil taxing
 14 units of the county during the calendar year in which the
 15 month falls, and an amount equal to the property taxes
 16 imposed by the county in 1999 for the county's welfare fund
 17 and welfare administration fund and after December 31,
 18 2002, the greater of zero (0) or the difference between the
 19 county hospital care for the indigent property tax levy
 20 imposed by the county in 2002; adjusted each year after 2002
 21 by the statewide average assessed value growth quotient
 22 described in ~~IC 12-16-14-3~~; minus the current uninsured
 23 parents program property tax levy imposed by the county;
 24 sum of the property taxes imposed by the county in 2002
 25 for ninety percent (90%) of the county's contributions to
 26 the hospital care for the indigent program under
 27 IC 12-16-14 (repealed), the county's family and children's
 28 fund (IC 12-19-7-3 (repealed)) in 2003 after the deduction
 29 of any amounts levied for the fund for the repayment of
 30 loans and bonds issued for the fund, the county's
 31 contributions to the medical assistance to wards program
 32 under IC 12-13-8 (repealed), the county's contribution to
 33 the children with special health care needs program
 34 under IC 16-35-3 (repealed), and the county's
 35 contribution to the court personnel and other operating
 36 expenses assumed by the state after 2002 under
 37 IC 33-1-18-6.

38 STEP SIX: If the STEP THREE result is greater than zero (0),
 39 the STEP ONE amount shall be distributed by multiplying the
 40 STEP ONE amount by the ratio established under subdivision
 41 (1).

42 STEP SEVEN: For each taxing unit determine the STEP FIVE

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1 ratio multiplied by the STEP TWO amount.

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

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

12 (A) the maximum permissible property tax levy under
13 IC 6-1.1-18.5 and ~~IC 6-1.1-18.6~~ for the qualifying civil taxing
14 unit during the calendar year in which the month falls, plus,
15 for a county amount equal to the property taxes imposed by
16 the county in 1999 for the county's welfare fund and welfare
17 administration fund and after December 31, 2002, the ~~greater~~
18 ~~of zero (0) or the difference between the county hospital care~~
19 ~~for the indigent property tax levy imposed by the county in~~
20 ~~2002; adjusted each year after 2002 by the statewide average~~
21 ~~assessed value growth quotient described in IC 12-16-14-3;~~
22 ~~minus the current uninsured parents program property tax~~
23 ~~levy imposed by the county; sum of the property taxes~~
24 ~~imposed by the county in 2002 for ninety percent (90%)~~
25 ~~of the county's contributions to the hospital care for the~~
26 ~~indigent program under IC 12-16-14 (repealed), the~~
27 ~~county's family and children's fund (IC 12-19-7-3~~
28 ~~(repealed)) in 2003 after the deduction of any amounts~~
29 ~~levied for the fund for the repayment of loans and bonds~~
30 ~~issued for the fund, the county's contributions to the~~
31 ~~medical assistance to wards program under IC 12-13-8~~
32 ~~(repealed), the county's contribution to the children with~~
33 ~~special health care needs program under IC 16-35-3~~
34 ~~(repealed), and the county's contribution to the court~~
35 ~~personnel and other operating expenses assumed by the~~
36 ~~state after 2002 under IC 33-1-18-6; divided by~~

37 (B) the sum of the maximum permissible property tax levies
38 under IC 6-1.1-18.5 and ~~IC 6-1.1-18.6~~ for all qualifying civil
39 taxing units of the county during the calendar year in which
40 the month falls, and an amount equal to the property taxes
41 imposed by the county in 1999 for the county's welfare fund
42 and welfare administration fund and after December 31,

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1 2002, the greater of zero (0) or the difference between the
 2 county hospital care for the indigent property tax levy
 3 imposed by the county in 2002, adjusted each year after 2002
 4 by the statewide average assessed value growth quotient
 5 described in IC ~~12-16-14-3~~, minus the current uninsured
 6 parents program property tax levy imposed by the county.
 7 **sum of the property taxes imposed by the county in 2002**
 8 **for ninety percent (90%) of the county's contributions to**
 9 **the hospital care for the indigent program under**
 10 **IC 12-16-14 (repealed), the county's family and children's**
 11 **fund (IC 12-19-7-3 (repealed)) in 2003 after the deduction**
 12 **of any amounts levied for the fund for the repayment of**
 13 **loans and bonds issued for the fund, the county's**
 14 **contributions to the medical assistance to wards program**
 15 **under IC 12-13-8 (repealed), the county's contribution to**
 16 **the children with special health care needs program**
 17 **under IC 16-35-3 (repealed), and the county's**
 18 **contribution to the court personnel and other operating**
 19 **expenses assumed by the state after 2002 under**
 20 **IC 33-1-18-6.**

21 SECTION 108. IC 6-3.5-7-12, AS AMENDED BY P.L.283-2001,
 22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2003]: Sec. 12. (a) Except as provided in section 23 of
 24 this chapter, the county auditor shall distribute in the manner specified
 25 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:

38 (i) the property taxes imposed by the county in 1999 for the
 39 county's welfare fund and welfare administration fund; plus

40 (ii) after December 31, 2002, the greater of zero (0) or the
 41 difference between the county hospital care for the indigent
 42 property tax levy imposed by the county in 2002, adjusted

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1 each year after 2002 by the statewide average assessed value
 2 growth quotient described in IC 12-16-14-3, minus the
 3 current uninsured parents program property tax levy imposed
 4 by the county: **sum of the property taxes imposed by the**
 5 **county in 2002 for ninety percent (90%) of the county's**
 6 **contributions to the hospital care for the indigent**
 7 **program under IC 12-16-14 (repealed), the county's**
 8 **family and children's fund (IC 12-19-7-3 (repealed)) in**
 9 **2003 after the deduction of any amounts levied for the**
 10 **fund for the repayment of loans and bonds issued for the**
 11 **fund, the county's contributions to the medical assistance**
 12 **to wards program under IC 12-13-8 (repealed), the**
 13 **county's contribution to the children with special health**
 14 **care needs program under IC 16-35-3 (repealed), and the**
 15 **county's contribution to the court personnel and other**
 16 **operating expenses assumed by the state after 2002 under**
 17 **IC 33-1-18-6.**

18 The denominator of the fraction equals the sum of the total
 19 property taxes that are first due and payable to the county and all
 20 cities and towns of the county during the calendar year in which
 21 the month falls, plus an amount equal to the property taxes
 22 imposed by the county in 1999 for the county's welfare fund and
 23 welfare administration fund, and after December 31, 2002, the
 24 greater of zero (0) or the difference between the county hospital
 25 care for the indigent property tax levy imposed by the county in
 26 2002, adjusted each year after 2002 by the statewide average
 27 assessed value growth quotient described in IC 12-16-14-3, minus
 28 the current uninsured parents program property tax levy imposed
 29 by the county: **sum of the property taxes imposed by the county**
 30 **in 2002 for ninety percent (90%) of the county's contributions**
 31 **to the hospital care for the indigent program under**
 32 **IC 12-16-14 (repealed), the county's family and children's**
 33 **fund (IC 12-19-7-3 (repealed)) in 2003 after the deduction of**
 34 **any amounts levied for the fund for the repayment of loans**
 35 **and bonds issued for the fund, the county's contributions to**
 36 **the medical assistance to wards program under IC 12-13-8**
 37 **(repealed), the county's contribution to the children with**
 38 **special health care needs program under IC 16-35-3**
 39 **(repealed), and the county's contribution to the court**
 40 **personnel and other operating expenses assumed by the state**
 41 **after 2002 under IC 33-1-18-6.**

42 (c) This subsection applies to a county council or county income tax

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

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

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

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

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

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

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

25 (1) The county.

26 (2) A city or town in the county.

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

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

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

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

42 (h) In a county having a consolidated city, only the consolidated city

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1 is entitled to the certified distribution, subject to the requirements of
2 section 15 of this chapter.

3 SECTION 109. IC 6-3.5-7-23, AS ADDED BY P.L.124-1999,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2003]: Sec. 23. (a) This section applies only to a county
6 having a population of at least forty-five thousand (45,000) but not
7 more than forty-seven thousand (47,000).

8 (b) The county council may by ordinance determine that, in order to
9 promote the development of libraries in the county and thereby
10 encourage economic development, it is necessary to use economic
11 development income tax revenue to replace library property taxes in
12 the county. However, a county council may adopt an ordinance under
13 this subsection only if all territory in the county is included in a library
14 district.

15 (c) If the county council makes a determination under subsection
16 (b), the county council may designate the county economic
17 development income tax revenue generated by the tax rate adopted
18 under section 5 of this chapter, or revenue generated by a portion of the
19 tax rate, as revenue that will be used to replace public library property
20 taxes imposed by public libraries in the county. The county council
21 may not designate for library property tax replacement purposes any
22 county economic development income tax revenue that is generated by
23 a tax rate of more than fifteen-hundredths percent (0.15%).

24 (d) The county treasurer shall establish a library property tax
25 replacement fund to be used only for the purposes described in this
26 section. County economic development income tax revenues derived
27 from the portion of the tax rate designated for property tax replacement
28 credits under subsection (c) shall be deposited in the library property
29 tax replacement fund before certified distributions are made under
30 section 12 of this chapter.

31 (e) The amount of county economic development income tax
32 revenue dedicated to providing library property tax replacement credits
33 shall, in the manner prescribed in this section, be allocated to public
34 libraries operating in the county and shall be used by those public
35 libraries as property tax replacement credits. The amount of property
36 tax replacement credits that each public library in the county is entitled
37 to receive during a calendar year under this section equals the lesser of:

38 (1) the product of:

39 (A) the amount of revenue deposited by the county auditor in
40 the library property tax replacement fund; multiplied by

41 (B) a fraction described as follows:

42 (i) The numerator of the fraction equals the sum of the total

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1 property taxes that would have been collected by the public
 2 library during the previous calendar year from taxpayers
 3 located within the library district if the property tax
 4 replacement under this section had not been in effect.

5 (ii) The denominator of the fraction equals the sum of the
 6 total property taxes that would have been collected during the
 7 previous year from taxpayers located within the county by all
 8 public libraries that are eligible to receive property tax
 9 replacement credits under this section if the property tax
 10 replacement under this section had not been in effect; or

11 (2) the total property taxes that would otherwise be collected by
 12 the public library for the calendar year if the property tax
 13 replacement credit under this section were not in effect.

14 The ~~state board of tax commissioners~~ **department of local**
 15 **government finance** shall make any adjustments necessary to account
 16 for the expansion of a library district. However, a public library is
 17 eligible to receive property tax replacement credits under this section
 18 only if it has entered into reciprocal borrowing agreements with all
 19 other public libraries in the county. If the total amount of county
 20 economic development income tax revenue deposited by the county
 21 auditor in the library property tax replacement fund for a calendar year
 22 exceeds the total property tax liability that would otherwise be imposed
 23 for public libraries in the county for the year, the excess shall remain
 24 in the library property tax replacement fund and shall be used for
 25 library property tax replacement purposes in the following calendar
 26 year.

27 (f) Notwithstanding subsection (e), if a public library did not impose
 28 a property tax levy during the previous calendar year, that public
 29 library is entitled to receive a part of the property tax replacement
 30 credits to be distributed for the calendar year. The amount of property
 31 tax replacement credits the public library is entitled to receive during
 32 the calendar year equals the product of:

33 (1) the amount of revenue deposited in the library property tax
 34 replacement fund; multiplied by

35 (2) a fraction. The numerator of the fraction equals the budget of
 36 the public library for that calendar year. The denominator of the
 37 fraction equals the aggregate budgets of public libraries in the
 38 county for that calendar year.

39 If for a calendar year a public library is allocated a part of the property
 40 tax replacement credits under this subsection, then the amount of
 41 property tax credits distributed to other public libraries in the county
 42 for the calendar year shall be reduced by the amount to be distributed

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1 as property tax replacement credits under this subsection. The ~~state~~
 2 ~~board of tax commissioners department of local government finance~~
 3 shall make any adjustments required by this subsection and provide the
 4 adjustments to the county auditor.

5 (g) The ~~state board of tax commissioners department of local~~
 6 ~~government finance~~ shall inform the county auditor of the amount of
 7 property tax replacement credits that each public library in the county
 8 is entitled to receive under this section. The county auditor shall certify
 9 to each public library the amount of property tax replacement credits
 10 that the public library is entitled to receive during that calendar year.
 11 The county auditor shall also certify these amounts to the county
 12 treasurer.

13 (h) A public library receiving property tax replacement credits under
 14 this section shall allocate the credits among each fund for which a
 15 distinct property tax levy is imposed. The amount that must be
 16 allocated to each fund equals:

17 (1) the amount of property tax replacement credits provided to the
 18 public library under this section; multiplied by

19 (2) the amount determined in STEP THREE of the following
 20 formula:

21 STEP ONE: Determine the property taxes that would have been
 22 collected for each fund by the public library during the previous
 23 calendar year if the property tax replacement under this section
 24 had not been in effect.

25 STEP TWO: Determine the sum of the total property taxes that
 26 would have been collected for all funds by the public library
 27 during the previous calendar year if the property tax
 28 replacement under this section had not been in effect.

29 STEP THREE: Divide the STEP ONE amount by the STEP
 30 TWO amount.

31 However, if a public library did not impose a property tax levy during
 32 the previous calendar year or did not impose a property tax levy for a
 33 particular fund during the previous calendar year, but the public library
 34 is imposing a property tax levy in the current calendar year or is
 35 imposing a property tax levy for the particular fund in the current
 36 calendar year, the ~~state board of tax commissioners department of~~
 37 ~~local government finance~~ shall adjust the amount of property tax
 38 replacement credits allocated among the various funds of the public
 39 library and shall provide the adjustment to the county auditor. If a
 40 public library receiving property tax replacement credits under this
 41 section does not impose a property tax levy for a particular fund that is
 42 first due and payable in a calendar year in which the property tax

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1 replacement credits are being distributed, the public library is not
 2 required to allocate to that fund a part of the property tax replacement
 3 credits to be distributed to the public library.

4 (i) For each public library that receives property tax credits under
 5 this section, the ~~state board of tax commissioners~~ **department of local**
 6 **government finance** shall certify to the county auditor the property tax
 7 rate applicable to each fund after the property tax replacement credits
 8 are allocated.

9 (j) A public library shall treat property tax replacement credits
 10 received during a particular calendar year under this section as a part
 11 of the public library's property tax levy for each fund for that same
 12 calendar year for purposes of fixing the public library's budget and for
 13 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

14 (k) The property tax replacement credits that are received under this
 15 section ~~do not reduce the total county tax levy that is used to compute~~
 16 ~~the state property tax replacement credit~~ **shall be applied after**
 17 **applying the credit allowed** under ~~IC 6-1.1-21~~ **IC 6-1.1-21.3**. For the
 18 purpose of computing and distributing certified distributions under
 19 IC 6-3.5-1.1 and tax revenue under ~~IC 6-5-10, IC 6-5-11, IC 6-5-12,~~
 20 IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are
 21 received under this section shall be treated as though they were
 22 property taxes that were due and payable during that same calendar
 23 year.

24 SECTION 110. IC 6-3.5-8-12, AS ADDED BY P.L.151-2001,
 25 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2003]: Sec. 12. (a) If the fiscal body of a municipality in
 27 a qualifying county adopts an ordinance under section 11(a) of this
 28 chapter, the state board of tax commissioners may not certify a budget
 29 for the municipality under IC 6-1.1-17-16(f) for the 2002 calendar year
 30 that is greater than ninety-seven percent (97%) of the budget of the
 31 municipality certified by the state board for the 2001 calendar year.
 32 The state board of tax commissioners may not certify a budget for the
 33 municipality under IC 6-1.1-17-16(f) for any later calendar year that is
 34 greater than ninety-seven percent (97%) of the budget of the
 35 municipality certified by the state board for the calendar year that
 36 immediately precedes the later calendar year.

37 (b) If the fiscal body of a municipality in a qualifying county adopts
 38 an ordinance in a calendar year under section 11(c) of this chapter, the
 39 state board of tax commissioners may not certify a budget for the
 40 municipality under IC 6-1.1-17-16(f) for the calendar year that
 41 immediately succeeds the calendar year in which the ordinance is
 42 adopted that is greater than ninety-seven percent (97%) of the budget

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1 of the municipality certified by the state board for the calendar year in
 2 which the ordinance was adopted. The state board of tax
 3 commissioners may not certify a budget for the municipality under
 4 IC 6-1.1-17-16(f) for any later calendar year that is greater than
 5 ninety-seven percent (97%) of the budget of the municipality certified
 6 by the state board for the calendar year that immediately precedes the
 7 later calendar year.

8 (c) Before July 1 of 2002 and of each year thereafter, the state board
 9 of tax commissioners shall review the budget approved for each
 10 municipality in a qualifying county in which a municipal option income
 11 tax is in effect to determine whether the restriction under subsection (a)
 12 or (b) has been applied. If the restriction has not been applied:

13 (1) the municipal option income tax is rescinded as of July 1 of
 14 the year in which the review was made;

15 (2) the municipality may not impose the municipal option income
 16 tax for any later year; and

17 (3) the municipality is:

18 (A) subject to subsection (d), if the municipality adopted the
 19 municipal option income tax in 2002; or

20 (B) subject to subsection (e), if the municipality adopted the
 21 municipal option income tax in a year that succeeds 2002.

22 (d) In May 2003, the department of state revenue shall determine for
 23 each municipality subject to this subsection the amount of tax revenue
 24 collected for the municipality after August 31, 2001, and before July 1,
 25 2002. The department of state revenue shall immediately notify the
 26 municipality of the amount determined under this subsection. Not later
 27 than thirty (30) days after receiving notification from the department
 28 of state revenue, the municipality shall transfer the amount determined
 29 by the department under this subsection from the municipality's general
 30 fund to the county family and children's fund of the qualifying county
 31 in which the municipality is located.

32 (e) In May 2004, and in May of each year thereafter, the department
 33 of state revenue shall determine for each municipality subject to this
 34 subsection the amount of tax revenue collected for the municipality
 35 after June 30 of the calendar year that precedes by two (2) years the
 36 calendar year in which the determination is made and before July 1 of
 37 the year that immediately precedes the calendar year in which the
 38 determination is made. The department of state revenue shall
 39 immediately notify the municipality of the amount determined under
 40 this subsection. Not later than thirty (30) days after receiving
 41 notification from the department of state revenue, the municipality
 42 shall transfer the amount determined by the department under this

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1 ~~subsection section~~ from the municipality's general fund to the county
 2 family and children's fund of the qualifying county in which the
 3 municipality is located.

4 ~~(f)~~ If a municipality makes a transfer from its general fund to the
 5 county's family and children's fund as described in subsection (d) or
 6 (e); the state board of tax commissioners shall reduce by the amount
 7 transferred the county's maximum family and children's fund levy
 8 under IC 6-1.1-18.6 for the calendar year that immediately succeeds the
 9 year in which the transfer is made:

10 ~~(g)~~ (f) This subsection applies if the fiscal body of a municipality in
 11 a qualifying county adopts an ordinance under section 11 of this
 12 chapter to impose a municipal option income tax. The maximum
 13 permissible ad valorem property tax levy of the municipality is not
 14 subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b)
 15 for taxes payable in:

- 16 (1) the calendar year that immediately succeeds the calendar year
 17 in which the ordinance is adopted; and
 18 (2) each succeeding calendar year in which the municipal option
 19 income tax remains in effect.

20 ~~(h)~~ (g) This subsection applies if the fiscal body of a municipality
 21 in a qualifying county adopts an ordinance under section 14 of this
 22 chapter to rescind the municipal option income tax, or if the municipal
 23 option income tax in a municipality is rescinded by operation of law.
 24 For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b)
 25 STEP ONE, the preceding calendar year is considered to be the
 26 calendar year in which an ordinance was adopted under section 11 of
 27 this chapter to impose the municipal option income tax.

28 SECTION 111. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999,
 29 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2003]: Sec. 2. (a) On or before February 1, May 1,
 31 August 1, and December 1 of each year the auditor of state shall
 32 transfer to each county auditor for distribution to the taxing units (as
 33 defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth
 34 (1/4) of the sum of the guaranteed amounts for all the taxing units of
 35 the county. On or before August 1 of each year the auditor of state shall
 36 transfer to each county auditor the supplemental distribution for the
 37 county for the year.

38 (b) For purposes of determining distributions under subsection (b);
 39 (c), the state board of tax commissioners department of local
 40 government finance shall determine a state welfare total levy
 41 miscellaneous tax allocation for each county calculated as follows:

- 42 (+) For 2000 and each year thereafter, the state welfare allocation

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1 for each county equals the greater of zero (0) or the amount
2 determined under the following formula:

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

4 (A) the amounts appropriated by the county in the year for the
5 county's county welfare fund and county welfare
6 administration fund; divided by

7 (B) the amounts appropriated by all the taxing units in the
8 county in the year;

9 STEP TWO: Determine the sum of the results determined in
10 STEP ONE:

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

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

15 STEP FIVE: Determine the result of:

16 (A) the STEP FOUR amount; multiplied by

17 (B) the STEP THREE result:

18 ~~(2)~~ **provided in IC 6-1.1-44.** The state welfare total levy
19 **miscellaneous tax** allocation shall be deducted from the
20 distributions otherwise payable under subsection ~~(b)~~ **(c)** to the
21 taxing unit that is a county and shall be deposited in a special
22 account within the state general fund.

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

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

27 (2) the amount to be received by the taxing unit in the year of the
28 distribution, as determined by the ~~state board of tax~~
29 **commissioners; department of local government finance**, from
30 property taxes attributable to the personal property of banks,
31 exclusive of the property taxes attributable to personal property
32 leased by banks as the lessor where the possession of the personal
33 property is transferred to the lessee; minus

34 (3) in the case of a taxing unit that is a county, the amount that
35 would have been received by the taxing unit in the year of the
36 distribution, as determined by the ~~state board of tax~~
37 **commissioners; department of local government finance**, from
38 property taxes that:

39 (A) were calculated for the county's county welfare fund and
40 county welfare administration fund for 2000 but were not
41 imposed because of the repeal of IC 12-19-3 and IC 12-19-4;
42 and

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

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

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

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

11 (B) the sum of all the guaranteed distributions, before the
 12 subtraction of all ~~state welfare~~ **total county levy miscellaneous**
 13 **tax** allocations under subsection (a), for all taxing units in all
 14 counties plus the bank personal property taxes to be received by
 15 all taxing units in all counties, as determined under subsection
 16 ~~(b)(2)~~ (c)(2) for the year.

17 STEP TWO: Determine the quotient of:

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

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

24 STEP THREE: Determine the product of:

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

26 (B) the amount determined in STEP TWO.

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

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

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

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

38 ~~(d)~~ (e) Except as provided in subsection ~~(f)~~; (g,) the amount of the
 39 supplemental distribution for each taxing unit shall be determined
 40 using the following formula:

41 STEP ONE: Determine the quotient of:

42 (A) the amount received by the taxing unit under IC 6-5-10 and

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- 1 IC 6-5-11 in 1989; divided by
 2 (B) the sum of the amounts used in STEP ONE (A) for all
 3 taxing units located in the county.
 4 STEP TWO: Determine the product of:
 5 (A) the amount determined in STEP ONE; multiplied by
 6 (B) the supplemental distribution for the county, as determined
 7 in subsection (c), STEP FOUR.
 8 ~~(e)~~ (f) The county auditor shall distribute the guaranteed and
 9 supplemental distributions received under subsection (a) to the taxing
 10 units in the county at the same time that the county auditor makes the
 11 semiannual distribution of real property taxes to the taxing units.
 12 ~~(f)~~ (g) The amount of a supplemental distribution paid to a taxing
 13 unit that is a county shall be reduced by an amount equal to:
 14 (1) the amount the county would receive under subsection (d)
 15 without regard to this subsection; minus
 16 (2) an amount equal to:
 17 (A) the amount under subdivision (1); multiplied by
 18 (B) the result of the following:
 19 ~~(f)~~ (i) Determine the amounts appropriated by the county in
 20 1997, 1998, and 1999, from the county's county welfare fund
 21 and county welfare administration fund, **plus the sum of the**
 22 **amount of property taxes imposed by the county in 2000,**
 23 **2001, and 2002 for ninety percent (90%) of the county's**
 24 **contributions to the hospital care for the indigent**
 25 **program under IC 12-16-14 (repealed), the county's**
 26 **family and children's fund (IC 12-19-7-3 (repealed)) in**
 27 **2003 after the deduction of any amounts levied for the**
 28 **fund for the repayment of loans and bonds issued for the**
 29 **fund, the county's contributions to the medical assistance**
 30 **to wards program under IC 12-13-8 (repealed), the**
 31 **county's contribution to the children with special health**
 32 **care needs program under IC 16-35-3 (repealed), the**
 33 **county's contribution to the court personnel and other**
 34 **operating expenses assumed by the state after 2002 under**
 35 **IC 33-1-18-6, and fifty percent (50%) of the part of the**
 36 **tuition support levy (as defined in IC 21-3-1.7-5) levied in**
 37 **the county for each school corporation that is at least**
 38 **partially located in the county; divided by the total amounts**
 39 **appropriated by all the taxing units in the county in the year**
 40 **plus sum of the property taxes imposed by the county in**
 41 **2002 for ninety percent (90%) of the county's**
 42 **contributions to the hospital care for the indigent**

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1 program under IC 12-16-14 (repealed), the county's
 2 family and children's fund (IC 12-19-7-3 (repealed)) in
 3 2003 after the deduction of any amounts levied for the
 4 fund for the repayment of loans and bonds issued for the
 5 fund, the county's contributions to the medical assistance
 6 to wards program under IC 12-13-8 (repealed), the
 7 county's contribution to the children with special health
 8 care needs program under IC 16-35-3 (repealed), and the
 9 county's contribution to the court personnel and other
 10 operating expenses assumed by the state after 2002 under
 11 IC 33-1-18-6, and fifty percent (50%) of the part of the
 12 tuition support levy (as defined in IC 21-3-1.7-5) levied in
 13 the county for each school corporation that is at least
 14 partially located in the county.

15 (ii) Divide the amount determined in item (†) (i) by three (3).

16 SECTION 112. IC 6-5.5-9-3 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. If the tax
 18 imposed by this article is held inapplicable or invalid with respect to a
 19 taxpayer, then notwithstanding the statute of limitations set forth in
 20 IC 6-8.1-5-2(a), the taxpayer is liable for the taxes imposed by ~~IC 6-2.1~~
 21 IC 6-3 and ~~IC 6-5~~ for the taxable periods with respect to which the tax
 22 under this article is held inapplicable or invalid. ~~In addition, personal~~
 23 ~~property is exempt from assessment and property taxation under~~
 24 ~~IC 6-1.1 if:~~

- 25 (1) the personal property is owned by a financial institution;
 26 (2) the financial institution is subject to the bank tax imposed
 27 under ~~IC 6-5-10~~; and
 28 (3) the property is not leased by the financial institution to a
 29 lessee under circumstances in which possession is transferred to
 30 the lessee.

31 SECTION 113. IC 6-5.5-9-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) A taxpayer
 33 who is subject to taxation under this article for a taxable year or part of
 34 a taxable year is not, for that taxable year or part of a taxable year,
 35 subject to

- 36 (1) the gross income tax imposed by ~~IC 6-2.1~~;
 37 (2) the income taxes imposed by IC 6-3. and
 38 (3) the bank, savings and loan, or production credit association
 39 tax imposed by ~~IC 6-5~~.

40 (b) The exemptions **exemption** provided for the taxes listed in
 41 subsection (a)(1) through (a)(2) ~~do~~ (a) **does** not apply to a taxpayer to
 42 the extent the taxpayer is acting in a fiduciary capacity.

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1 SECTION 114. IC 6-6-1.1-1204 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1204. (a) No city,
 3 town, county, township, or other subdivision or municipal corporation
 4 of the state may levy or collect:

5 (1) an excise tax on or measured by the sale, receipt, distribution,
 6 or use of gasoline; or

7 (2) an excise, privilege, or occupational tax on the business of
 8 manufacturing, selling, or distributing gasoline.

9 (b) The provisions of subsection (a) may not be construed as to
 10 relieve a distributor or dealer from payment of ~~the a state gross income~~
 11 tax or state store license.

12 SECTION 115. IC 6-6-5-10, AS AMENDED BY P.L.283-2001,
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2003]: Sec. 10. (a) The bureau shall establish procedures
 15 necessary for the collection of the tax imposed by this chapter and for
 16 the proper accounting for the same. The necessary forms and records
 17 shall be subject to approval by the state board of accounts.

18 (b) The county treasurer, upon receiving the excise tax collections,
 19 shall receipt such collections into a separate account for settlement
 20 thereof at the same time as property taxes are accounted for and settled
 21 in June and December of each year, with the right and duty of the
 22 treasurer and auditor to make advances prior to the time of final
 23 settlement of such property taxes in the same manner as provided in
 24 IC 5-13-6-3.

25 (c) **Except as provided in subsection (d)**, the county auditor shall
 26 determine the total amount of excise taxes collected for each taxing
 27 unit in the county and the amount so collected (and the distributions
 28 received under section 9.5 of this chapter) shall be apportioned and
 29 distributed among the respective funds of each taxing unit in the same
 30 manner and at the same time as property taxes are apportioned and
 31 distributed.

32 (d) ~~However, after December 31, 2002, an amount equal to the~~
 33 ~~greater of zero (0) or the difference between the county hospital care~~
 34 ~~for the indigent property tax levy imposed by the county in 2002;~~
 35 ~~adjusted each year after 2002 by the statewide average assessed value~~
 36 ~~growth quotient described in IC 12-16-14-3, minus the current~~
 37 ~~uninsured parents program property tax levy imposed by the county;~~
 38 ~~shall be treated as property taxes apportioned to the county unit.~~
 39 ~~However, for purposes of determining distributions under this section~~
 40 ~~for 2000 2003 and each year thereafter, the state welfare allocation for~~
 41 ~~each county equals the greater of zero (0) or the amount determined~~
 42 ~~under STEP FIVE of the following STEPS:~~



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1 STEP ONE: For:

2 1997, 1998, and 1999, determine the result of:

3 (i) the amounts appropriated by the county in the year from
4 the county's county welfare fund and county welfare
5 administration fund; divided by

6 (ii) the total amounts appropriated by all the taxing units in
7 the county in the year.

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

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

11 STEP FOUR: Determine the amount that would otherwise be
12 distributed to all the taxing units in the county under this
13 subsection without regard to this subdivision:

14 STEP FIVE: Determine the result of:

15 (i) the STEP FOUR amount; multiplied by

16 (ii) the STEP THREE result.

17 The state welfare a total levy miscellaneous tax allocation as
18 determined under IC 6-1.1-44 shall be deducted from the total
19 amount available for apportionment and distribution to taxing units
20 under this section before any apportionment and distribution is made.
21 The county auditor shall remit the state welfare total levy
22 miscellaneous tax allocation to the treasurer of state for deposit in a
23 special account within the state general fund.

24 (d) Such determination shall be made from copies of vehicle
25 registration forms furnished by the bureau of motor vehicles. Prior to
26 such determination, the county assessor of each county shall, from
27 copies of registration forms, cause information pertaining to legal
28 residence of persons owning taxable vehicles to be verified from the
29 assessor's records, to the extent such verification can be so made. The
30 assessor shall further identify and verify from the assessor's records the
31 several taxing units within which such persons reside.

32 (e) Such verifications shall be done by not later than thirty (30) days
33 after receipt of vehicle registration forms by the county assessor, and
34 the assessor shall certify such information to the county auditor for the
35 auditor's use as soon as it is checked and completed.

36 SECTION 116. IC 6-6-5.5-20, AS ADDED BY P.L.181-1999,
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2003]: Sec. 20. (a) On or before May 1, the auditor of
39 state shall distribute to each county auditor an amount equal to fifty
40 percent (50%) of the total base revenue to be distributed to all taxing
41 units in the county for that year.

42 (b) On or before December 1, the auditor of state shall distribute to

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1 each county auditor an amount equal to the greater of the following:

2 (1) Fifty percent (50%) of the total base revenue to be distributed
3 to all taxing units in the county for that year.

4 (2) The product of the county's distribution percentage multiplied
5 by the total commercial vehicle excise tax revenue deposited in
6 the commercial vehicle excise tax fund.

7 (c) Upon receipt, the county auditor shall distribute to the taxing
8 units an amount equal to the product of the taxing unit's distribution
9 percentage multiplied by the total distributed to the county under this
10 section. The amount determined shall be apportioned and distributed
11 among the respective funds of each taxing unit in the same manner and
12 at the same time as property taxes are apportioned and distributed.

13 **However, for purposes of determining distributions under this**
14 **section for 2003 and each year thereafter, a total levy**
15 **miscellaneous tax allocation as determined under IC 6-1.1-44 shall**
16 **be deducted from the total amount available for apportionment**
17 **and distribution to taxing units under this section before any**
18 **apportionment and distribution is made. The county auditor shall**
19 **remit the total levy miscellaneous tax allocation to the treasurer of**
20 **state for deposit in a special account within the state general fund.**

21 (d) In the event that sufficient funds are not available in the
22 commercial vehicle excise tax fund for the distributions required by
23 subsection (a) and subsection (b)(1), the auditor of state shall transfer
24 funds from the commercial vehicle excise tax reserve fund.

25 (e) The auditor of state shall, not later than July 1 of each year,
26 furnish to each county auditor an estimate of the amounts to be
27 distributed to the counties under this section during the next calendar
28 year. Before August 1, each county auditor shall furnish to the proper
29 officer of each taxing unit of the county an estimate of the amounts to
30 be distributed to the taxing units under this section during the next
31 calendar year and the budget of each taxing unit shall show the
32 estimated amounts to be received for each fund for which a property
33 tax is proposed to be levied.

34 SECTION 117. IC 6-6-6.5-21 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 21. (a) The
36 department shall allocate each aircraft excise tax payment collected by
37 it to the county in which the aircraft is usually located when not in
38 operation or to the aircraft owner's county of residence if based out of
39 state. The department shall distribute to each county treasurer on a
40 quarterly basis the aircraft excise taxes which were collected by the
41 department during the preceding three (3) months and which the
42 department has allocated to that county. The distribution shall be made

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1 on or before the fifteenth of the month following each quarter and the
2 first distribution each year shall be made in April.

3 (b) Concurrently with making a distribution of aircraft excise taxes,
4 the department shall send an aircraft excise tax report to the county
5 treasurer and the county auditor. The department shall prepare the
6 report on the form prescribed by the state board of accounts. The
7 aircraft excise tax report must include aircraft identification, owner
8 information, and excise tax payment, and must indicate the county
9 where the aircraft is normally kept when not in operation. The
10 department shall, in the manner prescribed by the state board of
11 accounts, maintain records concerning the aircraft excise taxes
12 received and distributed by it.

13 (c) Except as provided in section 21.5 of this chapter, each county
14 treasurer shall deposit money received by him under this chapter in a
15 separate fund to be known as the "aircraft excise tax fund". The money
16 in the aircraft excise tax fund shall be distributed to the taxing units of
17 the county in the manner prescribed in subsection (d).

18 (d) In order to distribute the money in the county aircraft excise tax
19 fund to the taxing units of the county, the county auditor shall first
20 allocate the money in the fund among the taxing districts of the county.
21 In making these allocations, the county auditor shall allocate to a taxing
22 district the excise taxes collected with respect to aircraft usually
23 located in the taxing district when not in operation. The money
24 allocated to a taxing district shall be apportioned and distributed among
25 the taxing units of that taxing district in the same manner and at the
26 same time that the property taxes are apportioned and distributed.
27 **However, for purposes of determining distributions under this**
28 **section for 2003 and each year thereafter, a total levy**
29 **miscellaneous tax allocation shall be deducted from the total**
30 **amount available for apportionment and distribution to taxing**
31 **units under this section before any apportionment and distribution**
32 **is made. The county auditor shall remit the total levy miscellaneous**
33 **tax allocation to the treasurer of state for deposit in a special**
34 **account within the state general fund.**

35 (e) Within thirty (30) days following the receipt of excise taxes from
36 the department, the county treasurer shall file a report with the county
37 auditor concerning the aircraft excise taxes collected by the county
38 treasurer. The county treasurer shall file the report on the form
39 prescribed by the state board of accounts. The county treasurer shall,
40 in the manner and at the times prescribed in IC 6-1.1-27, make a
41 settlement with the county auditor for the aircraft excise taxes collected
42 by the county treasurer. The county treasurer shall, in the manner

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1 prescribed by the state board of accounts, maintain records concerning
2 the aircraft excise taxes received and distributed by him.

3 SECTION 118. IC 6-6-9-11 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. (a) All
5 revenues collected from the auto rental excise tax shall be deposited in
6 a special account of the state general fund called the auto rental excise
7 tax account.

8 (b) On or before May 20 and November 20 of each year, all amounts
9 held in the auto rental excise tax account shall be distributed to the
10 county treasurers of Indiana.

11 (c) The amount to be distributed to a county treasurer equals that
12 part of the total auto rental excise taxes being distributed that were
13 initially imposed and collected from within that treasurer's county. The
14 department shall notify each county auditor of the amount of taxes to
15 be distributed to the county treasurer. At the same time each
16 distribution is made to a county treasurer, the department shall certify
17 to the county auditor each taxing district within the county where auto
18 rental excise taxes were collected and the amount of the county
19 distribution that was collected with respect to each taxing district.

20 (d) The county treasurer shall deposit auto rental excise tax
21 collections into a separate account for settlement at the same time as
22 property taxes are accounted for and settled in June and December of
23 each year.

24 (e) **Except as provided in subsection (f),** the county auditor shall
25 apportion and the county treasurer shall distribute the auto rental excise
26 taxes among the taxing units of the county in the same manner that
27 property taxes are apportioned and distributed with respect to property
28 located in the taxing district where the auto rental excise tax was
29 initially imposed and collected. The auto rental excise taxes distributed
30 to a taxing unit shall be allocated among the taxing unit's funds in the
31 same proportions that the taxing unit's property tax collections are
32 allocated among those funds.

33 (f) **However, for purposes of determining distributions under**
34 **this section for 2003 and each year thereafter, a total levy**
35 **miscellaneous tax allocation shall be deducted from the total**
36 **amount available for apportionment and distribution to taxing**
37 **units under this section before any apportionment and distribution**
38 **is made. The county auditor shall remit the total levy miscellaneous**
39 **tax allocation to the treasurer of state for deposit in a special**
40 **account within the state general fund.**

41 (g) **This subsection does not apply to a taxing unit that is a**
42 **school corporation.** Taxing units of a county may request and receive

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1 advances of auto rental excise tax revenues in the manner provided
2 under IC 5-13-6-3.

3 ~~(g)~~ **(h)** All distributions from the auto rental excise tax account shall
4 be made by warrants issued by the auditor of state to the treasurer of
5 state ordering those payments to the appropriate county treasurer.

6 SECTION 119. IC 6-6-11-31 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 31. (a) A boat
8 excise tax fund is established in each county. Each county treasurer
9 shall deposit in the fund the taxes received under this chapter.

10 (b) The excise tax money in the county boat excise tax fund shall be
11 distributed to the taxing units of the county. The county auditor shall
12 allocate the money in the fund among the taxing units of the county
13 based on the tax situs of each boat. **Except as provided in subsection**
14 **(c), the money allocated to the taxing units shall be apportioned and**
15 **distributed among the funds of the taxing units in the same manner and**
16 **at the same time that property taxes are apportioned and distributed.**

17 **(c) However, for purposes of determining distributions under**
18 **this section for 2003 and each year thereafter, a total levy**
19 **miscellaneous tax allocation shall be deducted from the total**
20 **amount available for apportionment and distribution to taxing**
21 **units under this section before any apportionment and distribution**
22 **is made. The county auditor shall remit the total levy miscellaneous**
23 **tax allocation to the treasurer of state for deposit in a special**
24 **account within the state general fund.**

25 SECTION 120. IC 6-8.1-1-1, AS AMENDED BY P.L.151-2001,
26 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2003]: Sec. 1. "Listed taxes" or "taxes" includes only the
28 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat
29 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);
30 the gross income tax (IC 6-2.1) **(repealed); the franchise tax**
31 **(IC 6-2.2); the state gross retail and use taxes (IC 6-2.5); the adjusted**
32 **gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8)**
33 **(repealed) ; the county adjusted gross income tax (IC 6-3.5-1.1); the**
34 **county option income tax (IC 6-3.5-6); the county economic**
35 **development income tax (IC 6-3.5-7); the municipal option income tax**
36 **(IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the bank tax**
37 **(IC 6-5-10); the savings and loan association tax (IC 6-5-11); the**
38 **production credit association tax (IC 6-5-12); the financial institutions**
39 **tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit**
40 **fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel**
41 **tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal**
42 **agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5);**



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1 the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste
 2 disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise
 3 tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 4 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 5 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 6 innkeeper's taxes (IC 6-9); the various county food and beverage taxes
 7 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 8 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 9 inventory form fee (IC 6-6-10); the penalties assessed for oversize
 10 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 11 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 12 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 13 and any other tax or fee that the department is required to collect or
 14 administer.

15 SECTION 121. IC 6-8.1-3-16, AS AMENDED BY P.L.57-2000,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2003]: Sec. 16. (a) The department shall prepare a list
 18 of all outstanding tax warrants for listed taxes each month. The list
 19 shall identify each taxpayer liable for a warrant by name, address,
 20 amount of tax, and either Social Security number or employer
 21 identification number. Unless the department renews the warrant, the
 22 department shall exclude from the list a warrant issued more than ten
 23 (10) years before the date of the list. The department shall certify a
 24 copy of the list to the bureau of motor vehicles.

25 (b) The department shall prescribe and furnish tax release forms for
 26 use by tax collecting officials. A tax collecting official who collects
 27 taxes in satisfaction of an outstanding warrant shall issue to the
 28 taxpayers named on the warrant a tax release stating that the tax has
 29 been paid. The department may also issue a tax release:

- 30 (1) to a taxpayer who has made arrangements satisfactory to the
- 31 department for the payment of the tax; or
- 32 (2) by action of the commissioner under IC 6-8.1-8-2(k).

33 (c) The department may not issue or renew:

- 34 (1) a certificate under IC 6-2.5-8;
- 35 (2) a license under IC 6-6-1.1 or IC 6-6-2.5; or
- 36 (3) a permit under IC 6-6-4.1;

37 to a taxpayer whose name appears on the most recent monthly warrant
 38 list, unless that taxpayer pays the tax, makes arrangements satisfactory
 39 to the department for the payment of the tax, or a release is issued
 40 under IC 6-8.1-8-2(k).

41 (d) The bureau of motor vehicles shall, before issuing the title to a
 42 motor vehicle under IC 9-17, determine whether the purchaser's or

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1 assignee's name is on the most recent monthly warrant list. If the
 2 purchaser's or assignee's name is on the list, the bureau shall enter as
 3 a lien on the title the name of the state as the lienholder unless the
 4 bureau has received notice from the commissioner under
 5 IC 6-8.1-8-2(k). The tax lien on the title:

6 (1) is subordinate to a perfected security interest (as defined and
 7 perfected in accordance with IC 26-1-9.1); and

8 (2) shall otherwise be treated in the same manner as other title
 9 liens.

10 (e) The commissioner is the custodian of all titles for which the state
 11 is the sole lienholder under this section. Upon receipt of the title by the
 12 department, the commissioner shall notify the owner of the
 13 department's receipt of the title.

14 (f) The department shall reimburse the bureau of motor vehicles for
 15 all costs incurred in carrying out this section.

16 (g) Notwithstanding IC 6-8.1-8, a person who is authorized to
 17 collect taxes, interest, or penalties on behalf of the department under
 18 ~~IC 6-2-1~~, IC 6-3 or IC 6-3.5 may not, except as provided in subsection
 19 (h) or (i), receive a fee for collecting the taxes, interest, or penalties if:

20 (1) the taxpayer pays the taxes, interest, or penalties as
 21 consideration for the release of a lien placed under subsection (d)
 22 on a motor vehicle title; or

23 (2) the taxpayer has been denied a certificate or license under
 24 subsection (c) within sixty (60) days before the date the taxes,
 25 interest, or penalties are collected.

26 (h) In the case of a sheriff, subsection (g) does not apply if:

27 (1) the sheriff collects the taxes, interest, or penalties within sixty
 28 (60) days after the date the sheriff receives the tax warrant; or

29 (2) the sheriff collects the taxes, interest, or penalties through the
 30 sale or redemption, in a court proceeding, of a motor vehicle that
 31 has a lien placed on its title under subsection (d).

32 (i) In the case of a person other than a sheriff:

33 (1) subsection (g)(2) does not apply if the person collects the
 34 taxes, interests, or penalties within sixty (60) days after the date
 35 the commissioner employs the person to make the collection; and

36 (2) subsection (g)(1) does not apply if the person collects the
 37 taxes, interest, or penalties through the sale or redemption, in a
 38 court proceeding, of a motor vehicle that has a lien placed on its
 39 title under subsection (d).

40 SECTION 122. IC 6-8.1-4-1.6 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1.6. Subject to the
 42 discretion of the commissioner as set forth in section 1 of this chapter,

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1 the commissioner shall establish within the department a special tax
2 division. The division shall do the following:

3 (1) Administer and enforce the following:

4 ~~(A) Bank tax (IC 6-5-10):~~

5 ~~(B) Savings and loan association tax (IC 6-5-11):~~

6 ~~(C) Production credit association tax (IC 6-5-12):~~

7 ~~(D) (A) Gasoline tax (IC 6-6-1.1).~~

8 ~~(E) (B) Special fuel tax (IC 6-6-2.5).~~

9 ~~(F) (C) Motor carrier fuel tax (IC 6-6-4.1).~~

10 ~~(G) (D) Hazardous waste disposal tax (IC 6-6-6.6).~~

11 ~~(H) (E) Cigarette tax (IC 6-7-1).~~

12 ~~(I) (F) Tobacco products tax (IC 6-7-2).~~

13 ~~(J) (G) Alcoholic beverage tax (IC 7.1-4).~~

14 ~~(K) (H) Petroleum severance tax (IC 6-8-1).~~

15 ~~(L) (I) Any other tax the commissioner designates.~~

16 (2) Upon the commissioner's request, conduct studies of the
17 department's operations and recommend whatever changes seem
18 advisable.

19 (3) Annually audit a statistical sampling of the returns filed for
20 the taxes administered by the division.

21 (4) Annually audit a statistical sampling of registrants with the
22 bureau of motor vehicles, international registration plan division.

23 (5) Review federal tax returns and other data that may be helpful
24 in performing the division's function.

25 (6) Furnish, at the commissioner's request, information that the
26 commissioner requires.

27 (7) Conduct audits requested by the commissioner or the
28 commissioner's designee.

29 (8) Administer the statutes providing for motor carrier regulation
30 (IC 8-2.1).

31 SECTION 123. IC 6-8.1-5-2, AS AMENDED BY P.L.181-1999,
32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2003]: Sec. 2. (a) Except as otherwise provided in this
34 section, the department may not issue a proposed assessment under
35 section 1 of this chapter more than three (3) years after the latest of the
36 date the return is filed, or any of the following:

37 (1) the due date of the return; or

38 (2) in the case of a return filed for the state gross retail or use tax,
39 the gasoline tax, the special fuel tax, the motor carrier fuel tax, the
40 oil inspection fee, or the petroleum severance tax, the end of the
41 calendar year which contains the taxable period for which the
42 return is filed.

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1 (b) If a person files an adjusted gross income tax (IC 6-3),
 2 supplemental net income tax (IC 6-3-8) (**repealed**), county adjusted
 3 gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6),
 4 or financial institutions tax (IC 6-5.5) return that understates the
 5 person's income, as that term is defined in the particular income tax
 6 law, by at least twenty-five percent (25%), the proposed assessment
 7 limitation is six (6) years instead of the three (3) years provided in
 8 subsection (a).

9 (c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax
 10 shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall
 11 include the penalties and interest due on all listed taxes not paid by the
 12 due date. A person that fails to properly register a vehicle as required
 13 by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have
 14 failed to file a return for purposes of this article.

15 (d) In the case of the commercial vehicle excise tax imposed under
 16 IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall
 17 include the penalties and interest due on all listed taxes not paid by the
 18 due date. A person that fails to properly register a commercial vehicle
 19 as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is
 20 considered to have failed to file a return for purposes of this article.

21 (e) If a person files a fraudulent, unsigned, or substantially blank
 22 return, or if a person does not file a return, there is no time limit within
 23 which the department must issue its proposed assessment.

24 (f) If, before the end of the time within which the department may
 25 make an assessment, the department and the person agree to extend
 26 that assessment time period, the period may be extended according to
 27 the terms of a written agreement signed by both the department and the
 28 person. The agreement must contain:

- 29 (1) the date to which the extension is made; and
- 30 (2) a statement that the person agrees to preserve the person's
 31 records until the extension terminates.

32 The department and a person may agree to more than one (1) extension
 33 under this subsection.

34 (g) If a taxpayer's federal income tax liability for a taxable year is
 35 modified due to the assessment of a federal deficiency or the filing of
 36 an amended federal income tax return, then the date by which the
 37 department must issue a proposed assessment under section 1 of this
 38 chapter for tax imposed under IC 6-3 is extended to six (6) months after
 39 the date on which the notice of modification is filed with the
 40 department by the taxpayer.

41 SECTION 124. IC 8-1-2.8-24 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 24. If the InTRAC

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1 meets the requirements of sections 18 and 21 of this chapter, the
2 InTRAC:

3 (1) for purposes of all taxes imposed by the state or any county or
4 municipality in Indiana is an organization that is organized and
5 operated exclusively for charitable purposes; and

6 (2) qualifies for all exemptions applicable to those organizations,
7 including but not limited to those exemptions set forth in
8 ~~IC 6-2.1-3-20~~ **IC 6-2.5-5-21(b)(1)(B)** and IC 6-1.1-10-16.

9 SECTION 125. IC 8-6-3-1 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. (a) Whenever
11 the separation of grades at the intersection of a railroad or railroads (as
12 defined in IC 8-3-1-2) and a public street or highway is constructed, the
13 railroad or railroads shall pay five (5) percent of the cost of the grade
14 separation as provided in this chapter.

15 (b) This chapter shall apply to an existing crossing, a new crossing,
16 or the reconstruction of an existing grade separation.

17 (c) If more than one (1) railroad (as defined in IC 8-3-1-2) is
18 involved in a separation, the railroads involved shall divide the amount
19 to be paid by the railroads by agreement between the railroads. If the
20 railroads fail to agree, the circuit court of the county in which the
21 crossing is located shall have jurisdiction, upon the application of a
22 party, to determine the division of the amount to be paid by the
23 railroads. The decision of the court is final, unless one (1) or more
24 parties deeming themselves aggrieved by the decision of the court shall
25 appeal therefrom to the court of appeals of Indiana within thirty (30)
26 days, or within additional time not exceeding ninety (90) days, as may
27 be granted by the circuit court. The appeal shall be taken in
28 substantially the same manner as an appeal in a civil case from the
29 circuit court.

30 (d) If a grade separation shall involve a state highway that is a part
31 of the state highway system of Indiana, or a street or highway selected
32 by the Indiana department of transportation as a route of a highway in
33 the state highway system, the state, out of the funds of the Indiana
34 department of transportation or funds appropriated for the use of the
35 Indiana department of transportation, shall pay ninety-five percent
36 (95%) of the cost of the grade separation.

37 (e) Before the Indiana department of transportation shall proceed
38 with a grade separation within a city or town, the Indiana department
39 of transportation shall first obtain the consent of the city, by a
40 resolution adopted by the board or officials of the city having
41 jurisdiction over improvement of the streets of the city, and any
42 material modification of the plans upon which the consent was granted

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1 shall first be approved by the city by a similar resolution.

2 (f) If such grade separation is on a highway or street not a part of the
3 highways under the jurisdiction of the Indiana department of
4 transportation, or a part of a route selected by it, but is within any city
5 or town of the state, the city or town shall pay one-half (1/2) of
6 ninety-five percent (95%) of the total of such cost and the county in
7 which the crossing is located shall be liable for and pay one-half (1/2)
8 of the ninety-five percent (95%).

9 (g) If a grade separation that involves a state highway that is a part
10 of the state highway system of Indiana, or a street or highway selected
11 by the Indiana department of transportation as a route of a highway in
12 the state highway system, necessitates the grade separation on other
13 highways or streets, not a part of the highways under the jurisdiction of
14 the Indiana department of transportation but within any city of the state
15 of Indiana, then of the total cost of the grade separation on a highway
16 or street not under the jurisdiction of the Indiana department of
17 transportation but necessitated by the grade separation involving a
18 highway or street which is a part of the state highway system, the city
19 shall pay one-fourth (1/4) of ninety-five percent (95%) and the county
20 in which the crossing is located shall be liable for and pay one-fourth
21 (1/4) of the ninety-five percent (95%) of the total of the costs and the
22 state out of the funds of the Indiana department of transportation or
23 funds appropriated for the use of the Indiana department of
24 transportation, shall be liable for and pay one-half (1/2) of the
25 remaining portion.

26 (h) If a crossing is not within any city or town and does not involve
27 a highway under the jurisdiction of the Indiana department of
28 transportation, then the county in which the crossing is located shall
29 pay the ninety-five percent (95%) of the total cost which is not paid by
30 the railroad or railroads.

31 (i) The division of the cost of grade separation applies when the
32 grade separation replaces and eliminates an existing grade crossing at
33 which active warning devices are in place or ordered to be installed by
34 a state regulatory agency, but when the grade separation does not
35 replace nor eliminate an existing grade crossing the state, county or
36 municipality, as the case may be, shall bear and pay one hundred
37 percent (100%) of the cost of the grade separation.

38 (j) In estimating and computing the cost of the grade separation,
39 there shall be considered as a part of costs all expenses reasonably
40 necessary for preliminary engineering, rights-of-way and all work
41 required to comply with the plans and specifications for the work,
42 including all changes in the highway and the grade thereof and the

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1 approaches to the grade separation, as well as all changes in the
2 roadbed, grade, rails, ties, bridges, buildings, and other structural
3 changes in a railroad as may be necessary to effect the grade separation
4 and to restore the railroad facilities aforesaid to substantially the same
5 condition as before the separation.

6 (k) The required railroad share of the cost shall be based on the
7 costs for preliminary engineering, right-of-way, and construction within
8 the limits described below:

9 (1) Where a grade crossing is eliminated by grade separation, the
10 structure and approaches for the number of lanes on the existing
11 highway and in accordance with the current design standards of
12 the governmental entity having jurisdiction over the highway
13 involved.

14 (2) Where another facility, such as a highway or waterway,
15 requiring a bridge structure is located within the limits of a grade
16 separation project, the estimated cost of a theoretical structure and
17 approaches as described under subdivision (1) to eliminate the
18 railroad-highway grade crossing without considering the presence
19 of the waterway or other highway.

20 (3) Where a grade crossing is eliminated by railroad or highway
21 relocation, the actual cost of the relocation project, or the
22 estimated cost of a structure and approaches as described under
23 subdivision (1), whichever is less.

24 (l) If the Indiana department of transportation or any city, town, or
25 county is unable to reach an agreement with a railroad company after
26 determining that construction or reconstruction of a grade separation,
27 which replaces or eliminates the need for a grade crossing, is necessary
28 to protect travelers on the roads and streets of the state, the appropriate
29 unit or combination of units of government shall give a written notice
30 of its intention to proceed with the construction or reconstruction of a
31 grade separation to the superintendent or regional engineer of the
32 railroad company. The notice of intention shall be made by the
33 adoption of a resolution stating the need for the grade separation. If,
34 after thirty (30) days, the railroad has not agreed to a division of
35 inspections, plans and specifications, the number and type of jobs to be
36 completed by each agency, a division of costs, and other necessary
37 conditions, the Indiana department of transportation, city, town, or
38 county may proceed with the grade separation exercising any and all of
39 its powers to construct or reconstruct a bridge and, notwithstanding
40 other provisions of this chapter, may pay for up to one hundred percent
41 (100%) of the cost of the project. If the railroad is unable, for good
42 cause, to pay the share of the cost required by this section, the city,

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1 town, or county may certify the amount owed by the railroad to the
 2 county auditor who shall prepare a special tax duplicate to be collected
 3 and settled for by the county treasurer in the same manner and at the
 4 same time as property taxes are collected. ~~except that such tax~~
 5 ~~assessment shall not authorize a payment or credit from the property~~
 6 ~~tax replacement fund created by IC 6-1-1-21.~~ However, before the
 7 Indiana department of transportation, city, town, or county undertakes
 8 to do the work themselves they shall notify an agent of the railroad as
 9 to the time and place of the work.

10 SECTION 126. IC 8-21-9-31 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 31. (a) The
 12 exercise of the powers granted by this chapter will be in all respects for
 13 the benefit of the people of the state, for the increase of their commerce
 14 and prosperity, and for the improvement of their health and living
 15 conditions, and as the operation and maintenance of an airport facility
 16 or airport facilities by the department will constitute the performance
 17 of essential governmental functions, the department shall not be
 18 required to pay any taxes or assessments upon any airport facility or
 19 airport facilities or any property acquired or used by the department
 20 under the provisions of this chapter, or upon the income therefrom, and
 21 the bonds issued under the provisions of this chapter, the interest
 22 thereon, the proceeds received by a holder from the sale of such bonds
 23 to the extent of the holder's cost of acquisition, or proceeds received
 24 upon redemption prior to maturity or proceeds received at maturity, and
 25 the receipt of such interest and proceeds shall be exempt from taxation
 26 in the state of Indiana for all purposes except the financial institutions
 27 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
 28 IC 6-4.1.

29 (b) All properties both real and personal owned and operated by the
 30 department or leased by the department for proprietary purposes shall
 31 be assessed and added to the local tax rolls as any other private
 32 property. Such proprietary operations, under control of either the
 33 authority or a lessee of the department, shall be subject to Indiana ~~state~~
 34 ~~gross income~~, adjusted gross income and sales tax laws.

35 SECTION 127. IC 8-22-2-18 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 18. (a) Subject to
 37 the approval of the fiscal body of the eligible entity, the board may
 38 contract with any person for construction, extensions, additions, or
 39 improvements of an aircraft hangar or revenue producing building or
 40 facility located or to be located on the airport of the entity, the cost of
 41 which is to be paid in the manner authorized by this section.

42 (b) A contract made under this section must be authorized by

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1 ordinance providing that the principal and interest of bonds issued for
 2 the payment of the cost of the construction, extensions, additions, or
 3 improvements shall be paid exclusively from the revenues and receipts
 4 of the aircraft hangars or revenue producing buildings or facilities,
 5 unless otherwise provided by this section.

6 (c) The fiscal body must, by ordinance, set aside the income and
 7 revenues of the buildings or facilities into a separate fund, to be used
 8 in the maintenance and operation and in payment of the cost of the
 9 construction, extensions, additions, or improvements. The ordinance
 10 must fix:

11 (1) the proportion of the revenues of the buildings or facilities that
 12 is necessary for the reasonable and proper operation and
 13 maintenance of them; and

14 (2) the proportion of the revenues that are to be set aside and
 15 applied to the payment of the principal and interest of bonds.

16 The ordinance may provide for the proportion of the revenues that are
 17 to be set aside as an adequate depreciation account.

18 (d) Whenever the board determines that there exists a surplus in
 19 funds derived from the net operating receipts of a municipal airport,
 20 then the board may recommend to the fiscal body that a designated
 21 amount of the surplus fund be appropriated by special or general
 22 appropriation to the "aviation revenue bond account" for the relief of
 23 principal or interest of bonds issued under this section. However, this
 24 surplus in funds may not include monies raised by taxation.

25 (e) The fiscal body may issue and sell bonds to provide for the
 26 payment of costs of the following:

27 (1) Airport capital improvements, including the acquisition of real
 28 property.

29 (2) Construction or improvement of revenue producing buildings
 30 or facilities owned and operated by the eligible entity.

31 (3) Payment of any loan contract.

32 The fiscal body may issue and sell bonds bearing interest, payable
 33 annually or semiannually, executed in the manner and payable at the
 34 times not exceeding forty (40) years from the date of issue and at the
 35 places as the fiscal body of the entity determines, which bonds are
 36 payable only out of the "aviation revenue bond account" fund. The
 37 bonds have in the hands of bona fide holders all the qualities of
 38 negotiable instruments under law.

39 (f) In case any of the officers whose signatures or countersignatures
 40 appear on the bonds or the coupons ceases to be the officer before the
 41 delivery of the bonds to the purchaser, the signature or
 42 countersignatures are nevertheless valid and sufficient for all purposes,

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1 the same as if he had remained in office until the delivery of the bonds.
2 The bonds and their interest issued against an "aviation revenue bond
3 account" fund and the fixed proportion or amount of the revenues
4 pledged to the fund does not constitute an indebtedness of the entity
5 under the Constitution of Indiana.

6 (g) Each bond must state plainly upon its face that it is payable only
7 from the special fund, naming the fund and the ordinance creating it,
8 and that it does not constitute an indebtedness of the entity under the
9 Constitution of Indiana. The bonds may be issued either as registered
10 bonds or as bonds payable to bearer. Coupons and bearer bonds may be
11 registered as to principal in the holder's name on the books of the
12 entity, the registration being noted on the bond by the clerk or other
13 designated officer, after which no transfer is valid unless made on the
14 books of the entity by the registered holder and similarly noted on the
15 bonds. Bonds so registered as to principal may be discharged from the
16 registration by being transferred to bearer, after which it is transferable
17 by delivery but may be registered again as to principal. The registration
18 of the bonds as to the principal does not restrain the negotiability of the
19 coupon by delivery, but the coupons may be surrendered and the
20 interest made payable only to the registered holder of the bonds. If the
21 coupons are surrendered, the surrender and cancellation of them shall
22 be noted on the bond and then interest on the bond is payable to the
23 registered holder or order in cash or at his option by check or draft
24 payable at the place or one (1) of the places where the coupons are
25 payable.

26 (h) The bonds shall be sold in a manner and upon terms that the
27 fiscal body considers in the best interest of the entity.

28 (i) All bonds issued by an eligible entity under this section are
29 exempt from taxation for all purposes, except that the interest is subject
30 to **adjusted** gross income tax.

31 (j) In fixing the proportion of the revenues of the building or facility
32 required for operation and maintenance, the fiscal body shall consider
33 the cost of operation and maintenance of the building or facility and
34 may not set aside into the special fund a greater amount or proportion
35 of the revenues and proceeds than are required for the operation and
36 maintenance. The sums set aside for operation and maintenance shall
37 be used exclusively for that purpose, until the accumulation of a
38 surplus results.

39 (k) The proportion set aside to the depreciation fund, if a
40 depreciation account or fund is provided for under this section, shall be
41 expended in remedying depreciation in the building or facility or in
42 new construction, extensions, additions, or improvements to the

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1 property. Accumulations of the depreciation fund may be invested, and
 2 the income from the investment goes into the depreciation fund. The
 3 fund, and the proceeds of it, may not be used for any other purpose.

4 (l) The fixed proportion that is set aside for the payment of the
 5 principal and interest of the bonds shall, from month to month, as it is
 6 accrued and received, be set apart and paid into a special account in the
 7 treasury of the eligible entity, to be identified "aviation revenue bond
 8 account," the title of the account to be specified by ordinance. In fixing
 9 the amount or proportion to be set aside for the payment of the
 10 principal and interest of the bonds, the fiscal body may provide that the
 11 amount to be set aside and paid into the aviation revenue bond account
 12 for any year or years may not exceed a fixed sum, which sum must be
 13 at least sufficient to provide for the payment of the interest and
 14 principal of the bonds maturing and becoming payable in each year,
 15 together with a surplus or margin of ten percent (10%).

16 (m) If a surplus is accumulated in the operating and maintenance
 17 fund that is equal to the cost of maintaining and operating the building
 18 or facility for the twelve (12) following calendar months, the excess
 19 over the surplus may be transferred by the fiscal body to either the
 20 depreciation account to be used for improvements, extensions, or
 21 additions to property or to the aviation revenue bond account fund, as
 22 the fiscal body designates.

23 (n) If a surplus is created in the aviation revenue bond account in
 24 excess of the interest and principal of bonds, plus ten percent (10%),
 25 becoming payable during the calendar, operating, or fiscal year then
 26 current, together with the amount of interest or principal of bonds
 27 becoming due and payable during the next calendar, operating, or fiscal
 28 year, the fiscal body may transfer the excess over the surplus to either
 29 the operating and maintenance account, or to the depreciation account,
 30 as the fiscal body designates.

31 (o) All money received from bonds issued under this section shall
 32 be applied solely for the purposes listed in subsection (e). There is
 33 created a statutory mortgage lien upon buildings or facilities for which
 34 bonds are issued in favor of the holders of the bonds and of the
 35 coupons of the bonds. The buildings or facilities so constructed,
 36 extended, or improved remain subject to the statutory mortgage lien
 37 until payment in full of the principal and interest of the bonds.

38 (p) A holder of the bonds or of the attached coupons may enforce
 39 the statutory mortgage lien conferred by this section, and may enforce
 40 performance of all duties required by this section of the eligible entity
 41 issuing the bond or of any officer of the entity, including:

42 (1) the making and collecting of reasonable and sufficient rates or

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1 rentals for the use or lease of the buildings or facilities, or part of
 2 them established for the rent, lease, or use of the buildings or
 3 facilities;

4 (2) the segregation of the revenues from the buildings or facilities;
 5 and

6 (3) the application of the respective funds created by this section.

7 (q) If there is a default in the payment of the principal or interest of
 8 any of the bonds, a court having jurisdiction of the action may appoint
 9 an administrator or receiver to administer, manage, or operate the
 10 buildings or facilities on behalf of the entity, and the bondholders, with
 11 power to:

12 (1) charge and collect rates or rentals for the use or lease of the
 13 buildings or facilities sufficient to provide for the payment of the
 14 operating expenses;

15 (2) pay any bonds or obligations outstanding against the buildings
 16 or facilities; and

17 (3) apply the income and revenues thereof in accord with this
 18 section and the ordinance.

19 SECTION 128. IC 8-22-3.5-12 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12. (a)
 21 Notwithstanding any other law, a taxpayer in an airport development
 22 zone is not entitled to a credit for property tax replacement under
 23 IC 6-1.1-21-5.

24 (b) ~~Notwithstanding subsection (a), in a county described in section~~
 25 ~~1(5) of this chapter, a taxpayer is entitled to a property tax replacement~~
 26 ~~credit under IC 6-1.1-21-5 for the portion of property taxes for which~~
 27 ~~an inventory tax credit under section 16 of this chapter is not allowed.~~

28 (c) ~~An amount equal to the total of all inventory tax credit available~~
 29 ~~under section 16 of this chapter shall be excluded from the total county~~
 30 ~~tax levy under IC 6-1.1-21-2(g).~~

31 SECTION 129. IC 8-22-3.5-14 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) This
 33 section applies only to an airport development zone that is in a:

34 (1) city described in section 1(2) of this chapter; or

35 (2) county described in section 1(3) or 1(4) of this chapter.

36 (b) Notwithstanding any other law, a business or an employee of a
 37 business that is located in an airport development zone is entitled to the
 38 benefits provided by the following statutes, as if the business were
 39 located in an enterprise zone:

40 (1) ~~IC 6-1.1-20-8.~~

41 (2) (1) IC 6-2.1-3-32.

42 (3) (2) IC 6-3-2-8.

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1 ~~(4)~~ **(3)** IC 6-3-3-10.

2 ~~(5)~~ **(4)** IC 6-3.1-7.

3 ~~(6)~~ **(5)** IC 6-3.1-9.

4 ~~(7)~~ **(6)** IC 6-3.1-10-6.

5 (c) Before June 1 of each year, a business described in subsection
6 (b) must pay a fee equal to the amount of the fee that is required for
7 enterprise zone businesses under IC 4-4-6.1-2(4)(A). However,
8 notwithstanding IC 4-4-6.1-2(4)(A), the fee shall be paid into the debt
9 service fund established under section 9(e)(2) of this chapter. If the
10 commission determines that a business has failed to pay the fee
11 required by this subsection, the business is not eligible for any of the
12 benefits described in subsection (b).

13 (d) A business that receives any of the benefits described in
14 subsection (b) must use all of those benefits, except for the amount of
15 the fee required by subsection (c), for its property or employees in the
16 airport development zone and to assist the commission. If the
17 commission determines that a business has failed to use its benefits in
18 the manner required by this subsection, the business is not eligible for
19 any of the benefits described in subsection (b).

20 (e) If the commission determines that a business has failed to pay
21 the fee required by subsection (c) or has failed to use benefits in the
22 manner required by subsection (d), the commission shall provide
23 written notice of the determination to the department of state revenue,
24 the state board of tax commissioners, and the county auditor.

25 SECTION 130. IC 8-22-3.5-15 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. (a) As used
27 in this section, "state income tax liability" means a tax liability that is
28 incurred under:

29 ~~(1)~~ IC 6-2.1 ~~(the gross income tax);~~

30 ~~(2)~~ **(1)** IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

31 **or**

32 ~~(3)~~ IC 6-3-8 ~~(the supplemental net income tax); or~~

33 ~~(4)~~ **(2)** any other tax imposed by this state and based on or
34 measured by either gross income or net income.

35 (b) The attraction of qualified airport development projects to a
36 consolidated city within Indiana is a governmental function of general
37 public benefit for all the citizens of Indiana.

38 (c) As an incentive to attract qualified airport development projects
39 to Indiana, for a period of thirty-five (35) years, beginning January 1,
40 1991, persons that locate and operate a qualified airport development
41 project in an airport development zone in a consolidated city shall not
42 incur, notwithstanding any other law, any state income tax liability as

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- 1 a result of:
- 2 (1) activities associated with locating the qualified airport
- 3 development project in the consolidated city;
- 4 (2) the construction or completion of the qualified airport
- 5 development project;
- 6 (3) the employment of personnel or the ownership or rental of
- 7 property at or in conjunction with the qualified airport
- 8 development project; or
- 9 (4) the operation of, or the activities at or in connection with, the
- 10 qualified airport development project.
- 11 (d) The department of state revenue shall adopt rules under
- 12 IC 4-22-2 to implement this section.
- 13 SECTION 131. IC 8-23-17-32 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 32. (a) All
- 15 amounts paid to displaced persons under this chapter are exempt from
- 16 taxation under ~~IC 6-2-1~~ and IC 6-3.
- 17 (b) A payment received under this chapter is not considered as
- 18 income for the purpose of determining the eligibility or extent of
- 19 eligibility of any person for public assistance under the following:
- 20 AFDC assistance.
- 21 AFDC burials.
- 22 AFDC IMPACT/J.O.B.S.
- 23 AFDC-UP assistance.
- 24 ARCH.
- 25 Blind relief.
- 26 Child care.
- 27 Child welfare adoption assistance.
- 28 Child welfare adoption opportunities.
- 29 Child welfare assistance.
- 30 Child welfare child care improvement.
- 31 Child welfare child abuse.
- 32 Child welfare child abuse and neglect prevention.
- 33 Child welfare children's victim advocacy program.
- 34 Child welfare foster care assistance.
- 35 Child welfare independent living.
- 36 Child welfare medical assistance to wards.
- 37 Child welfare program review action group (PRAG).
- 38 Child welfare special needs adoption.
- 39 Food Stamp administration.
- 40 Health care for indigent (HIC).
- 41 ICES.
- 42 IMPACT (food stamps).

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1 Title IV-D (ICETS).
 2 Title IV-D child support administration.
 3 Title IV-D child support enforcement (parent locator).
 4 Medicaid assistance.
 5 Medical services for inmates and patients (590).
 6 Room and board assistance (RBA).
 7 Refugee social service.
 8 Refugee resettlement.
 9 Repatriated citizens.
 10 SSI burials and disabled examinations.
 11 Title XIX certification.
 12 Any other Indiana law administered by the division of family and
 13 children.

14 SECTION 132. IC 11-12-10-4, AS ADDED BY P.L.273-1999,
 15 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) The department shall
 17 reimburse communities on a per diem basis for services provided to
 18 persons assigned to a community transition program under
 19 IC 11-10-11.5.

20 (b) The department shall set the per diem rate under this section. In
 21 setting the per diem rate for a community, the department may consider
 22 the direct costs incurred by the community to provide a community
 23 transition program. The per diem may not be less than seven dollars
 24 (\$7).

25 (c) Funding provided under this section is in addition to any other
 26 funding received ~~under IC 11-12-2~~ for community corrections
 27 programs or ~~IC 11-13-2~~ for probation services.

28 (d) Money received by a community under this section shall be
 29 deposited in the community transition program fund for the
 30 community.

31 SECTION 133. IC 12-7-2-31.4 IS ADDED TO THE INDIANA
 32 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2003]: **Sec. 31.4. "Child services" has**
 34 **the meaning set forth in IC 12-19-7-1.**

35 SECTION 134. IC 12-7-2-32 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 32. "Child welfare
 37 services", for purposes of the following statutes, means the services for
 38 children prescribed in IC 12-17-3-1:

- 39 (1) IC 12-13.
 40 (2) IC 12-14.
 41 (3) IC 12-15.
 42 (4) IC 12-17-1.

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1 (5) IC 12-17-2.
 2 (6) IC 12-17-3.
 3 (7) IC 12-17-9.
 4 (8) IC 12-17-10.
 5 (9) IC 12-17-11.
 6 (10) ~~IC 12-19~~; **IC 12-17-2-31.**
 7 SECTION 135. IC 12-7-2-70 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 70. "Domestic
 9 violence prevention and treatment center", for purposes of IC 12-18-3
 10 and IC 12-18-4, means an organized entity:
 11 (1) established by:
 12 (A) a city, town, county, or township; or
 13 (B) an entity exempted from the ~~Indiana~~ gross ~~income~~ retail tax
 14 under ~~IC 6-2.1-3-20~~; **IC 6-2.5-5-21(b)(1)(B)**; and
 15 (2) created to provide services to prevent and treat domestic
 16 violence between spouses or former spouses.
 17 SECTION 136. IC 12-7-2-81 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 81. (a) "Expenses
 19 and obligations", for purposes of the statutes listed in subsection (b),
 20 refer to expenses, obligations, assistance, and claims:
 21 (1) of a county office;
 22 (2) incurred in the administration of the welfare services; ~~of the~~
 23 ~~county~~;
 24 (3) incurred as provided by law; and
 25 (4) for:
 26 (A) assistance for aged persons in need;
 27 (B) assistance to dependent children; and
 28 (C) other assistance or services that a county office is
 29 authorized by law to allow.
 30 (b) This section applies to the following statutes:
 31 (1) IC 12-13.
 32 (2) IC 12-14.
 33 (3) IC 12-15.
 34 (4) IC 12-17-1.
 35 (5) IC 12-17-2.
 36 (6) IC 12-17-3.
 37 (7) IC 12-17-9.
 38 (8) IC 12-17-10.
 39 (9) IC 12-17-11.
 40 (10) IC 12-19.
 41 SECTION 137. IC 12-7-2-91, AS AMENDED BY P.L.14-2000,
 42 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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- 1 JANUARY 1, 2003]: Sec. 91. "Fund" means the following:
- 2 (1) For purposes of IC 12-12-1-9, the fund described in
- 3 IC 12-12-1-9.
- 4 ~~(2) For purposes of IC 12-13-8, the meaning set forth in~~
- 5 ~~IC 12-13-8-1.~~
- 6 ~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in
- 7 IC 12-15-20-1.
- 8 ~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in
- 9 IC 12-17-12-4.
- 10 ~~(5)~~ (4) For purposes of IC 12-17-6, the meaning set forth in
- 11 IC 12-17-6-1-3.
- 12 ~~(6)~~ (5) For purposes of IC 12-18-4, the meaning set forth in
- 13 IC 12-18-4-1.
- 14 ~~(7)~~ (6) For purposes of IC 12-18-5, the meaning set forth in
- 15 IC 12-18-5-1.
- 16 ~~(8) For purposes of IC 12-19-7, the meaning set forth in~~
- 17 ~~IC 12-19-7-2.~~
- 18 ~~(9)~~ (7) For purposes of IC 12-23-2, the meaning set forth in
- 19 IC 12-23-2-1.
- 20 ~~(10)~~ (8) For purposes of IC 12-24-6, the meaning set forth in
- 21 IC 12-24-6-1.
- 22 ~~(11)~~ (9) For purposes of IC 12-24-14, the meaning set forth in
- 23 IC 12-24-14-1.
- 24 ~~(12)~~ (10) For purposes of IC 12-30-7, the meaning set forth in
- 25 IC 12-30-7-3.
- 26 SECTION 138. IC 12-7-2-200 IS AMENDED TO READ AS
- 27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 200. (a)
- 28 "Warrant", for purposes of the statutes listed in subsection (b), means
- 29 an instrument that is:
- 30 (1) the equivalent of a money payment; and
- 31 (2) immediately convertible into cash by the payee for the full
- 32 face amount of the instrument.
- 33 (b) This section applies to the following statutes:
- 34 (1) IC 12-10-6.
- 35 (2) IC 12-13.
- 36 (3) IC 12-14.
- 37 (4) IC 12-15.
- 38 (5) IC 12-17-1.
- 39 (6) IC 12-17-9.
- 40 (7) IC 12-17-10.
- 41 (8) IC 12-17-11.
- 42 ~~(9) IC 12-19.~~

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1 SECTION 139. IC 12-13-5-1, AS AMENDED BY P.L.273-1999,
 2 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003]: Sec. 1. The division shall administer or supervise
 4 the public welfare activities of the state. The division has the following
 5 powers and duties:

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

10 (2) The administration of the following:

11 (A) Any public child welfare service **or child service.**

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

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

17 (D) The interstate placement of children.

18 (3) The provision of services to county governments, including
 19 the following:

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

22 (B) Compiling statistics and necessary information concerning
 23 public welfare problems throughout Indiana.

24 (C) Researching and encouraging research into crime,
 25 delinquency, physical and mental disability, and the cause of
 26 dependency.

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

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

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

39 (B) Complying with the requirements that a board or agency
 40 finds necessary to assure the correctness and verification of
 41 reports.

42 (6) Appointing from eligible lists established by the state

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1 personnel board employees of the division necessary to effectively
 2 carry out IC 12-13 through IC 12-19. The division may not
 3 appoint a person who is not a citizen of the United States and who
 4 has not been a resident of Indiana for at least one (1) year
 5 immediately preceding the person's appointment unless a
 6 qualified person cannot be found in Indiana for a position as a
 7 result of holding an open competitive examination.

8 (7) Assisting the office of Medicaid policy and planning in fixing
 9 fees to be paid to ophthalmologists and optometrists for the
 10 examination of applicants for and recipients of assistance as
 11 needy blind persons.

12 (8) When requested, assisting other departments, agencies,
 13 divisions, and institutions of the state and federal government in
 14 performing services consistent with this article.

15 (9) Acting as the agent of the federal government for the
 16 following:

17 (A) In welfare matters of mutual concern under IC 12-13
 18 through IC 12-19.

19 (B) In the administration of federal money granted to Indiana in
 20 aiding welfare functions of the state government.

21 (10) Administering additional public welfare functions vested in
 22 the division by law and providing for the progressive codification
 23 of the laws the division is required to administer.

24 (11) Supervising day care centers and child placing agencies.

25 (12) Supervising the licensing and inspection of all public child
 26 caring agencies.

27 (13) Supervising the care of delinquent children and children in
 28 need of services.

29 (14) Assisting juvenile courts as required by IC 31-30 through
 30 IC 31-40.

31 (15) Supervising the care of dependent children and children
 32 placed for adoption.

33 (16) Compiling information and statistics concerning the ethnicity
 34 and gender of a program or service recipient.

35 (17) Providing permanency planning services for children in need
 36 of services, including:

37 (A) making children legally available for adoption; and

38 (B) placing children in adoptive homes;

39 in a timely manner.

40 **(18) Providing medical assistance to wards from money**
 41 **appropriated for that purpose.**

42 SECTION 140. IC 12-13-5-5, AS AMENDED BY P.L.273-1999,

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1 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2003]: Sec. 5. (a) Each county auditor shall keep records
3 and make reports relating to the county welfare fund (before July 1,
4 2001), the family and children's fund (**before January 1, 2004**), and
5 other financial transactions as required under IC 12-13 through
6 IC 12-19 and as required by the division.

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

10 SECTION 141. IC 12-13-7-17, AS AMENDED BY P.L.273-1999,
11 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JANUARY 1, 2003]: Sec. 17. The part of the care and maintenance of
13 the inmates of the Plainfield Juvenile Correctional Facility and the
14 Indianapolis Juvenile Correctional Facility that under law is to be
15 charged back to the counties shall be paid from the county general
16 fund. ~~and not the county family and children's fund; unless otherwise~~
17 ~~provided by law.~~

18 SECTION 142. IC 12-15-15-9, AS AMENDED BY P.L.283-2001,
19 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2003]: Sec. 9. (a) Subject to subsections (e), (f), (g), and
21 (h), for each state fiscal year ending June 30, 1998, June 30, 1999, June
22 30, 2000, June 30, 2001, ~~and~~ June 30, 2002, **and each state fiscal year**
23 **to which subsection (e), (f), (g), or (h) applies**, a hospital is entitled
24 to a payment under this section.

25 (b) Subject to subsections (e), (f), (g), and (h), total payments to
26 hospitals under this section for a state fiscal year shall be equal to all
27 amounts transferred from the state hospital care for the indigent ~~fund~~
28 **program** established under IC 12-16 or IC 12-16.1 for Medicaid
29 current obligations during the state fiscal year, including amounts of
30 the ~~fund~~ **program** appropriated for Medicaid current obligations.

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

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

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

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

6 STEP ONE: Determine the difference between:

7 (A) the amount transferred from the state hospital care for the
 8 indigent fund under subsection (b); and

9 (B) thirty-five million dollars (\$35,000,000).

10 STEP TWO: Multiply the amount determined under STEP ONE by
 11 the federal medical assistance percentage for the state fiscal year.

12 (e) If funds are transferred under IC 12-16-14.1-2(e), those funds
 13 must be used for the state's share of funding for payments to hospitals
 14 under this subsection. A payment under this subsection shall be made
 15 to all hospitals that received a payment under this section for the state
 16 fiscal year beginning July 1, 2001, and ending June 30, 2002. Payments
 17 under this subsection shall be in proportion to each hospital's payment
 18 under this section for the state fiscal year beginning July 1, 2001, and
 19 ending June 30, 2002.

20 (f) If the office of the uninsured parents program established by
 21 ~~IC 12-17.7-2-1~~ does not implement an uninsured parents program as
 22 provided for in IC 12-17.7 before July 1, 2003, and funds are
 23 transferred under IC 12-16-14.1-3, a hospital is entitled to a payment
 24 under this section for the state fiscal year beginning on July 1, 2002.
 25 Payments under this subsection shall be made after July 1, 2003, but
 26 before December 31, 2003.

27 (g) If the office does not implement an uninsured parents program as
 28 provided for in IC 12-17.7 before July 1, 2003, a hospital is entitled to
 29 a payment under this section for state fiscal years ending after June 30,
 30 2003.

31 (h) If funds are transferred under IC 12-17.7-9-2, those funds shall be
 32 used for the state's share of payments to hospitals under this subsection.
 33 A payment under this subsection shall be made to all hospitals that
 34 received a payment under this section for the state fiscal year beginning
 35 July 1, 2001, and ending June 30, 2002. Payments under this
 36 subsection shall be in proportion to each hospital's payment under this
 37 section for the state fiscal year beginning July 1, 2001, and ending June
 38 30, 2002.

39 SECTION 143. IC 12-15-20-2, AS AMENDED BY P.L.283-2001,
 40 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2003]: Sec. 2. The Medicaid indigent care trust fund is
 42 established to pay the state's share of the following:



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- 1 (1) Enhanced disproportionate share payments to providers under
 2 IC 12-15-19-1.
- 3 (2) Subject to subdivision (5), disproportionate share payments to
 4 providers under IC 12-15-19-2.1.
- 5 (3) Medicaid payments for pregnant women described in
 6 IC 12-15-2-13 and infants and children described in IC 12-15-2-14.
- 7 (4) Municipal disproportionate share payments to providers under
 8 IC 12-15-19-8.
- 9 (5) Of the intergovernmental transfers deposited into the Medicaid
 10 indigent care trust fund under IC 12-15-15-1.1(d), the following
 11 apply:
- 12 (A) The entirety of the intergovernmental transfers deposited
 13 into the Medicaid indigent care trust fund under
 14 IC 12-15-15-1.1(d) for state fiscal years ending on or before June
 15 30, 2000, shall be used to fund the state's share of the
 16 disproportionate share payments to providers under
 17 IC 12-15-19-2.1.
- 18 (B) Of the intergovernmental transfers deposited into the
 19 Medicaid indigent care trust fund under IC 12-15-15-1.1(d) for
 20 state fiscal years ending after June 30, 2000, an amount equal to
 21 one hundred percent (100%) of the total intergovernmental
 22 transfers deposited into the Medicaid indigent care trust fund
 23 under IC 12-15-15-1.1(d) for the state fiscal year beginning July
 24 1, 1998, and ending June 30, 1999, shall be used to fund the
 25 state's share of disproportionate share payments to providers
 26 under IC 12-15-19-2.1. The remainder of the intergovernmental
 27 transfers under IC 12-15-15-1.1(d) for the state fiscal year shall
 28 be transferred to the state uninsured parents program fund
 29 established under IC 12-17.8-2-1 to fund the state's share of
 30 funding for the uninsured parents program established under
 31 IC 12-17.7.
- 32 (C) If the office does not implement an uninsured parents
 33 program as provided for in IC 12-17.7 before July 1, 2003, the
 34 intergovernmental transfers transferred to the state uninsured
 35 parents program fund under clause (B) shall be returned to the
 36 Medicaid indigent care trust fund to be used to fund the state's
 37 share of Medicaid add-on payments to hospitals licensed under
 38 IC 16-21 under a payment methodology which shall be
 39 developed by the office.
- 40 (D) If funds are transferred under IC 12-17.7-9-2 or
 41 ~~IC 12-17.8-2-4~~(c) **IC 12-17.8-2-4** to the Medicaid indigent care
 42 trust fund, the funds shall be used to fund the state's share of

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1 Medicaid add-on payments to hospitals licensed under IC 16-21
2 under a payment methodology which the office shall develop.

3 SECTION 144. IC 12-16-14.1-1, AS ADDED BY P.L.283-2001,
4 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2003]: Sec. 1. (a) ~~All funds in a county hospital care for~~
6 ~~the indigent fund on July 1, 2002, derived from taxes levied under~~
7 ~~IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be~~
8 ~~immediately transferred to the state hospital care for the indigent fund.~~

9 ~~(b) (a)~~ Subject to subsection ~~(d)~~, ~~(b)~~, beginning July 1, 2002, all tax
10 receipts derived from taxes levied under IC 12-16-14-1(1) ~~(repealed)~~
11 that are first due and payable in calendar year 2002 or earlier, or
12 allocated under IC 12-16-14-1(2) ~~(repealed)~~ in calendar year 2002 or
13 earlier, shall be paid into the county general fund. Before the fifth day
14 of each month, all of the tax receipts paid into the general fund under
15 this ~~subdivision~~ ~~subsection~~ during the preceding month shall be
16 transferred to the state hospital care for the indigent fund.

17 ~~(c)~~ All tax receipts derived from taxes levied under IC 12-16-14-1(1)
18 that are first due and payable after calendar year 2002, or allocated
19 under IC 12-16-14-1(2) after calendar year 2002, shall be paid into the
20 county general fund. Before the fifth day of each month, all of the tax
21 receipts paid into the general fund under this subdivision during the
22 preceding month shall be transferred to the state uninsured parents
23 program fund established by IC 12-17.8-2-1.

24 ~~(d)~~ ~~(b)~~ If the state hospital care for the indigent fund is closed under
25 section 2(d) of this chapter at the time a transfer of receipts is to be
26 made to the fund, the receipts shall be transferred to the state uninsured
27 parents program fund established by IC 12-17.8-2-1.

28 SECTION 145. IC 12-16-14.1-2, AS ADDED BY P.L.283-2001,
29 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2003]: Sec. 2. (a) Subject to subsections (b), (c), and (e),
31 and subject to the requirements of IC 12-15-15-9(b) regarding
32 appropriations from the state hospital care for the indigent fund for
33 Medicaid current obligations, beginning July 1, 2002, all funds
34 deposited in the state hospital care for the indigent fund derived from
35 taxes levied under IC 12-16-14-1(1) ~~(repealed)~~ or allocated under
36 IC 12-16-14-1(2) ~~(repealed)~~ shall be used by the division to pay claims
37 for services:

- 38 (1) eligible for payment under the hospital care for the indigent
39 program under IC 12-16-2 (before its repeal); and
40 (2) provided before July 1, 2002.
41 (b) This section may not delay, limit, or reduce ~~the following:~~

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1 (1) Any appropriation required under state law from the state
2 hospital care for the indigent fund for Medicaid current obligations
3 for the state fiscal years beginning July 1, 2000, and July 1, 2001,
4 for purposes of payments under IC 12-15-15-9(a) through
5 IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2000,
6 and July 1, 2001.

7 (2) The transfer of additional funds from the state hospital care for
8 the indigent fund for Medicaid current obligations anticipated
9 under IC 12-15-15-9(b) for purposes of IC 12-15-15-9(a) through
10 IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2000,
11 and July 1, 2001.

12 (3) for state fiscal years beginning after June 30, 2002, any other
13 appropriation required under state law from the state hospital care
14 for the indigent fund for the uninsured parents program established
15 under IC 12-17.7-2-2. **IC 12-17.7-2-1.**

16 (c) The division shall cooperate with the office in causing the
17 appropriations and transfers from the state hospital care for the indigent
18 fund described in subsection (b) to occur.

19 (d) The state hospital care for the indigent fund shall close upon the
20 earlier of the following:

21 (1) The payment of all funds in the fund.

22 (2) The payment of all claims for services provided before July 1,
23 2002, that were eligible for payment under the hospital care for the
24 indigent program under IC 12-16-2 (before its repeal).

25 (e) Notwithstanding subsection (d) and IC 12-16.1, if at any time
26 before the closing of the state hospital care for the indigent fund the
27 amount of funds on deposit exceeds the amount necessary to pay the
28 claims for services provided before July 1, 2002, that were eligible for
29 payment under the hospital care for the indigent program under
30 IC 12-16 (before its repeal), those excess funds shall be transferred
31 from the fund for use as the state's share of funding for payments to
32 hospitals under IC 12-15-15-9(e). **Subject to the operation of Except**
33 **for funds transferred to the state hospital care for the indigent**
34 **fund under sections 4.5, 5, and 6 of this chapter, amounts deposited in**
35 **the state hospital care for the indigent fund under IC 12-16.1 are not**
36 **subject to this subsection.**

37 (f) Upon the closing of the state hospital care for the indigent fund,
38 no further obligation shall be owed under the hospital care for the
39 indigent program under IC 12-16-2 (before its repeal).

40 SECTION 146. IC 12-16-14.1-4.5 IS ADDED TO THE INDIANA
41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2003]: **Sec. 4.5. (a) All tax receipts**



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1 derived from taxes levied under IC 12-16-14-1(1) (repealed) that
 2 are first due and payable in calendar year 2002 or earlier or
 3 allocated under IC 12-16-14-1(2) (repealed) in calendar year 2002
 4 or earlier that are in the county general fund on December 31,
 5 2002, shall be transferred to the state hospital care for the indigent
 6 fund before January 5, 2003.

7 (b) If the state hospital care for the indigent fund is closed under
 8 section 2 of this chapter at the time a transfer of receipts is to be
 9 made to the fund under subsection (a), the receipts shall be
 10 transferred to the state uninsured parents program fund
 11 established by IC 12-17.8-2-1. If the uninsured parents program is
 12 terminated before January 1, 2002, money transferred to the
 13 uninsured parents program fund under subsection (a) shall be
 14 disposed of as provided in IC 12-17.7-9-2.

15 (c) If a county has in its possession on December 31, 2002, money
 16 described in subsection (a) that has not been deposited in the
 17 county general fund or receives money described in subsection (a)
 18 after December 31, 2002, the county shall immediately transfer the
 19 money to the state for deposit as described in subsections (a) and
 20 (b).

21 SECTION 147. IC 12-16-14.1-5, AS ADDED BY P.L.283-2001,
 22 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2003]: Sec. 5. If the office does not implement an
 24 uninsured parents program as provided for in IC 12-17.7 after
 25 December 31, 2002, and before July 1, 2003,

26 ~~(1) the transfer of funds under this chapter will cease on July 1,~~
 27 ~~2003;~~

28 ~~(2) all tax receipts on deposit in a county general fund under~~
 29 ~~section 1(b) of this chapter shall be immediately transferred to the~~
 30 ~~state hospital care for the indigent fund for use as provided in~~
 31 ~~section 2 of this chapter or, if the state hospital care for the~~
 32 ~~indigent fund is closed, to the state uninsured parents program~~
 33 ~~fund;~~

34 ~~(3) on July 1, 2003, all tax receipts on deposit in a county general~~
 35 ~~fund under section 1(c) of this chapter shall be immediately~~
 36 ~~transferred to the state uninsured parents program fund for~~
 37 ~~distribution under section 3 of this chapter; and~~

38 ~~(4) all funds deposited in the state hospital care for the indigent~~
 39 ~~fund shall be used as provided in section 2 of this chapter.~~

40 SECTION 148. IC 12-16-14.1-6, AS ADDED BY P.L.283-2001,
 41 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2003]: Sec. 6. If the uninsured parents program

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1 implemented and maintained under IC 12-17.7 terminates under
2 IC 12-17.7-9-1

3 ~~(1) all transfers under this chapter will cease immediately;~~

4 ~~(2) all tax receipts on deposit in a county general fund under~~
5 ~~section 1(b) of this chapter, shall be immediately transferred to the~~
6 ~~state hospital care for the indigent fund for use as provided in~~
7 ~~section 2 of this chapter or, if the state hospital care for the~~
8 ~~indigent fund is closed, to the state uninsured parents program~~
9 ~~fund;~~

10 ~~(3) all tax receipts on deposit in a county general fund under~~
11 ~~section 1(c) of this chapter, shall be immediately transferred to the~~
12 ~~state uninsured parents program fund; and~~

13 ~~(4) after December 31, 2002, all funds deposited in the state~~
14 ~~hospital care for the indigent fund shall be used as provided in~~
15 ~~section 2 of this chapter.~~

16 SECTION 149. IC 12-16.1-7-2, AS ADDED BY P.L.283-2001,
17 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2003]: Sec. 2. (a) Except as provided in section 5 of this
19 chapter, claims for payment shall be segregated by year using the
20 patient's admission date.

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

24 SECTION 150. IC 12-16.1-7-4, AS ADDED BY P.L.283-2001,
25 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2003]: Sec. 4. (a) Each year, the division shall pay two-thirds
27 (2/3) of each claim upon submission and approval of the claim.

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

34 (1) The amount transferred to the state hospital care for the
35 indigent fund from county hospital care for the indigent funds in
36 that year under IC 12-16.1-13 **(repealed)**.

37 (2) Any contribution to the fund in that year.

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

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

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

3 SECTION 151. IC 12-16.1-7-9, AS ADDED BY P.L.283-2001,
4 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2003]: Sec. 9. IC 12-16.1-2 through ~~IC 12-16.1-14~~
6 **IC 12-16.1-15** do not affect the liability of a county with respect to
7 claims for hospital care for the indigent for patients admitted before
8 January 1, 1987.

9 SECTION 152. IC 12-16.1-13-3, AS ADDED BY P.L.283-2001,
10 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2003]: Sec. 3. (a) ~~Before the fifth day of each month, all~~
12 ~~money contained in a county hospital care for the indigent fund at the~~
13 ~~end of the preceding month shall be transferred to the state hospital~~
14 ~~care for the indigent fund.~~

15 (b) If the state hospital care for the indigent fund is closed under
16 IC 12-16-14.1-2(d), a new state hospital care for the indigent fund is
17 established under this article.

18 SECTION 153. IC 12-16.1-13-4, AS ADDED BY P.L.283-2001,
19 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2003]: Sec. 4. (a) Subject to ~~IC 12-16-14.1-5(4)~~
21 **IC 12-16-14.1-5** and ~~IC 12-16-14.1-6(4)~~, **IC 12-16-14.1-6**, the state
22 hospital care for the indigent fund under this article consists of the
23 following:

24 (1) Money transferred to the state hospital care for the indigent
25 fund from the county hospital care for the indigent funds.

26 (2) Any contributions to the fund from individuals, corporations,
27 foundations, or others for the purpose of providing hospital care for
28 the indigent.

29 ~~(3) Money advanced to the fund under IC 12-16.1-14.~~

30 ~~(4)~~ **(3)** Appropriations made specifically to the fund by the general
31 assembly.

32 (b) This section does not obligate the general assembly to appropriate
33 money to the state hospital care for the indigent fund.

34 SECTION 154. IC 12-17-1-10, AS AMENDED BY P.L.273-1999,
35 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2003]: Sec. 10. (a) Upon the completion of an
37 investigation under section 9 of this chapter, the county office shall do
38 the following:

39 (1) Determine whether the child is eligible for assistance under this
40 chapter and the division's rules.

41 (2) Determine the amount of the assistance and the date on which
42 the assistance is to begin.

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1 (3) Make an award, including any subsequent modification of the
 2 award, with which the county office shall comply until the award
 3 or modified award is vacated.

4 (4) Notify the applicant and the division of the county office's
 5 decision in writing.

6 (b) The county office shall provide assistance to the recipient at least
 7 monthly upon warrant of the ~~county~~ auditor **of state**. The assistance
 8 must be

9 ~~(1) made from the county family and children's fund; and~~

10 ~~(2) based upon a verified schedule of the recipients.~~

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

15 SECTION 155. IC 12-17-3-3 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The state
 17 shall ~~provide money to a county to assist the county in defraying the~~
 18 **pay** expenses incurred for child welfare services as provided in section
 19 1 of this chapter.

20 (b) The state shall provide the money under subsection (a) as follows:

21 ~~(1) Monthly:~~

22 ~~(2) Based upon need:~~

23 ~~(3) (1) From money received through the federal government for~~
 24 ~~the purpose described in this section.~~

25 ~~(4) (2) In an amount to be determined by the division in conformity~~
 26 ~~with the Social Security Act (42 U.S.C. 602).~~

27 SECTION 156. IC 12-17.7-9-2, AS ADDED BY P.L.283-2001,
 28 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2003]: Sec. 2. Upon termination of the uninsured parents
 30 program, all funds on deposit in the state uninsured parents program
 31 fund, including funds transferred to the fund under IC 12-16-14.1-6(2)
 32 **(as effective December 31, 2002)**, shall be used to pay expenses and
 33 other obligations of the program, as determined by the office. Any
 34 remaining funds attributable to taxes levied under IC 12-16-14-1(1)
 35 **(repealed)** or allocated under IC 12-16-14-1(2) **(repealed)** shall be
 36 transferred from the fund for use as the state's share of payments under
 37 IC 12-15-15-9(h). Any remaining funds attributable to transfers from
 38 the Medicaid indigent care trust fund under IC 12-15-20-2(5) shall be
 39 transferred from the state uninsured parents program fund for use as the
 40 state's share of payments under IC 12-15-20-2(5)(D).

41 SECTION 157. IC 12-17.8-2-1, AS ADDED BY P.L.283-2001,
 42 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2003]: Sec. 1. ~~(a)~~ The state uninsured parents program
2 fund is established.

3 ~~(b) Before the fifth day of each month, all money contained in a~~
4 ~~county hospital care for the indigent fund at the end of the preceding~~
5 ~~month shall be transferred to the state uninsured parents program fund:~~

6 SECTION 158. IC 12-17.8-2-2, AS ADDED BY P.L.283-2001,
7 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2003]: Sec. 2. (a) The state uninsured parents program
9 fund consists of the following:

10 (1) The money transferred to the state uninsured parents program
11 fund from the county hospital care for the indigent funds.

12 (2) The money transferred to the state uninsured parents program
13 fund under IC 12-15-20-2(5).

14 (3) The money transferred to the state uninsured parents program
15 fund under IC 12-16-14.1.

16 (4) Any contributions to the fund from individuals, corporations,
17 foundations, public or private trust funds, or others for the purpose
18 of providing medical assistance to uninsured parents.

19 ~~(5) The money advanced to the fund under section 5 of this~~
20 ~~chapter:~~

21 ~~(6)~~ (5) The appropriations made specifically to the fund by the
22 general assembly or a state board, trust, or fund.

23 ~~(7)~~ (6) Any voluntary intergovernmental transfer to the fund.

24 (b) This section does not obligate the general assembly or any state
25 board, trust, or fund to appropriate money to the state uninsured parents
26 program fund.

27 SECTION 159. IC 12-17.8-2-4, AS ADDED BY P.L.283-2001,
28 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2003]: Sec. 4. (a) Subject to subsections (c) and (d),
30 money in the state uninsured parents program fund at the end of a state
31 fiscal year remains in the fund and does not revert to the state general
32 fund.

33 (b) For each state fiscal year beginning July 1, 2002, **to the extent**
34 **that money is available in the fund that is not needed to meet the**
35 **expenses of the uninsured parents program**, the office of ~~the~~
36 ~~uninsured parents program established by IC 12-17.7-2-1~~ **Medicaid**
37 **policy and planning established by IC 12-8-6-1** shall transfer from
38 the state uninsured parents program fund an amount equal to the
39 amount determined by multiplying thirty-five million dollars
40 (\$35,000,000) by the federal medical assistance percentage for the state
41 fiscal year. The transferred amount shall be used for Medicaid current

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1 obligations. The transfer may be made in a single payment or multiple
2 payments throughout the state fiscal year.

3 (c) At the end of a state fiscal year, the office shall do the following:

4 (1) Determine the sums on deposit in the state uninsured parents
5 program fund.

6 (2) Calculate a reasonable estimate of the sums to be transferred to
7 the state uninsured parents program fund during the next state
8 fiscal year, taking into consideration the timing of the transfers.

9 (3) Calculate a reasonable estimate of the expenses to be paid by
10 the program during the next state fiscal year, taking into
11 consideration the likely number of enrollees in the program during
12 the next state fiscal year.

13 (d) If the amount on deposit in the state uninsured parents program
14 fund at the end of a state fiscal year, combined with the estimated
15 amount of transfers of funds into the fund during the next state fiscal
16 year, exceeds the estimate of the expenses to be paid by the program
17 during the next state fiscal year, then a sum equal to the excess amount
18 shall be transferred from the funds on deposit in the state uninsured
19 parents program fund at the end of the state fiscal year to the Medicaid
20 indigent care trust fund for purposes of IC 12-15-20-2(5)(D).

21 SECTION 160. IC 12-18-4-7 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. A:

23 (1) city, town, county, or township; or

24 (2) an entity that is exempted from the ~~Indiana~~ gross income retail
25 tax under ~~IC 6-2.1-3-20~~; **IC 6-2.5-5-21(b)(1)(B)**;

26 that desires to receive a grant under this chapter or enter into a contract
27 with the council must apply in the manner prescribed by the rules of the
28 division.

29 SECTION 161. IC 12-19-1-16, AS AMENDED BY P.L.273-1999,
30 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2003]: Sec. 16. ~~(a) This section does not apply to money
32 received to reimburse the county family and children's fund for
33 expenditures made from the appropriations of the county office:~~

34 ~~(b)~~ A county office may receive and administer money available to
35 or for the benefit of a person receiving payments or services from the
36 county office. The following applies to all money received under this
37 section:

38 (1) The money shall be kept in a special fund known as the county
39 family and children trust clearance fund and may not be
40 commingled with any other fund or with money received from
41 taxation.

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1 (2) The money may be expended by the county office in any
2 manner consistent with the following:

3 (A) The purpose of the county family and children trust
4 clearance fund or with the intention of the donor of the money.

5 (B) Indiana law.

6 SECTION 162. IC 12-19-1-21, AS ADDED BY P.L.273-1999,
7 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2003]: Sec. 21. (a) Notwithstanding any other law, after
9 December 31, 1999, a county may not impose any of the following:

10 (1) A property tax levy for a county welfare fund.

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

12 **(b) Notwithstanding any other law, after December 31, 2002, a**
13 **county may not impose any of the following:**

14 **(1) A property tax levy for the county's family and children's**
15 **fund (IC 12-19-7-3 (repealed)).**

16 **(2) A property tax levy for a county medical assistance to**
17 **wards fund (IC 12-13-8-2 (repealed)).**

18 **(3) A property tax levy for a children with special health care**
19 **needs county fund (IC 16-35-3-1 (repealed)).**

20 **(4) The part of a county general fund levy imposed under**
21 **IC 12-16-14-1 (repealed) to transfer money to the state for the**
22 **hospital care for indigent program or the uninsured parent**
23 **program.**

24 **This subsection does not prohibit a property tax levy under**
25 **IC 12-19-5 or IC 12-19-7 to repay the principal of, interest on,**
26 **issuance costs of, or liquidation costs of loans or bonds issued for**
27 **expenditures from the county family and children's fund before**
28 **January 1, 2003.**

29 SECTION 163. IC 12-19-1-22, AS ADDED BY P.L.273-1999,
30 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2003]: Sec. 22. (a) All bonds issued and loans made
32 under IC 12-1-11 (before its repeal) or this article:

33 **(1) before January 1, 2000, that are payable from property taxes**
34 **imposed under IC 12-19-3 (before its repeal); or**

35 **(2) before January 1, 2003, that are payable from property**
36 **taxes imposed under IC 12-19-7-3 (repealed) to eliminate the**
37 **authority to impose a property tax levy;**

38 **(†) are direct general obligations of the county issuing the bonds or**
39 **making the loans and (‡) are payable out of unlimited ad valorem taxes**
40 **that shall be levied and collected on all taxable property within the**
41 **county.**

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

9 SECTION 164. IC 12-19-1.5-6, AS ADDED BY P.L.273-1999,
 10 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2003]: Sec. 6. (a) As used in this chapter, "replacement
 12 amount" means the sum of the property taxes imposed on the assessed
 13 value of property in the allocation area in excess of the base assessed
 14 value in 1999 for

15 (1) the county welfare fund; and

16 (2) the county welfare administration fund.

17 **any of the property tax levies described in section 8 of this chapter.**
 18 **The part of the county general fund levy imposed in 2002 on the**
 19 **property imposed in the allocation area for the operation of the**
 20 **courts, as determined by the department of local government**
 21 **finance, in excess of the base assessed value in 2002 and the**
 22 **property taxes imposed on the assessed value of property in the**
 23 **allocation area that exceed the base assessed value in 2002 for:**

24 (1) the county family and children's fund;

25 (2) the county health care for the indigent fund;

26 (3) the county medical assistance to wards fund; and

27 (4) the county children with special health care needs fund.

28 (b) The term includes the part of:

29 (1) the county general fund levy that is eliminated as a result of
 30 the assumption after 2002 of court personnel and other
 31 operating expenditures under IC 33-1-18-6; and

32 (2) the school general fund levy that is eliminated as a result of
 33 the change in the tuition support formula in 2002 by the
 34 general assembly;

35 **that exceeds the base assessed value in 2002 for a school general**
 36 **fund levy.**

37 SECTION 165. IC 12-19-1.5-8, AS ADDED BY P.L.273-1999,
 38 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2003]: Sec. 8. (a) This chapter applies to an allocation
 40 area:

41 (1) in which:

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1 (†) (A) the holders of obligations received a pledge before July
2 1, 1999, of tax increment revenues to repay any part of the
3 obligations due after December 31, 1999; and

4 (‡) (B) the elimination of a county welfare fund property tax levy
5 or a county welfare administration fund property tax levy
6 adversely affects the ability of the governing body to repay the
7 obligations described in subdivision (†). **clause (A);**

8 **(2) in which:**

9 **(A) the holders of obligations received a pledge before July**
10 **1, 2002, of tax increment revenues to repay any part of the**
11 **obligations due after December 31, 2002; and**

12 **(B) the elimination of:**

13 **(i) a county family and children's fund;**

14 **(ii) a county health care for the indigent fund;**

15 **(iii) a county medical assistance to wards fund; or**

16 **(iv) a county children with special health care needs fund;**
17 **property tax levy adversely affects the ability of the**
18 **governing body to repay the obligations described in clause**
19 **(A); or**

20 **(3) in which:**

21 **(A) the holders of obligations received a pledge before July**
22 **1, 2002, of tax increment revenues to repay any part of the**
23 **obligations due after December 31, 2002; and**

24 **(B) the elimination of the part of the county general fund**
25 **levy imposed in 2002 for personnel or other operating**
26 **expenses of the courts as determined by the department of**
27 **local government finance;**

28 **adversely affects the ability of the governing body to repay the**
29 **obligations described in clause (A).**

30 **(b) This chapter applies to an allocation area in which:**

31 **(1) the holders of obligations received a pledge before July 1,**
32 **2002, of tax increment revenues to repay any part of the**
33 **obligations due after December 31, 2002; and**

34 **(2) the reduction of a school general fund levy adversely affects**
35 **the ability of the governing body to repay the obligations**
36 **described in subdivision (1).**

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

41 SECTION 166. IC 12-19-1.5-9, AS ADDED BY P.L.273-1999,
42 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2003]: Sec. 9. (a) A governing body may, after a public
 2 hearing, impose a special assessment on the owners of property that is
 3 located in an allocation area to repay:

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

6 **(2) a bond or an obligation described in section 8(a)(2) of this**
 7 **chapter that comes due after December 31, 2002.**

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

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

37 (c) A person who filed a written remonstrance with a governing body
 38 under subsection (b) and is aggrieved by the final action taken may,
 39 within ten (10) days after that final action, file in the office of the clerk
 40 of the circuit or superior court a copy of the order of the governing
 41 body and the person's remonstrance or objection against that final
 42 action, together with a bond conditioned to pay the costs of appeal if

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

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

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

17 SECTION 167. IC 12-19-1.5-10, AS ADDED BY P.L.273-1999,
 18 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2003]: Sec. 10. (a) For purposes of this section,
 20 "additional credit" means

21 (1) for allocation areas created under IC 6-1.1-39; the additional
 22 credit described in IC 6-1.1-39-6(a);

23 (2) for allocation areas created under IC 8-22-3.5; the additional
 24 credit described in IC 8-22-3.5-10(a);

25 (3) for allocation areas created under IC 36-7-14; the additional
 26 credit described in IC 36-7-14-39.5(e);

27 (4) for allocation areas created under IC 36-7-14.5; the additional
 28 credit described in IC 36-7-14.5-12.5(d)(5);

29 (5) for allocation areas created under IC 36-7-15.1:

30 (A) the additional credit described in IC 36-7-15.1-26.5(e); or

31 (B) the credit described in IC 36-7-15.1-35(d); or

32 (6) for allocation areas created under IC 36-7-30; the additional
 33 credit described in IC 36-7-30-25(b)(2)(E); **the additional credit
 34 provided to taxpayers in an allocation area under
 35 IC 6-1.1-21.3-6.**

36 (b) In order to raise the replacement amount, the governing body of
 37 each allocation area may deny all or a part of the additional credit.

38 SECTION 168. IC 12-19-5-10 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. (a) If a county
 40 director:

41 (1) appeals before August 1 of a year for permission to borrow
 42 money under a **provision** of this chapter (**before its repeal**);

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1 (2) receives permission from the county fiscal body to borrow
2 money before November 1 of the year; and

3 (3) borrows money **before January 1, 2003**, under IC 12-1-11.5
4 (before its repeal) or **a provision of this chapter (before its
5 repeal)**;

6 the county auditor shall levy a property tax beginning in the following
7 year and continuing for the term of the loan.

8 (b) The property tax levied under subsection (a) must be in an
9 amount each year that will be sufficient to pay the principal and interest
10 due on the loan for the year.

11 (c) The levy under this section shall be retained by the county
12 treasurer and applied by the county auditor to retire the debt.

13 **(d) This section expires December 31, 2013.**

14 SECTION 169. IC 12-19-5-11 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. (a) If a county
16 director:

17 (1) appeals after August 1 of a year **and before January 1, 2003**,
18 for permission to borrow money;

19 (2) receives permission from the county fiscal body to borrow
20 money; and

21 (3) borrows money in the year of the appeal under IC 12-1-11.5
22 (before its repeal) or **a provision of this chapter (before its
23 repeal)**;

24 the county auditor shall levy a property tax beginning in the second
25 year following the year of the appeal and continuing for the term of the
26 loan.

27 (b) The property tax levied under subsection (a) must be in an
28 amount each year that will be sufficient to pay the principal and interest
29 due on the loan for the year.

30 (c) The levy under this section shall be retained by the county
31 treasurer and applied by the county auditor to retire the debt.

32 **(d) This section expires December 31, 2013.**

33 SECTION 170. IC 12-19-6-5 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) As used in
35 this section, "indirect cost" means a cost that is not directly traceable
36 to a particular activity undertaken in the administration of ~~the~~
37 ~~following~~:

38 (1) ~~The federal Food Stamp program (7 U.S.C. 2011 et seq.);~~

39 (2) ~~The federal Aid to Families with Dependent Children program~~
40 ~~(42 U.S.C. 601 et seq.);~~

41 (3) ~~the federal Child Support Enforcement Act (42 U.S.C. 651 et~~
42 ~~seq.).~~

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1 (b) The division shall pay to each county the money paid to the state
2 as reimbursement for the indirect costs incurred by the county and the
3 county office.

4 SECTION 171. IC 12-19-7-1, AS AMENDED BY P.L.139-2000,
5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2003]: Sec. 1. As used in this chapter, "child services"
7 means the following:

8 (1) Child welfare services specifically provided for children who
9 are:

10 (A) adjudicated to be:

- 11 (i) children in need of services; or
12 (ii) delinquent children; or

13 (B) recipients of or are eligible for:

- 14 (i) informal adjustments;
15 (ii) service referral agreements; and
16 (iii) adoption assistance;

17 including the costs of using an institution or facility in Indiana for
18 providing educational services as described in either
19 IC 20-8.1-3-36 (if applicable) or IC 20-8.1-6.1-8 (if applicable), all
20 services required to be paid by a **county the division** under
21 IC 31-40-1-2, and all costs required to be paid by a county under
22 IC 20-8.1-6.1-7.

23 (2) Assistance awarded by a county to a destitute child under
24 IC 12-17-1.

25 (3) Child welfare services as described in IC 12-17-3.

26 **(4) Family services (as defined in IC 31-9-2-45).**

27 SECTION 172. IC 12-19-7-19 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 19. **(a)** An
29 ordinance adopted by the county fiscal body authorizing a loan under
30 **a provision of this chapter (before its repeal)** must do the following:

31 (1) Authorize the issuance of the bonds of the county to evidence
32 the loan.

33 (2) Fix the following:

34 (A) The loan's maximum amount, which may be less than the
35 amount shown by the estimate of the county director.

36 (B) The number of semiannual series in which the bonds are
37 payable, which may not exceed twenty (20).

38 **(b) This section expires December 31, 2023.**

39 SECTION 173. IC 12-19-7-28 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 28. (a) All bonds
41 issued under **a provision of this chapter (before its repeal):**

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- 1 (1) are direct general obligations of the county issuing the bonds;
 2 and
 3 (2) are payable out of unlimited ad valorem taxes that shall be
 4 levied and collected on all the taxable property within the county.
 5 (b) Each official and body responsible for the levying of taxes for the
 6 county must ensure that sufficient levies are made to meet the principal
 7 and interest on the bonds at the time fixed for the payment of the
 8 principal and interest, without regard to any other statute. If an official
 9 or a body fails or refuses to make or allow a sufficient levy required by
 10 this section, the bonds and the interest on the bonds shall be payable
 11 out of the general fund of the county without appropriation.

12 **(c) This section expires December 31, 2023.**

13 SECTION 174. IC 12-19-7-32 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 32. **(a)** The serial
 15 bonds issued under section 31 of this chapter **(before its repeal)**:

- 16 (1) may be of any denomination that is:
 17 (A) not less than fifty dollars (\$50); and
 18 (B) not more than one thousand dollars (\$1,000);
 19 (2) shall be payable:
 20 (A) at any place named on the serial bonds; and
 21 (B) at any time not later than fifteen (15) years after the date of
 22 the serial bonds;
 23 (3) may bear any rate of interest, payable annually or semiannually;
 24 (4) shall be sold at not less than the par value of the bonds; and
 25 (5) shall be sold in the manner provided for the sale of bonds
 26 issued under IC 12-20-23.

27 **(b) This section expires January 1, 2018.**

28 SECTION 175. IC 12-19-7-33 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 33. **(a)** The county
 30 fiscal body shall add to the tax duplicate of the county:

- 31 (1) an annual levy sufficient to pay the yearly interest on the bonds
 32 issued under section 31 of this chapter **(before its repeal)**; and
 33 (2) an annual levy sufficient to provide a sinking fund for the
 34 liquidation of the principal as the principal becomes due. The
 35 sinking fund shall be applied solely to the payment of the bonds.
 36 **(b)** If the county fiscal body fails to levy a tax sufficient to pay the
 37 interest on the bonds or to liquidate the principal of the bonds as the
 38 principal becomes due, the county auditor shall levy the tax or increase
 39 the tax levy made by the county fiscal body in the amount necessary to
 40 pay the interest and to retire the bonds as the bonds become due.

- 41 **(c)** Notwithstanding any other law, the tax levy may not be reduced
 42 below the amount required under this section.

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1 **(d) This section expires January 1, 2018.**

2 SECTION 176. IC 13-21-12-3 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. A security
4 issued in connection with a financing under this article, the interest on
5 which is excludable from **adjusted** gross income tax, is exempt from
6 the registration requirements of IC 23.

7 SECTION 177. IC 14-27-6-41 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 41. (a) All bonds
9 issued under this chapter or under IC 13-2-31 (before its repeal) are the
10 direct general obligations of the authority issuing the bonds and are
11 payable out of unlimited ad valorem taxes that shall be levied and
12 collected on all the taxable property within the district. All officials and
13 bodies involved with the levying of taxes for the district shall ensure
14 that sufficient levies are made to meet the principal and interest on the
15 bonds at the time fixed for payment without regard to any other statute.

16 (b) The bonds issued under this chapter or under IC 13-2-31 (before
17 its repeal) are exempt from taxation for all purposes. ~~including the~~
18 ~~gross income tax.~~

19 SECTION 178. IC 16-22-8-43 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 43. (a) The board
21 may issue general obligation bonds of the corporation to procure funds
22 to pay the cost of acquiring real property or constructing, enlarging,
23 improving, remodeling, repairing, or equipping buildings and other
24 structures for use as or in connection with hospitals, clinics, health
25 centers, dispensaries, or for administrative purposes. The issuance of
26 the bonds shall be authorized by ordinance of the board providing for
27 the amount, terms, and tenor of the bonds, for the time and character of
28 notice, and the mode of making the sale. The bonds shall be payable
29 not more than forty (40) years after the date of issuance and shall be
30 executed in the name of the corporation by the chairman of the board
31 and attested by the executive director, who shall affix to each of the
32 bonds the official seal of the corporation. The interest coupons attached
33 to the bonds may be executed by facsimile signature of the chairman
34 of the board.

35 (b) The executive director shall manage and supervise the
36 preparation, advertisement, and sale of bonds, subject to the provisions
37 of the authorizing ordinance. Before the sale of the bonds, the
38 executive director shall publish notice of the sale in accordance with
39 IC 5-3-1, setting out the time and place where bids will be received, the
40 amount and maturity dates of the issue, the maximum interest rate, and
41 the terms and conditions of sale and delivery of the bonds. The bonds
42 shall be sold to the highest and best bidder. After the bonds have been

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1 sold and executed, the executive director shall deliver the bonds to the
 2 treasurer of the corporation and take the treasurer's receipt, and shall
 3 certify to the treasurer the amount that the purchaser is to pay, together
 4 with the name and address of the purchaser. On payment of the
 5 purchase price, the treasurer shall deliver the bonds to the purchaser,
 6 and the treasurer and executive director shall report the actions to the
 7 board.

8 (c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

9 (1) Notice and filing of the petition requesting the issuance of the
 10 bonds.

11 (2) Notice of determination to issue bonds.

12 (3) Notice of hearing on the appropriation of the proceeds of the
 13 bonds and the right of taxpayers to appeal and be heard.

14 (4) Approval by the state board of tax commissioners.

15 (5) The right to remonstrate.

16 (6) Sale of bonds at public sale for not less than the par value.

17 (d) The bonds are the direct general obligations of the corporation
 18 and are payable out of unlimited ad valorem taxes levied and collected
 19 on all the taxable property within the county of the corporation. All
 20 officials and bodies having to do with the levying of taxes for the
 21 corporation shall see that sufficient levies are made to meet the
 22 principal and interest on the bonds at the time fixed for payment.

23 (e) The bonds are exempt from taxation for all purposes, ~~including~~
 24 ~~the gross income tax~~ but the interest is subject to **adjusted** gross
 25 income tax.

26 SECTION 179. IC 16-33-4-17 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. (a) Each child,
 28 the estate of the child, the parent or parents of the child, or the guardian
 29 of the child, individually or collectively, are liable for the payment of
 30 the costs of maintenance of the child of up to one hundred percent
 31 (100%) of the per capita cost, except as otherwise provided. The cost
 32 shall be computed annually by dividing the total annual cost of
 33 operation for the fiscal year, exclusive of the cost of education
 34 programs, construction, and equipment, by the total child days each
 35 year. The maintenance cost shall be referred to as maintenance charges.

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

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

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

40 (b) The billing and collection of the maintenance charges as provided
 41 for in subsection (a) shall be made by the superintendent of the home
 42 based on the per capita cost for the preceding fiscal year. All money

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1 collected shall be deposited in a fund to be known as the Indiana
 2 soldiers' and sailors' children's home maintenance fund. The fund shall
 3 be used by the state health commissioner for the:

4 (1) preventative maintenance; and

5 (2) repair and rehabilitation;

6 of buildings of the home that are used for housing, food service, or
 7 education of the children of the home.

8 (c) The superintendent of the home may, with the approval of the
 9 state health commissioner, agree to accept payment at a lesser rate than
 10 that prescribed in subsection (a). The superintendent of the home shall,
 11 in determining whether or not to accept the lesser amount, take into
 12 consideration the amount of money that is necessary to maintain or
 13 support any member of the family of the child. All agreements to
 14 accept a lesser amount are subject to cancellation or modification at
 15 any time by the superintendent of the home with the approval of the
 16 state health commissioner.

17 (d) A person who has been issued a statement of amounts due as
 18 maintenance charges may petition the superintendent of the home for
 19 a release from or modification of the statement and the superintendent
 20 shall provide for hearings to be held on the petition. The superintendent
 21 of the home may, with the approval of the state health commissioner
 22 and after the hearing, cancel or modify the former statement and at any
 23 time for due cause may increase the amounts due for maintenance
 24 charges to an amount not to exceed the maximum cost as determined
 25 under subsection (a).

26 (e) The superintendent of the home may arrange for the
 27 establishment of a graduation or discharge trust account for a child by
 28 arranging to accept a lesser rate of maintenance charge. The trust fund
 29 must be of sufficient size to provide for immediate expenses upon
 30 graduation or discharge.

31 (f) The superintendent may make agreements with instrumentalities
 32 of the federal government for application of any monetary awards to be
 33 applied toward the maintenance charges in a manner that provides a
 34 sufficient amount of the periodic award to be deposited in the child's
 35 trust account to meet the immediate personal needs of the child and to
 36 provide a suitable graduation or discharge allowance. The amount
 37 applied toward the settlement of maintenance charges may not exceed
 38 the amount specified in subsection (a).

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

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

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- 1 (2) Make determinations of the ability of:
 2 (A) the estate of the child;
 3 (B) the legal guardian of the child; or
 4 (C) each of the responsible parents of the child;
 5 to pay maintenance charges.
 6 (3) Set a standard as a basis of judgment of ability to pay that shall
 7 be recomputed periodically to do the following:
 8 (A) Reflect changes in the cost of living and other pertinent
 9 factors.
 10 (B) Provide for unusual and exceptional circumstances in the
 11 application of the standard.
 12 (4) Issue to any person liable under this chapter statements of
 13 amounts due as maintenance charges, requiring the person to pay
 14 monthly, quarterly, or otherwise as may be arranged, an amount
 15 not exceeding the maximum cost as determined under this chapter.
- 16 SECTION 180. IC 16-33-4-17.5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17.5. (a) In the
 18 case of a child who is:
 19 (1) admitted to the home from another county; and
 20 (2) adjudicated to be a delinquent child or child in need of services
 21 by the juvenile court in the county where the home is located;
 22 the juvenile court may order the ~~county office~~ **division** of family and
 23 children ~~of the child's county of residence before the child's admission~~
 24 ~~to the home~~ to reimburse the cost of services ordered by the juvenile
 25 court, including related transportation costs, and any cost incurred by
 26 the county to transport or detain the child before the order is issued.
- 27 ~~(b) A county office of family and children ordered to reimburse costs~~
 28 ~~under this section shall pay the amount ordered from the county family~~
 29 ~~and children's fund:~~
 30 ~~(c)~~ **(b)** The ~~county office~~ **division** of family and children may require
 31 the parent or guardian of the child, other than a parent, guardian, or
 32 custodian associated with the home, to reimburse the ~~county division~~
 33 ~~of family and children's fund~~ **children** for an amount paid under this
 34 section.
- 35 ~~(d)~~ **(c)** A child who is admitted to the home does not become a
 36 resident of the county where the home is located.
- 37 ~~(e)~~ **(d)** When an unemancipated child is released from the home, the
 38 ~~county office division~~ **division** of family and children ~~for the child's county of~~
 39 ~~residence before entering the home~~ is responsible for transporting the
 40 child to the parent or guardian of the child. If a parent or guardian does
 41 not exist for an unemancipated child released from the home, the

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1 county office of family and children of the child's county of residence
2 before entering the home shall obtain custody of the child.

3 SECTION 181. IC 16-35-2-10 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2003]: **Sec. 10. The state department**
6 **shall use money appropriated from the state general fund for**
7 **services to children with special health care needs to pay the**
8 **expenses and obligations incurred by the state department for**
9 **services to children with special health care needs.**

10 SECTION 182. IC 16-42-5-4 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) An
12 organization that is exempt from the ~~Indiana state gross income retail~~
13 ~~tax under IC 6-2.1-3-20 through IC 6-2.1-3-22~~ **IC 6-2.5-5-21(b)(1)(B),**
14 **IC 6-2.5-5-21(b)(1)(C), or IC 6-2.5-5-21(b)(1)(D)** and that offers food
15 for sale to the final consumer at an event held for the benefit of the
16 organization is exempt from complying with the requirements of this
17 chapter that may be imposed upon the sale of food at that event if the
18 following conditions are met:

19 (1) Members of the organization prepare the food that will be sold.

20 (2) Events conducted by the organization under this section take
21 place for not more than thirty (30) days in a calendar year.

22 (3) The name of each member who has prepared a food item is
23 attached to the container in which the food item has been placed.

24 (b) This section does not prohibit an exempted organization from
25 waiving the exemption and applying for a license under this chapter.

26 SECTION 183. IC 20-3-11-20 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 20. **(a)** Each such
28 board of school commissioners may from time to time, whenever its
29 general fund shall be exhausted or in the board's judgment be in danger
30 of exhaustion, make temporary loans for the use of its general fund to
31 be paid out of the:

32 **(1) proceeds of taxes theretofore levied by such school city for its**
33 **general fund; and**

34 **(2) anticipated state tuition support distributions.**

35 The amount so borrowed in aid of said general fund shall be paid into
36 said general fund and may be used for any purpose for which the said
37 general fund lawfully may be used.

38 **(b)** Any such temporary loan shall be evidenced by the promissory
39 note or notes of said school city, shall bear interest at not more than
40 seven per cent (7%) per annum, interest payable at the maturity of the
41 note or periodically, as the note may express, and shall mature at such
42 time or times as the board of school commissioners may decide, but not

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1 later than one (1) year from the date of the note. No such loan or loans
 2 made in any one (1) calendar year shall be for a sum greater than the
 3 amount estimated by said board as the:

4 (1) proceeds to be received by it from the levy of taxes theretofore
 5 made by said school city in behalf of; and

6 (2) **amount of state tuition support distributions estimated to**
 7 **be received for and distributed to;**

8 its said general fund.

9 (c) Successive loans may be made in aid of said general fund in any
 10 calendar year, but the aggregate amount thereof, outstanding at any one
 11 (1) time, shall not exceed such estimated:

12 (1) proceeds of taxes levied in behalf of; and

13 (2) **state tuition support distributions to be received for and**
 14 **distributed to;**

15 the said general fund.

16 (d) No such loan shall be made until notice asking for bids therefor
 17 shall have been given by newspaper publication, which publication
 18 shall be made one (1) time in a newspaper published in said city and
 19 said publication shall be at least seven (7) days before the time when
 20 bids for such loans will be opened. Bidders shall name the amount of
 21 interest they agree to accept not exceeding seven per cent (7%) per
 22 annum, and the loan shall be made to the bidder or bidders bidding the
 23 lowest rate of interest. The note or notes or warrants shall not be
 24 delivered until the full price of the face thereof shall be paid to the
 25 treasurer of said school city, and no interest shall accrue thereon before
 26 such delivery.

27 (e) Any such school corporation wishing to make a temporary loan
 28 in aid of its general fund, finding that it has need to exercise the power
 29 in this section above given to make a temporary loan, which has in its
 30 treasury money derived from the sale of bonds, which money derived
 31 from the sale of bonds can not or will not, in the due course of the
 32 business of said school city, be expended in the then near future, may,
 33 if it so elects, temporarily borrow, and without payment of interest,
 34 from such bond fund, for the use and aid of said general fund in the
 35 manner and to the extent hereinafter expressed, viz.: Such school city
 36 shall, by its board of school commissioners, take all the steps required
 37 by law to effect such temporary loan up to the point of advertising for
 38 bids or offers for such loans. It shall then present to the ~~state board of~~
 39 ~~tax commissioners of the state of Indiana,~~ **department of local**
 40 **government finance**, and to the state board of accounts of the state of
 41 Indiana, a copy of the corporate action of said school city concerning
 42 its desire to make such temporary loan and a petition showing the

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1 particular need for such temporary loan, and the amount and the date
 2 or dates when said general fund will need such temporary loan, or
 3 instalments of such loan, and the date at which such loan, and each
 4 instalment thereof, will be needed, and the estimated amounts from
 5 taxes **and state tuition support** to come into said general fund, and the
 6 dates when it is expected such proceeds of taxes **and state tuition**
 7 **support** will be received by such school city in behalf of said general
 8 fund, and showing what amount of money said school city has in any
 9 fund derived from the proceeds of the sale of bonds, which can not or
 10 will not be expended in the then near future, and showing when and to
 11 what extent and why money in such bond fund, not soon to be
 12 expended, will not be expended in the then near future and requesting
 13 that said ~~state board of tax commissioners,~~ **department of local**
 14 **government finance** and said state board of accounts, respectively,
 15 authorize a temporary loan from said bond fund in aid of said general
 16 fund.

17 (f) If said ~~state board of tax commissioners~~ **department of local**
 18 **government finance** shall find and order that there is need for such
 19 temporary loan, and that it should be made, and said state board of
 20 accounts shall find that the money proposed to be borrowed will not be
 21 needed during the period of the temporary loan by the fund from which
 22 it is to be borrowed, and ~~said two (2) state boards~~ **the department of**
 23 **local government finance and the state board of accounts** shall
 24 approve the loan, the business manager and treasurer of said school city
 25 shall, upon such approval by said two (2) state boards, take all steps
 26 necessary to transfer the amount of such loans, as a temporary loan
 27 from the fund to be borrowed from, to said general fund of such school
 28 city. The loan so effected shall, for all purposes, be a debt of the school
 29 city chargeable against its constitutional debt limit.

30 ~~Such two (2) state boards~~ (g) **The department of local government**
 31 **finance and the state board of accounts** may fix the aggregate
 32 amount so to be borrowed on any one (1) petition and shall determine
 33 at what time or times and in what instalments and for what periods it
 34 shall be borrowed. The treasurer and business manager of such school
 35 city, from time to time, as money shall be collected from taxes levied
 36 in behalf of said general fund, shall credit the same on such loan until
 37 the amount borrowed is fully repaid to the lending fund, and they shall
 38 at the end of each calendar month report to the board the several
 39 amounts so applied from taxes **and state tuition support** to the
 40 payment of such loan.

41 (h) The school city shall, as often as once a month, report to ~~both of~~
 42 ~~said state boards~~ **the department of local government finance and**

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1 **the state board of accounts** the amount of money then so borrowed
 2 and unpaid, the anticipated like borrowings of the current month, the
 3 amount left in the said general fund, and the anticipated drafts upon the
 4 lending bond fund for the objects for which that fund was created.

5 ~~Said two (2) state boards, or either of them;~~ **(i) The department of**
 6 **local government finance or the state board of accounts, or both,**
 7 may, if it ~~shall seem to said boards, or to either of them;~~ **seems to the**
 8 **department of local government finance or the state board of**
 9 **accounts, or both,** that the fund from which the loan was made
 10 requires the repayment of all or of part of such loan(s) before its
 11 maturity or said general fund no longer requires all or some part of the
 12 proceeds of such loan, require such school city to repay all or any part
 13 of such loan, and, if necessary to perform the requirement, such school
 14 city shall exercise its power of making a temporary loan procured from
 15 others to raise the money so needed to repay the lending bond fund the
 16 amount so ordered repaid.

17 SECTION 184. IC 20-5-4-6 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. If the
 19 governing board shall find, by written resolution, that an emergency
 20 exists which requires the expenditure of any money for any lawful
 21 corporate purpose which was not included in its existing budget and tax
 22 levy, it may authorize the making of an emergency loan which may be
 23 evidenced by the issuance of its note or notes in the same manner and
 24 subject to the same procedure and restrictions as provided for the
 25 issuance of its bonds, except as to purpose. At the time for making the
 26 next annual budget and tax levy for such school corporation, the
 27 governing body shall:

28 (1) make a levy;

29 (2) **pledge an amount from the school corporation's anticipated**
 30 **state tuition support distribution; or**

31 (3) **do both of the actions under subdivisions (1) and (2);**

32 to the credit of the fund for which such expenditure is made sufficient
 33 to pay such debt and the interest thereon; however, the interest on the
 34 loan may be paid from the debt service fund.

35 SECTION 185. IC 20-5-4-8 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) Whenever
 37 the governing board of a school corporation finds and declares that an
 38 emergency exists for the borrowing of money with which to pay current
 39 expenses from a particular fund before the receipt of revenues from
 40 taxes levied or state tuition support distributions for such fund, the
 41 governing board may issue warrants in anticipation of the receipt of:

42 (1) said revenues;

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1 **(2) state tuition support distributions; or**

2 **(3) both items listed in subdivisions (1) and (2).**

3 (b) The principal of these warrants shall be payable solely from the
4 fund for which the taxes are levied or from the general fund in the case
5 of anticipated state tuition support distributions. However, the interest
6 on these warrants may be paid from the debt service fund, from the
7 fund for which the taxes are levied, or the general fund in the case of
8 anticipated state tuition support distributions.

9 (c) The amount of principal of temporary loans maturing on or before
10 June 30 for any fund shall not exceed eighty percent (80%) of the
11 amount of taxes and state tuition support distributions estimated to be
12 collected or received for and distributed to the fund at the June
13 settlement.

14 (d) The amount of principal of temporary loans maturing after June
15 30, and on or before December 31, shall not exceed eighty percent
16 (80%) of the amount of taxes and state tuition support distributions
17 estimated to be collected or received for and distributed to the fund at
18 the December settlement.

19 (e) At each settlement, the amount of taxes and state tuition support
20 distributions estimated to be collected or received for and distributed
21 to the fund includes any allocations to the fund ~~from the property tax~~
22 ~~replacement fund.~~ **for homestead credits.**

23 (f) The estimated amount of taxes and state tuition support
24 distributions to be collected or received and distributed shall be made
25 by the county auditor or the auditor's deputy. The warrants evidencing
26 any loan in anticipation of tax revenue, ~~or~~ state tuition support
27 distributions, **or both tax revenue and state tuition support**
28 **distributions**, shall not be delivered to the purchaser of the warrant nor
29 payment made on the warrant before January 1 of the year the loan is
30 to be repaid. However, the proceedings necessary to the loan may be
31 held and carried out before January 1 and before the approval. The loan
32 may be made even though a part of the last preceding June or
33 December settlement has not yet been received.

34 (g) Proceedings for the issuance and sale of warrants for more than
35 one (1) fund may be combined, but separate warrants for each fund
36 shall be issued and each warrant shall state on its face the fund from
37 which its principal is payable. No action to contest the validity of such
38 warrants shall be brought later than fifteen (15) days from the first
39 publication of notice of sale.

40 (h) No issue of tax or state tuition support anticipation warrants shall
41 be made if the aggregate of all these warrants exceed twenty thousand
42 dollars (\$20,000) until the issuance is advertised for sale, bids received,

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1 and an award made by the governing board as required for the sale of
 2 bonds, except that the sale notice need not be published outside of the
 3 county nor more than ten (10) days before the date of sale.

4 SECTION 186. IC 20-8.1-3-36 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 36. (a) It is
 6 unlawful for a person operating or responsible for an educational,
 7 correctional, charitable, or benevolent institution or training school to
 8 fail to ensure that a child under his authority attends school as required
 9 under this chapter. Each day of violation of this section constitutes a
 10 separate offense.

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

17 SECTION 187. IC 20-8.1-6.1-7 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) If a student
 19 is transferred under section 2 of this chapter from a school corporation
 20 in Indiana to a public school corporation in another state, the transferor
 21 corporation shall pay the transferee corporation the full tuition fee
 22 charged by the transferee corporation. However, the amount of the full
 23 tuition fee must not exceed the amount charged by the transferor
 24 corporation for the same class of school, or if the school has no such
 25 classification, the amount must not exceed the amount charged by the
 26 geographically nearest school corporation in Indiana which has such
 27 classification.

28 (b) If a child is:

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

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

34 ~~the county office of family and children for the county placing the child~~
 35 **division of family and children** shall pay ~~from the county family and~~
 36 ~~children's fund~~ to the public school corporation in which the child is
 37 enrolled the amount of transfer tuition specified in subsection (c).

38 (c) The transfer tuition for which a ~~county office~~ **the division of**
 39 **family and children** is obligated under subsection (b) is equal to the
 40 following:

41 (1) The amount under a written agreement among the county
 42 office, the institution or other facility, and the governing body of

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1 the public school corporation in the other state that specifies the
2 amount and method of computing transfer tuition.

3 (2) The full tuition fee charged by the transferee corporation, if
4 subdivision (1) does not apply. 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
7 such classification, the amount must not exceed the amount
8 charged by the geographically nearest school corporation in
9 Indiana which has such classification.

10 (d) 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:

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

17 (B) educational programs and services by a nonpublic school;
18 the county office of family and children for the county placing the child
19 shall pay from the county family and children's fund in an amount and
20 in the manner specified in a written agreement between the county
21 office and the institution or other facility.

22 (e) An agreement described in subsection (c) or (d) is subject to the
23 approval of the director of the division of family and children.
24 However, for purposes of IC 4-13-2, the agreement shall not be treated
25 as a contract.

26 SECTION 188. IC 20-8.1-6.1-8 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) As used in
28 this section, the following terms have the following meanings:

29 (1) "Class of school" refers to a classification of each school or
30 program in the transferee corporation by the grades or special
31 programs taught at the school. Generally, these classifications are
32 denominated as kindergarten, elementary school, middle school or
33 junior high school, high school, and special schools or classes,
34 such as schools or classes for special education, vocational
35 training, or career education.

36 (2) "ADM" means the following:

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

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

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

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- 1 (A) The total number of students in kindergarten through grade
 2 12 who are enrolled in a transferee school corporation on a date
 3 determined by the Indiana state board of education.
 4 (B) The total number of students enrolled in a class of school in
 5 a transferee school corporation on a date determined by the
 6 Indiana state board of education.
 7 However, a kindergarten student shall be counted under clauses
 8 (A) and (B) as one-half (1/2) a student.
 9 (4) "Special equipment" means equipment that during a school
 10 year:
 11 (A) is used only when a child with disabilities is attending
 12 school;
 13 (B) is not used to transport a child to or from a place where the
 14 child is attending school;
 15 (C) is necessary for the education of each child with disabilities
 16 that uses the equipment, as determined under the individualized
 17 instruction program for the child; and
 18 (D) is not used for or by any child who is not a child with
 19 disabilities.
 20 The Indiana state board of education may select a different date for
 21 counts under subdivision (3). However, the same date shall be used for
 22 all school corporations making a count for the same class of school.
 23 (b) Each transferee corporation is entitled to receive for each school
 24 year on account of each transferred student, except a student
 25 transferred under section 3 of this chapter, transfer tuition from the
 26 transferor corporation or the state as provided in this chapter. Transfer
 27 tuition equals the amount determined under STEP THREE of the
 28 following formula:
 29 STEP ONE: Allocate to each transfer student the capital
 30 expenditures for any special equipment used by the transfer student
 31 and a proportionate share of the operating costs incurred by the
 32 transferee school for the class of school where the transfer student
 33 is enrolled.
 34 STEP TWO: If the transferee school included the transfer student
 35 in the transferee school's ADM for a school year, allocate to the
 36 transfer student a proportionate share of the following general fund
 37 revenues of the transferee school for, except as provided in clause
 38 (C), the calendar year in which the school year ends:
 39 (A) The following state distributions that are computed in any
 40 part using ADM or other pupil count in which the student is
 41 included:
 42 (i) Primetime grant under IC 21-1-30.

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- 1 (ii) Tuition support for basic programs and at-risk weights
 2 under IC 21-3-1.7-8 (before January 1, 1996) and only for
 3 basic programs (after December 31, 1995).
 4 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
 5 (iv) At-risk grant under IC 21-3-1.7-9.7.
 6 (v) Academic honors diploma award under IC 21-3-1.7-9.8.
 7 (vi) Vocational education grant under IC 21-3-1.8-3.
 8 ~~(vii) Special education grant under IC 21-3-1.8 (repeated~~
 9 ~~January 1, 1996) or IC 21-3-10.~~
 10 ~~(viii)~~ (vii) The portion of the ADA flat grant that is available
 11 for the payment of general operating expenses under
 12 IC 21-3-4.5-2(b)(1).
 13 (B) For school years beginning after June 30, 1997, property tax
 14 levies.
 15 (C) For school years beginning after June 30, 1997, excise tax
 16 revenue (as defined in IC 21-3-1.7-2) received for deposit in the
 17 calendar year in which the school year begins.
 18 (D) For school years beginning after June 30, 1997, allocations
 19 to the transferee school under IC 6-3.5.
 20 STEP THREE: Determine the greater of:
 21 (A) zero (0); or
 22 (B) the result of subtracting the STEP TWO amount from the
 23 STEP ONE amount.
 24 If a child is placed in an institution or facility in Indiana under a court
 25 order, the institution or facility shall charge the ~~county office of the~~
 26 ~~county of the student's legal settlement under IC 12-19-7~~ **division of**
 27 **family and children** for the use of the space within the institution or
 28 facility (commonly called capital costs) that is used to provide
 29 educational services to the child based upon a prorated per student cost.
 30 (c) Operating costs shall be determined for each class of school
 31 where a transfer student is enrolled. The operating cost for each class
 32 of school is based on the total expenditures of the transferee
 33 corporation for the class of school from its general fund expenditures
 34 as specified in the classified budget forms prescribed by the state board
 35 of accounts. This calculation excludes:
 36 (1) capital outlay;
 37 (2) debt service;
 38 (3) costs of transportation;
 39 (4) salaries of board members;
 40 (5) contracted service for legal expenses; and
 41 (6) any expenditure which is made out of the general fund from
 42 extracurricular account receipts;

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

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

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

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

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

28 SECTION 189. IC 20-14-10-14 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. All property
 30 owned by a lessor corporation contracting with a public corporation or
 31 corporations under this chapter, and all stock and other securities
 32 including the interest or dividends issued by a lessor corporation, are
 33 exempt from all state, county, and other taxes, ~~including gross income~~
 34 ~~taxes; but~~ excluding the financial institutions tax and the inheritance
 35 taxes. ~~The rental paid to a lessor corporation under the terms of a lease~~
 36 ~~is exempt from gross income tax.~~

37 SECTION 190. IC 21-2-12-6.1, AS AMENDED BY P.L.3-2000,
 38 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2003]: Sec. 6.1. (a) The county supplemental school
 40 financing tax revenues shall be deposited in the county supplemental
 41 school distribution fund. In addition, for purposes of allocating
 42 distributions of tax revenues collected under ~~IC 6-5-10~~, ~~IC 6-5-11~~,



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1 IC 6-5.5, IC 6-6-5, IC 6-6-5.5, or IC 6-6-6.5, the county supplemental
 2 school financing tax shall be treated as if it were property taxes
 3 imposed by a separate taxing unit. Thus, the appropriate portion of
 4 those distributions shall be deposited in the county supplemental school
 5 distribution fund.

6 (b) The entitlement of each school corporation from the county
 7 supplemental school distribution fund for each calendar year after 2000
 8 shall be the greater of:

9 (1) the amount of its entitlement for the calendar year 2000 from
 10 the tax levied under this chapter; or

11 (2) an amount equal to twenty-seven dollars and fifty cents
 12 (\$27.50) times its ADM.

13 SECTION 191. IC 21-3-1.7-2, AS AMENDED BY P.L.181-1999,
 14 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2003]: Sec. 2. As used in this chapter, "excise tax
 16 revenue" means the amount of:

17 (1) financial institution excise tax revenue (~~IC 6-5-10; IC 6-5-11;~~
 18 ~~IC 6-5-12~~) (or the amount of any distribution by the state to replace
 19 these taxes); **(IC 6-5.5)**; plus

20 (2) the motor vehicle excise taxes (IC 6-6-5) and the commercial
 21 vehicle excise taxes (IC 6-6-5.5);

22 the school corporation received for deposit in the school corporation's
 23 general fund in a year.

24 SECTION 192. IC 21-3-1.7-6.8, AS AMENDED BY P.L.291-2001,
 25 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2003]: Sec. 6.8. A school corporation's target general
 27 fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result
 28 determined under STEP THREE of the following formula:

29 STEP ONE: This STEP applies only if the amount determined in
 30 STEP FIVE of the formula in section 6.7(b) of this chapter minus
 31 the result determined in STEP ONE of the formula in section
 32 6.7(b) of this chapter is greater than zero (0). Determine the result
 33 under clause (E) of the following formula:

34 (A) Divide the school corporation's 2002 assessed valuation by
 35 the school corporation's current ADM.

36 (B) Divide the clause (A) result by ten thousand (10,000).

37 (C) Determine the greater of the following:

38 (i) The clause (B) result.

39 (ii) Thirty-nine dollars (\$39) in 2002 and ~~thirty-nine dollars~~
 40 ~~and seventy-five cents (\$39.75)~~ **eighty-four dollars and**
 41 **eighty cents (\$84.80)** in 2003.

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- 1 (D) Determine the result determined under item (ii) of the
 2 following formula:
 3 (i) Subtract the result determined in STEP ONE of the formula
 4 in section 6.7(b) of this chapter from the amount determined
 5 in STEP FIVE of the formula in section 6.7(b) of this chapter.
 6 (ii) Divide the item (i) result by the school corporation's
 7 current ADM.
 8 (E) Divide the clause (D) result by the clause (C) result.
 9 (F) Divide the clause (E) result by one hundred (100).
 10 STEP TWO: This STEP applies only if the amount determined in
 11 STEP FIVE of the formula in section 6.7(b) of this chapter is equal
 12 to STEP ONE of the formula in section 6.7(b) of this chapter and
 13 the result of clause (A) is greater than zero (0). Determine the
 14 result under clause (G) of the following formula:
 15 (A) Add the following:
 16 (i) An amount equal to the annual decrease in federal aid to
 17 impacted areas from the year preceding the ensuing calendar
 18 year by three (3) years to the year preceding the ensuing
 19 calendar year by two (2) years.
 20 (ii) The original amount of any excessive tax levy the school
 21 corporation imposed as a result of the passage, during the
 22 preceding year, of a referendum under IC 6-1.1-19-4.5(c) for
 23 taxes first due and payable during the year.
 24 (iii) The portion of the maximum general fund levy for the
 25 year that equals the original amount of the levy imposed by the
 26 school corporation to cover the costs of opening a new school
 27 facility during the preceding year.
 28 (B) Divide the clause (A) result by the school corporation's
 29 current ADM.
 30 (C) Divide the school corporation's 2002 assessed valuation by
 31 the school corporation's current ADM.
 32 (D) Divide the clause (C) result by ten thousand (10,000).
 33 (E) Determine the greater of the following:
 34 (i) The clause (D) result.
 35 (ii) Thirty-nine dollars (\$39) in 2002 and ~~thirty-nine dollars~~
 36 ~~and seventy-five cents (\$39.75)~~ **eighty-four dollars and**
 37 **eighty cents (\$84.80)** in 2003.
 38 (F) Divide the clause (B) result by the clause (E) amount.
 39 (G) Divide the clause (F) result by one hundred (100).
 40 STEP THREE: Determine the sum of:
 41 (A) ninety-one and eight-tenths cents (\$0.918) in 2002; and

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1 (B) ~~ninety-five and eight-tenths cents (\$0.958)~~ **forty-seven and**
 2 **seventy-five hundredths cents (\$0.4775)** in 2003; and
 3 if applicable, the STEP ONE or STEP TWO result.

4 SECTION 193. IC 21-3-1.7-8, AS AMENDED BY P.L.291-2001,
 5 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2003]: Sec. 8. Notwithstanding IC 21-3-1.6 and subject
 7 to section 9 of this chapter, the state distribution for a calendar year for
 8 tuition support for basic programs for each school corporation equals
 9 the result determined using the following formula:

10 STEP ONE:

11 (A) For a school corporation not described in clause (B),
 12 determine the school corporation's result under STEP FIVE of
 13 section 6.7(b) of this chapter for the calendar year.

14 (B) For a school corporation that has target revenue per adjusted
 15 ADM for a calendar year that is equal to the amount under STEP
 16 ONE (A) of section 6.7(b) of this chapter, determine the sum of:

17 (i) the school corporation's result under STEP ONE of section
 18 6.7(b) of this chapter for the calendar year; plus

19 (ii) the amount of the annual decrease in federal aid to
 20 impacted areas from the year preceding the ensuing calendar
 21 year by three (3) years to the year preceding the ensuing
 22 calendar year by two (2) years; plus

23 (iii) the original amount of an excessive tax levy the school
 24 corporation imposed as a result of the passage, during the
 25 preceding year, of a referendum under IC 6-1.1-19-4.5(c) for
 26 taxes first due and payable during the year; plus

27 (iv) the part of the maximum general fund levy for the year
 28 that equals the original amount of the levy imposed by the
 29 school corporation to cover the costs of opening a new school
 30 facility during the preceding year.

31 STEP TWO: Determine the remainder of:

32 (A) the STEP ONE amount; minus

33 (B) **for calendar year 2002**, the sum of:

34 (i) the school corporation's tuition support levy; plus

35 (ii) the school corporation's excise tax revenue for the year that
 36 precedes the current year by one (1) year; **or**

37 (C) **for calendar year 2003**, the sum of:

38 (i) **the school corporation's tuition support levy; plus**

39 (ii) **the school corporation's excise tax revenue for the year**
 40 **immediately preceding the current year divided by two (2).**

41 If the state tuition support determined for a school corporation under
 42 this section is negative, the school corporation is not entitled to any

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1 state tuition support. In addition, the school corporation's maximum
 2 general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount
 3 of the negative result.

4 SECTION 194. IC 21-3-1.7-9, AS AMENDED BY P.L.291-2001,
 5 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2003]: Sec. 9. (a) Subject to the amount appropriated by
 7 the general assembly for tuition support, the amount that a school
 8 corporation is entitled to receive in tuition support for a year is the
 9 amount determined in section 8 of this chapter.

10 (b) If the total amount to be distributed as tuition support under this
 11 chapter, for enrollment adjustment grants under section 9.5 of this
 12 chapter, for at-risk programs under section 9.7 of this chapter, for
 13 academic honors diploma awards under section 9.8 of this chapter, **and**
 14 for primetime distributions under IC 21-1-30 ~~and as special and~~
 15 ~~vocational education grants under IC 21-3-1.8-3 or IC 21-3-10~~ for a
 16 particular year, exceeds:

17 (1) three billion three hundred sixty-three million four hundred
 18 thousand dollars (\$3,363,400,000) in 2001;

19 (2) three billion four hundred seventy-one million one hundred
 20 thousand dollars (\$3,471,100,000) in 2002; and

21 (3) ~~three billion five hundred ninety-four million two hundred~~
 22 ~~thousand dollars (\$3,594,200,000)~~ **four billion six hundred**
 23 **million nine hundred thousand dollars (\$4,600,900,000)** in
 24 2003;

25 the amount to be distributed for tuition support under this chapter to
 26 each school corporation during each of the last six (6) months of the
 27 year shall be reduced by the same dollar amount per ADM (as adjusted
 28 by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the
 29 excess.

30 SECTION 195. IC 21-4-20-1 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. Whenever it is
 32 found by the board of school trustees or other proper authorities of any
 33 school city or school town that an emergency exists for the borrowing
 34 of money with which to meet the current expenses of the schools of
 35 such school town or school city, the board of school trustees or other
 36 proper authorities of such school city or school town may make
 37 temporary loans in anticipation of the current revenues of such school
 38 town or school city to an amount not exceeding fifty per cent (50%) of
 39 the amount of:

40 (1) taxes actually levied and in the course of collection; **and**

41 (2) **state tuition support received;**

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1 for the fiscal year in which such loans are made. Revenues shall be
 2 deemed to be current and taxes shall be deemed to have been actually
 3 levied and in the course of collection when the budget levy and rate
 4 shall have been finally approved by the ~~state board of tax~~
 5 ~~commissioners: Provided, department of local government finance.~~
 6 However, ~~That~~ in all second and third class school cities, no such loans
 7 shall be borrowed in excess of the sum of twenty thousand dollars
 8 (\$20,000) until the letting of the same shall have been advertised once
 9 each week for two (2) successive weeks in two (2) newspapers of
 10 general circulation published in such school city, and until sealed bids
 11 have been submitted at a regular meeting of the school board of such
 12 school city, pursuant to such notices, stipulating the rate of interest to
 13 be charged by such bidder. ~~and Provided, further, That~~ Such school
 14 loans shall be made with the bidder submitting the lowest rate of
 15 interest and submitting with ~~his~~ **the bidder's** bid an affidavit showing
 16 that no collusion exists between ~~himself~~ **the bidder** and any other
 17 bidder for such loan.

18 SECTION 196. IC 21-5-11-14 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. All property
 20 owned by a lessor corporation so contracting with such school
 21 corporation or corporations under the provisions of this chapter, and all
 22 stock and other securities including the interest or dividends thereon
 23 issued by a lessor corporation, shall be exempt from all state, county,
 24 and other taxes, ~~including the gross income tax~~, except, however, the
 25 financial institutions tax (IC 6-5.5) and inheritance taxes ~~The rental~~
 26 ~~paid to a lessor corporation under the terms of such a contract of lease~~
 27 ~~shall be exempt from the gross income tax: (IC 6-4.1).~~

28 SECTION 197. IC 25-37-1-4 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. Any transient
 30 merchant desiring to transact business in any county in this state shall
 31 file application for a license for that purpose with the auditor of the
 32 county in this state in which such transient merchant desires to do
 33 business. The application shall state the following facts:

34 (a) The name, residence and post-office address of the person, firm,
 35 limited liability company, or corporation making the application, and
 36 if a firm, limited liability company, or corporation, the name and
 37 address of the members of the firm or limited liability company, or
 38 officers of the corporation, as the case may be.

39 (b) If the applicant is a corporation or limited liability company then
 40 there shall be stated on the application form the date of incorporation
 41 or organization, the state of incorporation or organization, and if the
 42 applicant is a corporation or limited liability company formed in a state

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1 other than the state of Indiana, the date on which such corporation or
 2 limited liability company qualified to transact business as a foreign
 3 corporation or foreign limited liability company in the state of Indiana.

4 (c) A statement showing the kind of business proposed to be
 5 conducted, the length of time for which the applicant desires to transact
 6 business, and if for the purpose of transacting such business any
 7 permanent or mobile building, structure or real estate is to be used for
 8 the exhibition by means of samples, catalogues, photographs and price
 9 lists or sale of goods, wares or merchandise, the location of such
 10 proposed place of business.

11 (d) A detailed inventory and description of such goods, wares, and
 12 merchandise to be offered for sale or sold, the manner in which the
 13 same is to be advertised for sale and the representations to be made in
 14 connection therewith, the names of the persons from whom the goods,
 15 wares, and merchandise so to be advertised or represented were
 16 obtained, the date of receipt of such goods, wares, and merchandise by
 17 the applicant for the license, the place from which the same were last
 18 taken, and any and all details necessary to locate and identify all goods,
 19 wares and merchandise to be sold.

20 (e) Attached to the application shall be a receipt showing that
 21 personal property taxes on the goods, wares and merchandise to be
 22 offered for sale or sold have been paid.

23 (f) Attached to the application shall be a copy of a notice, which ten
 24 (10) days before said application has been filed, shall have been mailed
 25 by registered mail by the applicant to the Indiana department of state
 26 revenue. ~~of the state of Indiana or such other department as may be~~
 27 ~~charged with the duty of collecting gross income taxes or other taxes~~
 28 ~~of a comparable nature or which may be in lieu of such gross income~~
 29 ~~taxes.~~ The said notice shall state the precise period of time and location
 30 from which said applicant intends to transact business, the approximate
 31 value of the goods, wares, and merchandise to be offered for sale or
 32 sold, and such other information as the Indiana department of state
 33 revenue of the state of Indiana or its successor may request or by
 34 regulation require.

35 (g) Said application shall be verified.

36 SECTION 198. IC 27-1-18-2, AS AMENDED BY P.L.144-2000,
 37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2003]: Sec. 2. (a) Every insurance company ~~not~~
 39 ~~organized under the laws of this state and each domestic company~~
 40 ~~electing to be taxed under this section,~~ and doing business within this
 41 state shall, on or before March 1 of each year, report to the department,
 42 under the oath of the president and secretary, the gross amount of all

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1 premiums received by it on policies of insurance covering risks within
 2 this state, or in the case of marine or transportation risks, on policies
 3 made, written, or renewed within this state during the twelve (12)
 4 month period ending on December 31 of the preceding calendar year.
 5 From the amount of gross premiums described in this subsection shall
 6 be deducted:

7 (1) considerations received for reinsurance of risks within this state
 8 from companies authorized to transact an insurance business in
 9 this state;

10 (2) the amount of dividends paid or credited to resident insureds,
 11 or used to reduce current premiums of resident insureds;

12 (3) the amount of premiums actually returned to residents on
 13 account of applications not accepted or on account of policies not
 14 delivered; and

15 (4) the amount of unearned premiums returned on account of the
 16 cancellation of policies covering risks within the state.

17 ~~(b) A domestic company shall be taxed under this section only in~~
 18 ~~each calendar year with respect to which it files a notice of election.~~
 19 ~~The notice of election shall be filed with the insurance commissioner~~
 20 ~~and the commissioner of the department of state revenue on or before~~
 21 ~~November 30 in each year and shall state that the domestic company~~
 22 ~~elects to submit to the tax imposed by this section with respect to the~~
 23 ~~calendar year commencing January 1 next following the filing of the~~
 24 ~~notice. The exemption from license fees, privilege, or other taxes~~
 25 ~~accorded by this section to insurance companies not organized under~~
 26 ~~the laws of this state and doing business within this state which are~~
 27 ~~taxed under this chapter shall be applicable to each domestic company~~
 28 ~~in each calendar year with respect to which it is taxed under this~~
 29 ~~section. In each calendar year with respect to which a domestic~~
 30 ~~company has not elected to be taxed under this section it shall be taxed~~
 31 ~~without regard to this section.~~

32 ~~(c) (b)~~ For the privilege of doing business in this state, every
 33 insurance company ~~required to file the report provided in this section~~
 34 shall pay into the treasury of this state an amount equal to the excess,
 35 if any, of the gross premiums over the allowable deductions multiplied
 36 by the following rate for the year that the report covers:

37 (1) For 2000, two percent (2%).

38 (2) For 2001, one and nine-tenths percent (1.9%).

39 (3) For 2002, one and eight-tenths percent (1.8%).

40 (4) For 2003, one and seven-tenths percent (1.7%).

41 (5) For 2004, one and five-tenths percent (1.5%).

42 (6) For 2005 and thereafter, one and three-tenths percent (1.3%).

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1 ~~(d)~~ (c) Payments of the tax imposed by this section shall be made on
 2 a quarterly estimated basis. The amounts of the quarterly installments
 3 shall be computed on the basis of the total estimated tax liability for the
 4 current calendar year and the installments shall be due and payable on
 5 or before April 15, June 15, September 15, and December 15, of the
 6 current calendar year.

7 ~~(e)~~ (d) Any balance due shall be paid in the next succeeding calendar
 8 year at the time designated for the filing of the annual report with the
 9 department.

10 ~~(f)~~ (e) Any overpayment of the estimated tax during the preceding
 11 calendar year shall be allowed as a credit against the liability for the
 12 first installment of the current calendar year.

13 ~~(g)~~ (f) In the event ~~a~~ **an insurance** company ~~subject to taxation under~~
 14 ~~this section~~ fails to make any quarterly payment in an amount equal to
 15 at least:

16 (1) twenty-five percent (25%) of the total tax paid during the
 17 preceding calendar year; or

18 (2) twenty percent (20%) of the actual tax for the current calendar
 19 year;

20 the company shall be liable, in addition to the amount due, for interest
 21 in the amount of one percent (1%) of the amount due and unpaid for
 22 each month or part of a month that the amount due, together with
 23 interest, remains unpaid. This interest penalty shall be exclusive of and
 24 in addition to any other fee, assessment, or charge made by the
 25 department.

26 ~~(h)~~ (g) The taxes under this article shall be in lieu of all license fees
 27 or privilege or other tax levied or assessed by this state or by any
 28 municipality, county, or other political subdivision of this state. No
 29 municipality, county, or other political subdivision of this state shall
 30 impose any license fee or privilege or other tax upon any insurance
 31 company or any of its agents for the privilege of doing an insurance
 32 business therein, except the tax authorized by IC 22-12-6-5. However,
 33 the taxes authorized under IC 22-12-6-5 shall be credited against the
 34 taxes provided under this chapter. This section shall not be construed
 35 to prohibit the levy and collection of state, county, or municipal taxes
 36 upon real and tangible personal property of such company, or to
 37 prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by
 38 law. However, all insurance companies, foreign or domestic, paying
 39 taxes in this state predicated in part on their premium income from
 40 policies sold and premiums received in Indiana shall have the same
 41 rights and privileges from further taxation and shall be given the same

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1 credits wherever applicable as those set out for those companies paying
2 only a tax on premiums as set out in this section.

3 (i) (h) Any insurance company failing or refusing, for more than
4 thirty (30) days, to render an accurate account of its premium receipts
5 as provided in this section and pay the tax due thereon shall be subject
6 to a penalty of one hundred dollars (\$100) for each additional day such
7 report and payment shall be delayed, not to exceed a maximum penalty
8 of ten thousand dollars (\$10,000). The penalty may be ordered by the
9 commissioner after a hearing under IC 4-21.5-3. The commissioner
10 may revoke all authority of such defaulting company to do business
11 within this state, or suspend such authority during the period of such
12 default, in the discretion of the commissioner.

13 SECTION 199. IC 27-6-8-15 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. (a) Member
15 insurers, which during any preceding calendar year shall have paid one
16 (1) or more assessments levied pursuant to section 7 of this chapter,
17 shall be allowed a credit against premium taxes, ~~corporate gross~~
18 ~~income taxes~~, adjusted gross income taxes, ~~supplemental corporate net~~
19 ~~income tax~~, or any combination thereof, ~~or similar taxes~~ upon revenue
20 or income of member insurers which may be imposed by the state, up
21 to twenty percent (20%) of the assessment described in section 7 of this
22 chapter for each calendar year following the year the assessment was
23 paid until the aggregate of all assessments paid to the guaranty
24 association shall have been offset by either credits against such taxes
25 or refunds from the association. The provisions herein are applicable
26 to all assessments levied after the passage of this article.

27 (b) To the extent a member insurer elects not to utilize the tax credits
28 authorized by subsection (a), the member insurer may utilize the
29 provisions of ~~this~~ subsection (c) as a secondary method of recoupment.

30 (c) The rates and premiums charged for insurance policies to which
31 this chapter applies shall include amounts sufficient to recoup a sum
32 equal to the amounts paid to the association by the member insurer less
33 any amounts returned to the member insurer by the association and the
34 rates shall not be deemed excessive because they contain an amount
35 reasonably calculated to recoup assessments paid by the member
36 insurer.

37 SECTION 200. IC 27-8-8-16 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. Member
39 insurers who, during any preceding calendar year, have paid one (1) or
40 more assessments levied under this chapter may either:

41 (1) take as a credit against premium taxes, ~~gross income taxes~~,
42 adjusted gross income taxes, ~~supplemental corporate net income~~

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1 tax, or any combination of them or similar taxes upon revenue or
 2 income of member insurers that may be imposed by Indiana up to
 3 twenty percent (20%) of an assessment described in section 6 of
 4 this chapter for each calendar year following the year in which
 5 those assessments were paid until the aggregate of those
 6 assessments have been offset by either credits against those taxes
 7 or refunds from the association; or

8 (2) include in the rates and premiums charged for insurance
 9 policies to which this chapter applies amounts sufficient to recoup
 10 a sum equal to the amounts paid to the association by the member
 11 less any amounts returned to the member insurer by the association
 12 and the rates are not excessive by virtue of including an amount
 13 reasonably calculated to recoup assessments paid by the member.

14 SECTION 201. IC 27-8-10-2.1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2.1. (a) There is
 16 established a nonprofit legal entity to be referred to as the Indiana
 17 comprehensive health insurance association, which must assure that
 18 health insurance is made available throughout the year to each eligible
 19 Indiana resident applying to the association for coverage. All carriers,
 20 health maintenance organizations, limited service health maintenance
 21 organizations, and self-insurers providing health insurance or health
 22 care services in Indiana must be members of the association. The
 23 association shall operate under a plan of operation established and
 24 approved under subsection (c) and shall exercise its powers through a
 25 board of directors established under this section.

26 (b) The board of directors of the association consists of seven (7)
 27 members whose principal residence is in Indiana selected as follows:

28 (1) Three (3) members to be appointed by the commissioner from
 29 the members of the association, one (1) of which must be a
 30 representative of a health maintenance organization.

31 (2) Two (2) members to be appointed by the commissioner shall be
 32 consumers representing policyholders.

33 (3) Two (2) members shall be the state budget director or designee
 34 and the commissioner of the department of insurance or designee.

35 The commissioner shall appoint the chairman of the board, and the
 36 board shall elect a secretary from its membership. The term of office
 37 of each appointed member is three (3) years, subject to eligibility for
 38 reappointment. Members of the board who are not state employees may
 39 be reimbursed from the association's funds for expenses incurred in
 40 attending meetings. The board shall meet at least semiannually, with
 41 the first meeting to be held not later than May 15 of each year.

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1 (c) The association shall submit to the commissioner a plan of
2 operation for the association and any amendments to the plan necessary
3 or suitable to assure the fair, reasonable, and equitable administration
4 of the association. The plan of operation becomes effective upon
5 approval in writing by the commissioner consistent with the date on
6 which the coverage under this chapter must be made available. The
7 commissioner shall, after notice and hearing, approve the plan of
8 operation if the plan is determined to be suitable to assure the fair,
9 reasonable, and equitable administration of the association and
10 provides for the sharing of association losses on an equitable,
11 proportionate basis among the member carriers, health maintenance
12 organizations, limited service health maintenance organizations, and
13 self-insurers. If the association fails to submit a suitable plan of
14 operation within one hundred eighty (180) days after the appointment
15 of the board of directors, or at any time thereafter the association fails
16 to submit suitable amendments to the plan, the commissioner shall
17 adopt rules under IC 4-22-2 necessary or advisable to implement this
18 section. These rules are effective until modified by the commissioner
19 or superseded by a plan submitted by the association and approved by
20 the commissioner. The plan of operation must:

- 21 (1) establish procedures for the handling and accounting of assets
22 and money of the association;
- 23 (2) establish the amount and method of reimbursing members of
24 the board;
- 25 (3) establish regular times and places for meetings of the board of
26 directors;
- 27 (4) establish procedures for records to be kept of all financial
28 transactions, and for the annual fiscal reporting to the
29 commissioner;
- 30 (5) establish procedures whereby selections for the board of
31 directors will be made and submitted to the commissioner for
32 approval;
- 33 (6) contain additional provisions necessary or proper for the
34 execution of the powers and duties of the association; and
- 35 (7) establish procedures for the periodic advertising of the general
36 availability of the health insurance coverages from the association.

37 (d) The plan of operation may provide that any of the powers and
38 duties of the association be delegated to a person who will perform
39 functions similar to those of this association. A delegation under this
40 section takes effect only with the approval of both the board of
41 directors and the commissioner. The commissioner may not approve a
42 delegation unless the protections afforded to the insured are

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- 1 substantially equivalent to or greater than those provided under this
- 2 chapter.
- 3 (e) The association has the general powers and authority enumerated
- 4 by this subsection in accordance with the plan of operation approved
- 5 by the commissioner under subsection (c). The association has the
- 6 general powers and authority granted under the laws of Indiana to
- 7 carriers licensed to transact the kinds of health care services or health
- 8 insurance described in section 1 of this chapter and also has the
- 9 specific authority to do the following:
- 10 (1) Enter into contracts as are necessary or proper to carry out this
- 11 chapter, subject to the approval of the commissioner.
- 12 (2) Sue or be sued, including taking any legal actions necessary or
- 13 proper for recovery of any assessments for, on behalf of, or against
- 14 participating carriers.
- 15 (3) Take legal action necessary to avoid the payment of improper
- 16 claims against the association or the coverage provided by or
- 17 through the association.
- 18 (4) Establish a medical review committee to determine the
- 19 reasonably appropriate level and extent of health care services in
- 20 each instance.
- 21 (5) Establish appropriate rates, scales of rates, rate classifications
- 22 and rating adjustments, such rates not to be unreasonable in
- 23 relation to the coverage provided and the reasonable operational
- 24 expenses of the association.
- 25 (6) Pool risks among members.
- 26 (7) Issue policies of insurance on an indemnity or provision of
- 27 service basis providing the coverage required by this chapter.
- 28 (8) Administer separate pools, separate accounts, or other plans or
- 29 arrangements considered appropriate for separate members or
- 30 groups of members.
- 31 (9) Operate and administer any combination of plans, pools, or
- 32 other mechanisms considered appropriate to best accomplish the
- 33 fair and equitable operation of the association.
- 34 (10) Appoint from among members appropriate legal, actuarial,
- 35 and other committees as necessary to provide technical assistance
- 36 in the operation of the association, policy and other contract
- 37 design, and any other function within the authority of the
- 38 association.
- 39 (11) Hire an independent consultant.
- 40 (12) Develop a method of advising applicants of the availability of
- 41 other coverages outside the association and may promulgate a list
- 42 of health conditions the existence of which would deem an

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- 1 applicant eligible without demonstrating a rejection of coverage by
2 one (1) carrier.
- 3 (13) Provide for the use of managed care plans for insureds,
4 including the use of:
- 5 (A) health maintenance organizations; and
6 (B) preferred provider plans.
- 7 (14) Solicit bids directly from providers for coverage under this
8 chapter.
- 9 (f) Rates for coverages issued by the association may not be
10 unreasonable in relation to the benefits provided, the risk experience,
11 and the reasonable expenses of providing the coverage. Separate scales
12 of premium rates based on age apply for individual risks. Premium
13 rates must take into consideration the extra morbidity and
14 administration expenses, if any, for risks insured in the association. The
15 rates for a given classification may not be more than one hundred fifty
16 percent (150%) of the average premium rate for that class charged by
17 the five (5) carriers with the largest premium volume in the state during
18 the preceding calendar year. In determining the average rate of the five
19 (5) largest carriers, the rates charged by the carriers shall be actuarially
20 adjusted to determine the rate that would have been charged for
21 benefits identical to those issued by the association. All rates adopted
22 by the association must be submitted to the commissioner for approval.
- 23 (g) Following the close of the association's fiscal year, the association
24 shall determine the net premiums, the expenses of administration, and
25 the incurred losses for the year. Any net loss shall be assessed by the
26 association to all members in proportion to their respective shares of
27 total health insurance premiums, excluding premiums for Medicaid
28 contracts with the state of Indiana, received in Indiana during the
29 calendar year (or with paid losses in the year) coinciding with or ending
30 during the fiscal year of the association or any other equitable basis as
31 may be provided in the plan of operation. For self-insurers, health
32 maintenance organizations, and limited service health maintenance
33 organizations that are members of the association, the proportionate
34 share of losses must be determined through the application of an
35 equitable formula based upon claims paid, excluding claims for
36 Medicaid contracts with the state of Indiana, or the value of services
37 provided. In sharing losses, the association may abate or defer in any
38 part the assessment of a member, if, in the opinion of the board,
39 payment of the assessment would endanger the ability of the member
40 to fulfill its contractual obligations. The association may also provide
41 for interim assessments against members of the association if necessary
42 to assure the financial capability of the association to meet the incurred

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1 or estimated claims expenses or operating expenses of the association
 2 until the association's next fiscal year is completed. Net gains, if any,
 3 must be held at interest to offset future losses or allocated to reduce
 4 future premiums. Assessments must be determined by the board
 5 members specified in subsection (b)(1), subject to final approval by the
 6 commissioner.

7 (h) The association shall conduct periodic audits to assure the general
 8 accuracy of the financial data submitted to the association, and the
 9 association shall have an annual audit of its operations by an
 10 independent certified public accountant.

11 (i) The association is subject to examination by the department of
 12 insurance under IC 27-1-3.1. The board of directors shall submit, not
 13 later than March 30 of each year, a financial report for the preceding
 14 calendar year in a form approved by the commissioner.

15 (j) All policy forms issued by the association must conform in
 16 substance to prototype forms developed by the association, must in all
 17 other respects conform to the requirements of this chapter, and must be
 18 filed with and approved by the commissioner before their use.

19 (k) The association may not issue an association policy to any
 20 individual who, on the effective date of the coverage applied for, does
 21 not meet the eligibility requirements of section 5.1 of this chapter.

22 (l) The association shall pay an agent's referral fee of twenty-five
 23 dollars (\$25) to each insurance agent who refers an applicant to the
 24 association if that applicant is accepted.

25 (m) The association and the premium collected by the association
 26 shall be exempt from the premium tax, ~~the gross income tax~~, the
 27 adjusted gross income tax, ~~supplemental corporate net income~~, or any
 28 combination of these ~~or similar~~ taxes upon revenues or income that
 29 may be imposed by the state.

30 (n) Members who after July 1, 1983, during any calendar year, have
 31 paid one (1) or more assessments levied under this chapter may either:

32 (1) take a credit against premium taxes, ~~gross income taxes~~,
 33 adjusted gross income taxes, ~~supplemental corporate net income~~
 34 ~~taxes~~; or any combination of these ~~or similar~~ taxes upon revenues
 35 or income of member insurers that may be imposed by the state, up
 36 to the amount of the taxes due for each calendar year in which the
 37 assessments were paid and for succeeding years until the aggregate
 38 of those assessments have been offset by either credits against
 39 those taxes or refunds from the association; or

40 (2) any member insurer may include in the rates for premiums
 41 charged for insurance policies to which this chapter applies
 42 amounts sufficient to recoup a sum equal to the amounts paid to

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1 the association by the member less any amounts returned to the
 2 member insurer by the association, and the rates shall not be
 3 deemed excessive by virtue of including an amount reasonably
 4 calculated to recoup assessments paid by the member.

5 (o) The association shall provide for the option of monthly collection
 6 of premiums.

7 SECTION 202. IC 27-13-18-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) If for any
 9 reason the plan of the health maintenance organization under
 10 IC 27-13-16 does not provide for continuation of benefits as required
 11 by IC 27-13-16-1, the liquidator shall assess, or cause to be assessed,
 12 each licensed health maintenance organization doing business in
 13 Indiana. The amount that each licensed health maintenance
 14 organization is assessed must be based on the ratio of the amount of all
 15 subscriber premiums received by the health maintenance organization
 16 for contracts issued in Indiana for the previous calendar year to the
 17 amount of the total subscriber premiums received by all licensed health
 18 maintenance organizations for contracts issued in Indiana for the
 19 previous calendar year.

20 (b) The total assessments of health maintenance organizations under
 21 subsection (a) must equal an amount sufficient to provide for
 22 continuation of benefits as required by IC 27-13-16-1 to enrollees
 23 covered under contracts issued by the health maintenance organization
 24 to subscribers located in Indiana, and to pay administrative expenses.

25 (c) The total amount of all assessments to be paid by a health
 26 maintenance organization in any one (1) calendar year may not exceed
 27 one percent (1%) of the premiums received by the health maintenance
 28 organization from business in Indiana during the calendar year
 29 preceding the assessment.

30 (d) If the total amount of all assessments in any one (1) calendar year
 31 does not provide an amount sufficient to meet the requirements of
 32 subsection (a), additional funds must be assessed in succeeding
 33 calendar years.

34 (e) Health maintenance organizations that, during any preceding
 35 calendar year, have paid one (1) or more assessments levied under this
 36 section may either:

37 (1) take as a credit against ~~gross income taxes~~, adjusted gross
 38 income taxes ~~supplemental corporate net income taxes~~, or any
 39 ~~combination of these~~, or similar taxes upon revenue or income of
 40 health maintenance organizations that may be imposed by Indiana
 41 up to twenty percent (20%) of any assessment described in this
 42 section for each calendar year following the year in which those

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1 assessments were paid until the aggregate of those assessments
2 have been offset; or

3 (2) include in the premiums charged for coverage to which this
4 article applies amounts sufficient to recoup a sum equal to the
5 amounts paid in assessments as long as the premiums are not
6 excessive by virtue of including an amount reasonably calculated
7 to recoup assessments paid by the health maintenance
8 organization.

9 SECTION 203. IC 29-2-2-1 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. (a) In all
11 counties of this state containing a voting population of over seven
12 thousand (7,000), as shown by the vote cast for secretary of state at the
13 last preceding election, the judge of the circuit court of each of said
14 counties, when he shall find:

15 (1) that the probate business of his court requires it;

16 (2) that the interests of heirs under the age of eighteen (18) years
17 and other beneficiaries of estates, guardianships, receiverships, and
18 other trusts pending in said court will be protected and subserved
19 thereby; and

20 (3) that the same is demanded for the proper protection of such
21 interests;

22 shall cause such finding to be entered of record, and thereupon shall
23 appoint some competent person as probate commissioner of such court.

24 (b) In such finding and order of appointment, on proof first heard in
25 open court, the judge shall fix and specify the annual salary of such
26 commissioner. ~~and the time of payment thereof and shall thereupon~~
27 ~~cause to be certified to the auditor of such county a copy of such~~
28 ~~finding and order, which shall be sufficient authority for said auditor~~
29 ~~to draw his warrant for the payment thereof at the times and in the~~
30 ~~amounts in said record set forth.~~

31 SECTION 204. IC 29-2-2-2 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. Said
33 commissioner shall take and subscribe an oath for the faithful
34 discharge of ~~his~~ **the commissioner's** duties, and shall hold ~~his~~ office
35 for the term of four (4) years, subject to the provisions of this chapter,
36 and for ~~his~~ services as ~~such~~ commissioner, **the commissioner** shall
37 receive or be allowed no fees, emoluments, or compensation whatever
38 other than the salary fixed by said court, ~~and required to be paid out of~~
39 ~~the treasury of said county as aforesaid, and~~ which salary shall not be
40 increased during ~~his~~ **the commissioner's** term of office.

41 SECTION 205. IC 29-3-3-3 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. Except as

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1 otherwise determined in a dissolution of marriage proceeding, a
 2 custody proceeding, or in some other proceeding authorized by law,
 3 including a proceeding under section 6 of this chapter or another
 4 proceeding under this article, and unless a minor is married, the parents
 5 of the minor jointly (or the survivor if one (1) parent is deceased), if not
 6 an incapacitated person, have, without the appointment of a guardian,
 7 giving of bond, or order or confirmation of court, the right to custody
 8 of the person of the minor and the power to execute the following on
 9 behalf of the minor:

10 (1) Consent to the application of subsection (c) of Section 2032A
 11 of the Internal Revenue Code, which imposes personal liability for
 12 payment of the tax under that Section.

13 (2) Consent to the application of Section 6324A of the Internal
 14 Revenue Code, which attaches a lien to property to secure payment
 15 of taxes deferred under Section 6166 of the Internal Revenue Code.

16 (3) Any other consents, waivers, or powers of attorney provided for
 17 under the Internal Revenue Code.

18 (4) Waivers of notice permissible with reference to proceedings
 19 under IC 29-1.

20 (5) Consents, waivers of notice, or powers of attorney under any
 21 statute, including the Indiana inheritance tax law (IC 6-4.1) ~~the~~
 22 ~~Indiana gross income tax law (IC 6-2.1);~~ and the Indiana adjusted
 23 gross income tax law (IC 6-3).

24 (6) Consent to unsupervised administration as provided in
 25 IC 29-1-7.5.

26 (7) Federal and state income tax returns.

27 (8) Consent to medical or other professional care, treatment, or
 28 advice for the minor's health and welfare.

29 SECTION 206. IC 31-31-8-3, AS AMENDED BY P.L.273-1999,
 30 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2003]: Sec. 3. (a) The juvenile court may establish
 32 juvenile detention and shelter care facilities for children, except as
 33 provided by IC 31-31-9.

34 (b) The court may contract with other agencies to provide juvenile
 35 detention and shelter care facilities.

36 (c) If the juvenile court operates the juvenile detention and shelter
 37 care facilities, the judge shall appoint staff and determine the budgets.

38 (d) The county shall pay all expenses. The expenses for the juvenile
 39 detention facility shall be paid from the county general fund. ~~Payment~~
 40 ~~of the expenses for the juvenile detention facility may not be paid from~~
 41 ~~the county family and children's fund established by IC 12-19-7-3.~~

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1 SECTION 207. IC 31-31-8-4, AS AMENDED BY P.L.273-1999,
 2 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003]: Sec. 4. (a) This section applies to a county having
 4 a population of more than one hundred seven thousand (107,000) but
 5 less than one hundred eight thousand (108,000).

6 (b) Notwithstanding section 3 of this chapter, the juvenile court shall
 7 operate a juvenile detention facility or juvenile shelter care facility
 8 established in the county. However, the county legislative body shall
 9 determine the budget for the juvenile detention facility or juvenile
 10 shelter care facility. The expenses for the juvenile detention facility
 11 shall be paid from the county general fund. ~~Payment of the expenses for~~
 12 ~~the juvenile detention facility may not be paid from the county family~~
 13 ~~and children's fund established by IC 12-19-7-3.~~

14 SECTION 208. IC 31-34-18-1.3 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1.3. (a) The
 16 individuals participating in a meeting described in section 1.1 of this
 17 chapter shall assist the person preparing the report in recommending
 18 the care, treatment, rehabilitation, or placement of the child.

19 (b) The individuals shall inform the person preparing the report of
 20 resources and programs that are available for the child.

21 **(c) The probation officer or caseworker shall collect, maintain,**
 22 **and complete financial eligibility forms designated by the director**
 23 **to assist in obtaining federal reimbursement and other**
 24 **reimbursement.**

25 SECTION 209. IC 31-34-18-3 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The probation
 27 officer or caseworker shall also **collect information and** prepare a
 28 financial report, **in the form prescribed by the division,** on the parent
 29 or the estate of the child to assist the juvenile court **and the county**
 30 **office** in:

31 **(1) determining the person's financial responsibility; and**

32 **(2) obtaining federal reimbursement;**

33 for services provided for the child or the person.

34 SECTION 210. IC 31-34-24-4 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Before
 36 March 1, 1998, each county shall establish a team to develop a plan as
 37 described in this chapter.

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

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

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- 1 (2) Two (2) members appointed by the director of the county office
 2 as follows:
 3 (A) One (1) is a member of the child welfare staff of the county
 4 office.
 5 (B) One (1) is either:
 6 (i) an interested resident of the county; or
 7 (ii) a representative of a social service agency;
 8 who knows of child welfare needs and services available to
 9 residents of the county.
 10 (3) One (1) member appointed by the superintendent of the largest
 11 school corporation in the county.
 12 (4) If:
 13 (A) two (2) school corporations are located within the county,
 14 one (1) member appointed by the superintendent of the second
 15 largest school corporation in the county; or
 16 (B) more than two (2) school corporations are located within the
 17 county, one (1) member appointed by the county fiscal body as
 18 a representative of school corporations other than the largest
 19 school corporation in the county.
 20 ~~(5) One (1) member appointed by the county fiscal body.~~
 21 ~~(6)~~ (5) One (1) member representing the community mental health
 22 center (as defined under IC 12-7-2-38) serving the county,
 23 appointed by the director of the community mental health center.
 24 However, if more than one (1) community mental health center
 25 serves the county, the member shall be appointed by the county
 26 fiscal body.
 27 ~~(7)~~ (6) One (1) or more additional members appointed by the
 28 ~~chairperson of the team, county director,~~ from among interested
 29 or knowledgeable residents of the community or representatives of
 30 agencies providing social services to or for children in the county.
 31 SECTION 211. IC 31-34-24-8, AS AMENDED BY P.L.273-1999,
 32 SECTION 101, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2003]: Sec. 8. In preparing the plan, the
 34 team shall review and consider existing publicly and privately funded
 35 programs that are available or that could be made available in the
 36 county to provide supportive services to or for the benefit of children
 37 described in section 3 of this chapter without removing the child from
 38 the family home, including programs funded through the following:
 39 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
 40 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
 41 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

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- 1 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
2 5106 et seq.).
- 3 (5) Community corrections programs under IC 11-12.
- 4 (6) Special education programs under IC 20-1-6-19.
- 5 (7) All programs designed to prevent child abuse, neglect, or
6 delinquency, or to enhance child welfare and family preservation
7 administered by, or through funding provided by, the division of
8 family and children, county offices, prosecutors, or juvenile courts,
9 including **child services and** programs funded under ~~IC 12-19-7~~
10 ~~and~~ IC 31-40.
- 11 (8) Probation user's fees under IC 31-40-2-1.
- 12 (9) Child advocacy fund under IC 12-17-17.
- 13 SECTION 212. IC 31-34-24-11, AS AMENDED BY P.L.273-1999,
14 SECTION 103, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 2003]: Sec. 11. The ~~director or the~~ state
16 superintendent of public instruction may, not later than thirty (30) days
17 after receiving the plan, transmit to the team and the ~~county fiscal body~~
18 **director** any comments, including recommendations for modification
19 of the plan, that the ~~director or the~~ state superintendent of public
20 instruction considers appropriate.
- 21 SECTION 213. IC 31-34-24-12, AS AMENDED BY P.L.273-1999,
22 SECTION 104, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2003]: Sec. 12. Not later than sixty (60)
24 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
25 one (1) of the following:
- 26 (1) Approve the plan as submitted by the team.
- 27 (2) ~~Approve the plan with amendments, modifications, or revisions~~
28 ~~adopted by the county fiscal body.~~
- 29 (3) (2) Return the plan to the team with directions concerning:
- 30 (A) subjects for further study and reconsideration; and
- 31 (B) resubmission of a revised plan.
- 32 SECTION 214. IC 31-34-24-13 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. (a) Upon
34 receiving the initial plan and each revised or updated plan, the ~~county~~
35 ~~fiscal body~~ **director** shall consider the plan in developing the ~~family~~
36 ~~and children's fund~~ budget **for the delivery of child services in the**
37 **county.**
- 38 (b) The ~~county fiscal body~~ may appropriate from the family and
39 children's fund any amounts necessary to provide funding to implement
40 the plan.
- 41 SECTION 215. IC 31-34-24-14, AS AMENDED BY P.L.273-1999,
42 SECTION 105, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) The team shall meet at
2 least one (1) time each year to do the following:

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

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

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

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

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

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

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

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

24 SECTION 216. IC 31-34-24-15, AS AMENDED BY P.L.273-1999,
25 SECTION 106, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2003]: Sec. 15. The team ~~or the county~~
27 ~~fiscal body~~ shall transmit copies of the plan, each annual report, and
28 each revised plan to the following:

29 (1) The director.

30 (2) The state superintendent of public instruction.

31 (3) The county office.

32 (4) The juvenile court.

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

35 (6) The local step ahead council.

36 (7) Any public or private agency that:

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

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

41 SECTION 217. IC 31-34-24-16 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. The team ~~or~~

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

3 SECTION 218. IC 31-37-24-4 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Before
 5 March 1, 1998, each county shall establish a team to develop a plan as
 6 described in this chapter.

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

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

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

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

16 (B) One (1) is either:

17 (i) an interested resident of the county; or

18 (ii) a representative of a social service agency;

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

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

23 (4) If:

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

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

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

32 ~~(6)~~ (5) One (1) member representing the community mental health
 33 center (as defined under IC 12-7-2-38) serving the county,
 34 appointed by the director of the community mental health center.
 35 However, if more than one (1) community mental health center
 36 serves the county, the member shall be appointed by the county
 37 ~~fiscal body.~~ **director.**

38 ~~(7)~~ (6) One (1) or more additional members appointed by the
 39 ~~chairperson of the team;~~ **county director**, from among interested
 40 or knowledgeable residents of the community or representatives of
 41 agencies providing social services to or for children in the county.

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1 SECTION 219. IC 31-37-24-5, AS AMENDED BY P.L.273-1999,
 2 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2003]: Sec. 5. If a county has in existence
 4 a committee, council, or other organized group that includes
 5 representatives of all of the appointing authorities described in section
 6 4 of this chapter, the ~~county fiscal body~~ **director** may elect to designate
 7 that existing organization as the county's team for purposes of this
 8 chapter.

9 SECTION 220. IC 31-37-24-8, AS AMENDED BY P.L.273-1999,
 10 SECTION 113, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2003]: Sec. 8. In preparing the plan, the
 12 team shall review and consider existing publicly and privately funded
 13 programs that are available or that could be made available in the
 14 county to provide supportive services to or for the benefit of children
 15 described in section 3 of this chapter without removing the child from
 16 the family home, including programs funded through the following:

- 17 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 18 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 19 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 20 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 21 5106 et seq.).
- 22 (5) Community corrections programs under IC 11-12.
- 23 (6) Special education programs under IC 20-1-6-19.
- 24 (7) All programs designed to prevent child abuse, neglect, or
 25 delinquency, or to enhance child welfare and family preservation
 26 administered by, or through funding provided by, the division of
 27 family and children, county offices, prosecutors, or juvenile courts,
 28 including **child services and** programs funded under ~~IC 12-19-7~~
 29 **and** IC 31-40.
- 30 (8) Probation user's fees under IC 31-40-2-1.
- 31 (9) The child advocacy fund under IC 12-17-17.

32 SECTION 221. IC 31-37-24-11, AS AMENDED BY P.L.273-1999,
 33 SECTION 115, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2003]: Sec. 11. The ~~director or the~~ state
 35 superintendent of public instruction may, not later than thirty (30) days
 36 after receiving the plan, transmit to the team and the ~~county fiscal body~~
 37 **director** any comments, including recommendations for modification
 38 of the plan, that the ~~director or the~~ state superintendent of public
 39 instruction considers appropriate.

40 SECTION 222. IC 31-37-24-12, AS AMENDED BY P.L.273-1999,
 41 SECTION 116, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 2003]: Sec. 12. Not later than sixty (60)

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1 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
2 one (1) of the following:

- 3 (1) Approve the plan as submitted by the team.
4 ~~(2) Approve the plan with amendments, modifications, or revisions~~
5 ~~adopted by the county fiscal body.~~
6 ~~(3)~~ **(2)** Return the plan to the team with directions concerning:
7 (A) subjects for further study and reconsideration; and
8 (B) resubmission of a revised plan.

9 SECTION 223. IC 31-37-24-13 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 13. ~~(a)~~ Upon
11 receiving the initial plan and each revised or updated plan, the ~~county~~
12 ~~fiscal body~~ **director** shall consider the plan in developing the ~~family~~
13 ~~and children's fund~~ budget **for the delivery of child services in the**
14 **county.**

15 ~~(b) The county fiscal body may appropriate from the family and~~
16 ~~children's fund any amounts necessary to provide funding to implement~~
17 ~~the plan.~~

18 SECTION 224. IC 31-37-24-14, AS AMENDED BY P.L.273-1999,
19 SECTION 117, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) The team shall meet at
21 least one (1) time each year to do the following:

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

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



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1 SECTION 225. IC 31-37-24-15 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. The team ~~or~~
 3 ~~the county fiscal body~~ shall transmit copies of the initial plan, each
 4 annual report, and 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 that
 14 requests information about the plan; or
 15 (B) the team has identified as a provider of services relevant to
 16 the plan.

17 SECTION 226. IC 31-37-24-16 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: 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 227. IC 31-40-1-1 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This article
 23 applies to a financial burden sustained by a county **or the division** as
 24 the result of costs paid by the county **or the division** under section 2 of
 25 this chapter, including costs resulting from the institutional placement
 26 of a child adjudicated a delinquent child or a child in need of services.

27 SECTION 228. IC 31-40-1-2, AS AMENDED BY P.L.273-1999,
 28 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) **As used in this section,**
 30 **"per diem" means the amount payable for the cost of support and**
 31 **maintenance of a child placed by, or placed with the approval of,**
 32 **a juvenile court in a facility other than the home of the child's**
 33 **parent or guardian, including the cost of the items that are**
 34 **included in foster care maintenance payments (as defined in 42**
 35 **U.S.C. 675(4)), or that would be included if the child were eligible**
 36 **for assistance under Title IV-E of the Social Security Act (42**
 37 **U.S.C. 670 et seq.).**

38 (b) The ~~county division~~ shall pay from the ~~county family and~~
 39 ~~children's state general fund~~ the cost of:

- 40 (1) **any per diem and** any services ordered by the juvenile court
 41 for any child or the child's parent, guardian, or custodian, ~~other~~
 42 ~~than secure detention;~~ **except as provided in subsection (c); and**

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

2 (c) **The county shall pay from the county general fund the cost of**
3 **any per diem for a child adjudicated a delinquent child under**
4 **IC 31-37, or for a child for whom a program of informal**
5 **adjustment has been implemented under IC 31-37-9, if the child is**
6 **placed in a secure facility that is not a secure private facility.**

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

9 SECTION 229. IC 31-40-1-3, AS AMENDED BY P.L.273-1999,
10 SECTION 120, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) A parent or guardian of
12 the estate of a child adjudicated a delinquent child or a child in need of
13 services is financially responsible as provided in this chapter (or
14 IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

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

20 (c) At:

- 21 (1) a detention hearing;
- 22 (2) a hearing that is held after the payment of costs by a county
23 under section 2 of this chapter (or IC 31-6-4-18(b) before its
24 repeal);
- 25 (3) the dispositional hearing; or
- 26 (4) any other hearing to consider modification of a dispositional
27 decree;

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

34 SECTION 230. IC 31-40-1-5, AS AMENDED BY P.L.273-1999,
35 SECTION 121, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) This section applies
37 whenever the court orders or approves removal of a child from the
38 home of a child's parent or guardian and placement of the child in a
39 child caring institution (as defined in IC 12-7-2-29), a foster family
40 home (as defined in IC 12-7-2-90), or the home of a relative of the
41 child that is not a foster family home.

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

5 (1) entered the existing support order; or

6 (2) had jurisdiction, immediately before the placement, to modify
 7 or enforce the existing support order;
 8 of the assignment and assumption of jurisdiction by the juvenile court
 9 under this section.

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

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

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

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

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

38 (3) If the court:

39 (A) does not enter a support order; or

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

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

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

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

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

12 (1) notify the court that:

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

15 (B) had jurisdiction, immediately before the placement, to
 16 modify or enforce the existing support order;
 17 of the termination of jurisdiction of the juvenile court with respect
 18 to the support order;

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

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

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

36 SECTION 231. IC 31-40-1-6, AS ADDED BY P.L.273-1999,
 37 SECTION 122, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The division ~~with the~~
 39 ~~approval of the county fiscal body~~, may contract with any of the
 40 following, on terms and conditions with respect to compensation and
 41 payment or reimbursement of expenses as the division may determine,
 42 for the enforcement and collection of any parental reimbursement

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1 obligation established by order entered by the court under section 3 or
2 5(g) of this chapter:

3 (1) The prosecuting attorney of the county that paid the cost of the
4 services ordered by the court, as provided in section 2 of this
5 chapter.

6 (2) An attorney for the county office that paid the cost of services
7 ordered by the court, if the attorney is not an employee of the
8 county office or the division.

9 (3) An attorney licensed to practice law in Indiana.

10 (b) A contract entered into under this section is subject to approval
11 under IC 4-13-2-14.1.

12 (c) Any fee payable to a prosecuting attorney under a contract under
13 subsection (a)(1) shall be deposited in the county general fund and
14 credited to a separate account identified as the prosecuting attorney's
15 child services collections account. The prosecuting attorney may
16 expend funds credited to the prosecuting attorney's child services
17 collections account, without appropriation, only for the purpose of
18 supporting and enhancing the functions of the prosecuting attorney in
19 enforcement and collection of parental obligations to reimburse the
20 ~~county family and children's fund; state general fund.~~

21 SECTION 232. IC 31-40-1-7, AS ADDED BY P.L.273-1999,
22 SECTION 123, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2003]: Sec. 7. ~~(a)~~ Amounts received as
24 payment of support or reimbursement of the cost of services paid as
25 provided in this chapter shall be distributed in the following manner:

26 (1) If any part of the cost of services was paid from federal funds
27 under Title IV Part E of the Social Security Act (42 U.S.C. 671 et
28 seq.), the amounts received shall first be applied as provided in 42
29 U.S.C. 657 and 45 CFR 302.52.

30 (2) All amounts remaining after the distributions required by
31 subdivision (1) shall be deposited in the ~~family and children's fund~~
32 ~~(established by IC 12-19-7-3)~~ of the county that paid the cost of the
33 ~~services.~~

34 ~~(b) Any money deposited in a county family and children's fund~~
35 ~~under this section shall be reported to the division, in the form and~~
36 ~~manner prescribed by the division, and shall be applied to the child~~
37 ~~services budget compiled and adopted by the county director for the~~
38 ~~next state fiscal year, in accordance with IC 12-19-7-6; state general~~
39 ~~fund.~~

40 SECTION 233. IC 31-40-2-1 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. ~~(a)~~ Subject to
42 IC 31-40-1-3, a juvenile court may order each delinquent child who

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1 receives supervision under IC 31-37-19 or the child's parent, guardian,
2 or custodian to pay to the **probation department clerk:**

3 (1) an initial probation user's fee of at least twenty-five dollars
4 (\$25) but not more than one hundred dollars (\$100); and

5 (2) a probation user's fee of at least five dollars (\$5) but not more
6 than fifteen dollars (\$15) for each month the child receives
7 supervision.

8 ~~(b) The probation department shall deposit the probation user's fees
9 paid under subsection (a) into the county supplemental juvenile
10 probation services fund.~~

11 SECTION 234. IC 32-1-6-22, AS AMENDED BY P.L.88-2001,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2003]: Sec. 22. (a) Except as provided in subsection (d)
14 or (e), the co-owners are bound to contribute pro rata, in the
15 percentages computed according to section 7 of this chapter, toward the
16 expenses of administration and of maintenance and repair of the
17 general common areas and facilities, and, in the proper case, of the
18 limited common areas and facilities of the building, and toward any
19 other expense lawfully agreed upon.

20 (b) No co-owner may exempt himself from contributing toward such
21 expenses by waiver of the use or enjoyment of the common areas and
22 facilities or by abandonment of the condominium unit belonging to
23 him.

24 (c) All sums assessed by the association of co-owners shall be
25 established by using generally accepted accounting principles applied
26 on a consistent basis and shall include the establishment and
27 maintenance of a replacement reserve fund for capital expenditures and
28 replacement and repair of the common areas and facilities, which funds
29 shall be used for those purposes and not for usual and ordinary repair
30 expenses of the common areas and facilities. This fund for capital
31 expenditures and replacement and repair of common areas and
32 facilities shall be:

33 (1) maintained in a separate interest bearing account with a bank
34 or savings association authorized to conduct business in the county
35 in which the horizontal property regime is established; or

36 (2) invested in the same manner, and in the same types of
37 investments, in which the funds of a political subdivision may be
38 invested under IC 5-13-9 or as otherwise provided by law.

39 Assessments collected for contributions to this fund may not be subject
40 to ~~Indiana gross income tax~~ or adjusted gross income tax.

41 (d) If the declaration so provides, the declarant or a developer (or a
42 successor in interest of either) that is a co-owner of unoccupied

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1 condominium units offered for the first time for sale is excused from
 2 contributing toward the expenses referred to in subsection (a) for those
 3 units for a period of time that:

- 4 (1) is stated in the declaration;
 5 (2) begins on the day that the declaration is recorded; and
 6 (3) terminates no later than the first day of the twenty-fourth
 7 calendar month following the month in which the closing of the
 8 sale of the first condominium unit occurs.

9 However, if the expenses referred to in subsection (a) that are incurred
 10 during the stated period exceed the amount assessed against the other
 11 co-owners, then the declarant, developer, or successor shall pay the
 12 excess.

13 (e) If the declaration does not contain the provisions referred to in
 14 subsection (d), the declarant or a developer (or a successor in interest
 15 of either) that is a co-owner of unoccupied condominium units offered
 16 for the first time for sale is excused from contributing toward the
 17 expenses referred to in subsection (a) for those units for a stated period
 18 of time if the declarant, developer, or successor:

- 19 (1) has guaranteed to each purchaser (either in the purchase
 20 contract, in the declaration, in the prospectus, or by an agreement
 21 with a majority of the other co-owners) that the assessment for
 22 those expenses will not increase over a stated dollar amount during
 23 the stated period; and
 24 (2) has obligated itself to pay any amount of those expenses
 25 incurred during the stated period and not produced by the
 26 assessments at the guaranteed level receivable from the other
 27 co-owners.

28 SECTION 235. IC 33-1-12-4 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. Sitting in
 30 committee, the judges of the courts in each county listed in section 2 of
 31 this chapter shall determine the duties of the court administrator and
 32 the court administrator shall perform such administrative duties as the
 33 judges determine. The salary of the court administrator shall be
 34 determined by a majority of the judges listed in section 2 of this chapter
 35 in each county, sitting in committee. ~~and said salary shall be paid by~~
 36 ~~the county upon the order of the majority of the committee of judges.~~

37 SECTION 236. IC 33-1-12-5 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. For the
 39 implementation of this chapter, the judges of the courts sitting in
 40 committee may appoint additional personnel in sufficient number so
 41 that they may be adequately served by the court administrator. ~~The~~

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1 salaries of such additional personnel shall be paid by the county upon
2 the order of the committee of judges:

3 SECTION 237. IC 33-1-18 IS ADDED TO THE INDIANA CODE
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2003]:

6 **Chapter 18. Court Expenditures**

7 **Sec. 1. Notwithstanding any other law, this chapter governs the**
8 **operations of the following courts:**

- 9 (1) Circuit court.
10 (2) Superior court.
11 (3) Probate court.
12 (4) County court.

13 **Sec. 2. As used in this chapter, "court" refers to a court**
14 **described in section 1 of this chapter.**

15 **Sec. 3. (a) In addition to the authority provided to a court under**
16 **IC 31 and this title to employ, manage, and fix the salary of a**
17 **judicial officer, a bailiff, a court reporter, a probation officer, and**
18 **other personnel (including an administrative officer) necessary to**
19 **transact the business of the court, a court may, individually or**
20 **jointly with another court, adopt rules to provide for the**
21 **administration of the court, including rules governing the**
22 **following:**

- 23 (1) Legal representation for indigents.
24 (2) Budgetary matters of the court.
25 (3) Operation of the probation department.
26 (4) Employment and management of court administrative
27 officers.
28 (5) Appointment and management of court appointed special
29 advocates and guardians ad litem.
30 (6) Maintenance of an adequate law library.
31 (7) Cooperative efforts with other courts for establishing and
32 administering shared programs and facilities.

33 **(b) The authority and rules of administration described in**
34 **subsection (a) must be consistent with the rules adopted by the**
35 **supreme court.**

36 **Sec. 4. A court shall submit a budget for the court to the division**
37 **of state court administration in conformity with the rules adopted**
38 **by the supreme court.**

39 **Sec. 5. The supreme court shall present a consolidated budget for**
40 **the operation of all courts to the general assembly and the budget**
41 **agency at the times and in the format the budget agency requests.**
42 **The budget must cover all personnel and other operating expenses**

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1 of courts except the expenditures described in sections 7 and 8 of
2 this chapter.

3 Sec. 6. Except as provided in sections 7 and 8 of this chapter, the
4 state shall pay the personnel and other operating expenses of all
5 courts from the amounts appropriated for the operation of courts.

6 Sec. 7. (a) A county served by a court shall pay the following
7 capital, personnel, and other operating expenses of a court that are
8 not otherwise paid with federal, state, or private funds:

9 (1) Costs of providing and maintaining a suitable courtroom
10 and other rooms and facilities, including furniture and
11 equipment, as may be necessary for the judge and
12 administrative officers of the court.

13 (2) Costs of providing and operating a juvenile detention
14 facility (as defined in IC 31-9-2-71), except for the costs of
15 employing probation officers who provide services in a juvenile
16 detention facility in conformity with rules adopted by the
17 supreme court.

18 (3) Costs of providing and operating a secure private facility
19 (as defined in IC 31-9-2-115) operated by the court.

20 (4) Costs of a community transition program that is operated
21 through a probation department.

22 (5) Costs of a circuit court alcohol abuse deterrent program
23 under IC 9-30-9.

24 (6) Costs of an alcohol and drug services program under
25 IC 12-23-14.

26 (7) Supplemental payments under IC 33-4-7-10 or
27 IC 33-13-12-7.1.

28 (8) Costs of returning a juvenile under IC 31-37-23.

29 (9) Costs of legal representation for indigents.

30 (10) Costs of court appointed special advocates and guardians
31 ad litem.

32 (11) Other costs for court operations as provided by law.

33 (b) The county shall provide a suitable place for each of the
34 following courts sitting in the county to hold court:

35 (1) Circuit court.

36 (2) Superior court.

37 (3) Probate court.

38 (4) County court.

39 Sec. 8. Regardless of whether personnel from any of the following
40 offices or programs are assigned to a court, a county shall pay the
41 capital, personnel, and other operating expenses of the following

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1 offices and programs that are not otherwise paid by federal, state,
2 or private funds:

- 3 (1) Sheriff.
- 4 (2) County clerk.
- 5 (3) Prosecuting attorney.
- 6 (4) Community corrections program.
- 7 (5) Other programs as provided by law.

8 **Sec. 9. The county executive shall provide and maintain a**
9 **suitable courtroom and facilities, including furniture and**
10 **equipment, as necessary, for the use of the judges and court**
11 **administrative officers serving the county.**

12 SECTION 238. IC 33-1-19 IS ADDED TO THE INDIANA CODE
13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2003]:

15 **Chapter 19. Court Administrative Officers**

16 **Sec. 1. Notwithstanding any other law, this chapter governs the**
17 **operations of the following courts:**

- 18 (1) Circuit court.
- 19 (2) Superior court.
- 20 (3) Probate court.
- 21 (4) County court.

22 **Sec. 2. As used in this chapter, "administrative officer" means**
23 **hearing judges, magistrates, commissioners, referees, bailiffs, court**
24 **reporters, probation officers, or other permanent or temporary**
25 **employees required to efficiently serve a court.**

26 **Sec. 3. As used in this chapter, "court" refers to a court**
27 **described in section 1 of this chapter.**

28 **Sec. 4. A court may:**

- 29 (1) employ an administrative officer necessary to transact the
- 30 business of the court;
- 31 (2) fix the salary of an administrative officer;
- 32 (3) submit a budget; and
- 33 (4) adopt rules and procedures for the administration of the
- 34 court.

35 **Sec. 5. The supreme court may adopt rules to govern the**
36 **employment and management of administrative officers. A court**
37 **shall comply with the rules adopted under this section.**

38 SECTION 239. IC 33-2.1-7-3, AS AMENDED BY P.L.183-2001,
39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JANUARY 1, 2003]: Sec. 3. (a) The division of state court
41 administration shall do the following:

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1 (1) Examine the administrative and business methods and systems
2 employed in the offices of the clerks of court and other offices
3 related to and serving the courts and make recommendations for
4 necessary improvement.

5 (2) Collect and compile statistical data and other information on
6 the judicial work of the courts in the state. All justices of the
7 supreme court, judges of the court of appeals, judges of all trial
8 courts in the state, and any city or town courts, whether having
9 general or special jurisdiction, court clerks, court reporters, and
10 other officers and employees of the courts shall, upon notice by the
11 executive director and in compliance with procedures prescribed
12 by the executive director, furnish the executive director such
13 information as is requested concerning the nature and volume of
14 judicial business. The information reports shall include, but not be
15 limited to, the volume, condition, and type of business conducted
16 by the courts, the methods of procedure therein, the work
17 accomplished by the courts, the receipt and expenditure of public
18 money by and for the operation of the courts, and the methods of
19 disposition or termination of cases.

20 (3) Prepare and publish reports, not less than one (1) nor more than
21 two (2) times per year, on the nature and volume of judicial work
22 performed by the courts as determined by the information required
23 in subdivision (2).

24 (4) Serve the judicial nominating commission and the judicial
25 qualifications commission in the performance by the commissions
26 of their statutory and constitutional functions.

27 (5) Administer the civil legal aid fund as required by IC 33-2.1-11.

28 (6) Administer the judicial technology and automation project fund
29 established by section 10 of this chapter.

30 **(7) Compile the budgets submitted by each trial court under**
31 **IC 33-1-18 and assist the supreme court in the preparation and**
32 **submission to the general assembly of one (1) unified budget**
33 **for the operation of all circuit, superior, probate, and county**
34 **courts.**

35 (b) All forms to be used in the gathering of data must be approved by
36 the supreme court, and shall be distributed to all judges and clerks prior
37 to the start of each period for which reports are required.

38 SECTION 240. IC 33-2.1-7-9 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. Any judge
40 transferred to a court in another county shall be paid travel and other
41 necessary expenses by the county to which he is transferred. An
42 allowance for expenses shall be certified by the chief justice in

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1 ~~duplicate to the auditor of the county. The certificate of allowance shall~~
 2 ~~be prima facie evidence of the correctness of the claims; and no item~~
 3 ~~or items of expenses certified to be correct shall be disallowed by the~~
 4 ~~board of commissioners of that county. **state under rules adopted by**~~
 5 ~~**the supreme court.**~~

6 SECTION 241. IC 33-4-1-2.8 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2.8. (a) The Allen
 8 circuit court has concurrent jurisdiction with the Allen superior court
 9 concerning paternity actions.

10 (b) In addition to the magistrate appointed under section 2.1 of this
 11 chapter, the judge of the Allen circuit court may appoint a hearing
 12 officer with the powers of a magistrate under IC 33-4-7. The hearing
 13 officer continues in office until removed by the judge.

14 (c) The salary of a hearing officer appointed under subsection (b) is
 15 equal to that of a magistrate under IC 33-4-7. ~~The hearing officer's~~
 16 ~~salary must be paid by the county. The hearing officer is a county~~
 17 ~~employee.~~

18 SECTION 242. IC 33-4-5-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) The
 20 commissioners shall immediately, from the names of legal voters and
 21 citizens of the United States on the latest tax duplicate and the tax
 22 schedules of the county, examine for the purpose of determining the
 23 sex, age, and identity of prospective jurors, and proceed to select and
 24 deposit, in a box furnished by the clerk for that purpose, the names,
 25 written on separate slips of paper of uniform shape, size, and color, of
 26 twice as many persons as will be required by law for grand and petit
 27 jurors in the courts of the county, for all the terms of such courts, to
 28 commence with the calendar year next ensuing. Each selection shall be
 29 made as nearly as possible in proportion to the population of each
 30 county commissioner's district. In making such selections, they shall in
 31 all things observe their oath, and they shall not select the name of any
 32 person who is to them known to be interested in or has cause pending
 33 which may be tried by a jury to be drawn from the names so selected.
 34 They shall deliver the box, locked, to the clerk of the circuit court, after
 35 having deposited therein the names as herein directed. The key shall be
 36 retained by one (1) of the commissioners, not an adherent of the same
 37 political party as is the clerk.

38 (b) In a county containing a consolidated city, the commissioners
 39 may, upon an order made by the judge of the circuit court and entered
 40 in the records of the circuit court of the county, make such selections
 41 and such deposits monthly instead of annually and may omit the
 42 personal examination of prospective jurors, the examination of voters

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1 lists, and make selection without reference to commissioners' districts.
 2 The judge of the circuit court in any such county containing a
 3 consolidated city may appoint a secretary for the jury commissioners,
 4 and sufficient stenographic aid and clerical help to properly perform
 5 the duties of the commissioners and may fix the salaries of the
 6 commissioners, the secretary, and stenographic and clerical employees,
 7 and may also provide office quarters and necessary supplies therefor,
 8 all of which shall be paid for from the treasury of the county upon the
 9 order of the court.

10 (c) ~~Subject to appropriations made by the county fiscal body~~ The jury
 11 commissioners may utilize a computerized jury selection system.
 12 However, the system utilized for the selection system must be fair and
 13 may not violate the rights of persons with respect to the impartial and
 14 random selection of prospective jurors. The jurors selected under the
 15 computerized jury selection system must be eligible for selection under
 16 this chapter. The commissioners shall deliver the names of the
 17 individuals selected to the clerk of the circuit court. The commissioners
 18 shall observe their oath in all activities taken under this subsection.

19 (d) The jury commissioners may supplement voter registration lists
 20 and tax schedules under subsection (a) with names from lists of persons
 21 residing in the county that the jury commissioners may designate as
 22 necessary to obtain a cross section of the population of each county
 23 commissioner's district. The lists designated by the jury commissioners
 24 under this subsection must be used for the selection of jurors
 25 throughout the entire county.

26 (e) The supplemental sources designated under subsection (d) may
 27 consist of such lists as those of utility customers, persons filing income
 28 tax returns, motor vehicle registrations, city directories, telephone
 29 directories, and driver's licenses. These supplemental lists may not be
 30 substituted for the voter registration list. The jury commissioners may
 31 not draw more names from supplemental sources than are drawn from
 32 the voter registration lists and tax schedules.

33 SECTION 243. IC 33-4-5-6 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. Should a
 35 vacancy occur in the office of jury commissioner, at any time, or should
 36 any such commissioner fail to act when required, or because of illness
 37 or for any other cause, be unable to act, the circuit court shall appoint
 38 a person to fill such vacancy, or to act for the time being, as the case
 39 may require, and such person so appointed shall possess the
 40 qualifications required for jury commissioners, and shall be an
 41 adherent of the same political party as is the commissioner in whose
 42 stead he is appointed to serve, and he shall take the oath required by

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1 this chapter. For the time actually employed in the performance of his
 2 duties, each jury commissioner shall be allowed a per diem to be fixed
 3 by the court. ~~and upon such allowance the county auditor shall draw his~~
 4 ~~warrant, and the same be paid out of the county treasury.~~

5 SECTION 244. IC 33-4-7-10 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. ~~Except as~~
 7 ~~provided in section 11 of this chapter,~~ The state shall pay the salary of
 8 a magistrate. A county located in the circuit that the magistrate serves
 9 may supplement the magistrate's salary.

10 SECTION 245. IC 33-4-10-5 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. In accordance
 12 with rules adopted by the judges of the court under section 6 of this
 13 chapter, the presiding judge shall do the following:

14 (1) Ensure that the court operates efficiently and judicially under
 15 rules adopted by the court.

16 (2) ~~Annually~~ Submit to the ~~fiscal body of Monroe County~~ a budget
 17 for the court ~~including amounts necessary for:~~

18 (A) ~~the operation of the circuit's probation department;~~

19 (B) ~~the defense of indigents; and~~

20 (C) ~~maintaining an adequate law library.~~ **to the division of state**
 21 **court administration.**

22 (3) Make the appointments or selections required of a circuit or
 23 superior court judge under the following statutes:

24 IC 8-4-21-2

25 IC 11-12-2-2

26 IC 16-22-2-4

27 IC 16-22-2-11

28 IC 16-22-7

29 IC 20-4-1

30 IC 20-4-8

31 IC 20-4-15-2

32 IC 20-5-20-4

33 IC 20-5-23-1

34 IC 20-14-10-10

35 IC 21-5-11-8

36 IC 21-5-12-8

37 IC 36-9

38 IC 36-10.

39 (4) Make appointments or selections required of a circuit or
 40 superior court judge by any other statute, if the appointment or
 41 selection is not required of the court because of an action before
 42 the court.

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1 SECTION 246. IC 33-4-10-7 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) Each judge
 3 of the court may, subject to the budget approved for the court, ~~by the~~
 4 ~~fiscal body of Monroe County~~, employ personnel necessary for the
 5 proper administration of the court.

6 (b) Personnel employed under this section:

7 (1) include court reporters, bailiffs, clerical staff, and any
 8 additional officers necessary for the proper administration of the
 9 court; and

10 (2) are subject to the rules concerning employment and
 11 management of court personnel adopted by the court under section
 12 6 of this chapter.

13 SECTION 247. IC 33-4-10-8 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) The court
 15 may appoint a court administrator subject to the budget approved for
 16 the court. ~~by the fiscal body of Monroe County~~.

17 (b) A court administrator appointed under this section is subject to
 18 the rules concerning employment and management of court personnel
 19 adopted by the court under section 6 of this chapter.

20 SECTION 248. IC 33-4-12-4, AS ADDED BY P.L.124-2000,
 21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2003]: Sec. 4. In accordance with rules adopted by the
 23 judges of the Delaware circuit court under section 5 of this chapter, the
 24 presiding judge shall do the following:

25 (1) Ensure that the court operates efficiently and judicially.

26 (2) ~~Annually Submit to the fiscal body of Delaware County a~~
 27 ~~budget for the court including amounts necessary for the following:~~

28 ~~(A) Operation of the Delaware circuit court's probation~~
 29 ~~department.~~

30 ~~(B) Defense of indigents.~~

31 ~~(C) Maintenance of an adequate law library: to the division of~~
 32 ~~state court administration.~~

33 (3) Make appointments or selections required of a circuit or
 34 superior court judge.

35 SECTION 249. IC 33-4-12-6, AS ADDED BY P.L.124-2000,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2003]: Sec. 6. (a) Each judge of the Delaware circuit
 38 court may, subject to the budget approved for the court, ~~by the fiscal~~
 39 ~~body of Delaware County~~, employ personnel necessary for the proper
 40 administration of the judge's docket.

41 (b) Personnel employed under this section:

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1 (1) include court reporters, bailiffs, clerical staff, and any
 2 additional officers necessary for the proper administration of the
 3 court; and

4 (2) are subject to the rules concerning employment and
 5 management of court personnel adopted by the court under section
 6 5 of this chapter.

7 (c) A commissioner is entitled to practice law in any division of the
 8 court in which the commissioner does not have appointive judicial
 9 authority. A commissioner has judicial authority only in the division of
 10 the court presided over by the judge who appointed the commissioner.

11 SECTION 250. IC 33-4-12-7, AS ADDED BY P.L.124-2000,
 12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2003]: Sec. 7. (a) The Delaware circuit court may
 14 appoint a court administrator subject to the budget approved for the
 15 court. ~~by the fiscal body of Delaware County.~~

16 (b) A court administrator appointed under this section is subject to
 17 the rules concerning employment and management of court personnel
 18 adopted by the court under section 5 of this chapter.

19 SECTION 251. IC 33-5-4.5-5 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 21 the court shall appoint a bailiff and an official court reporter for the
 22 court; their salaries shall be fixed in the same manner as the salaries of
 23 the bailiff and official court reporter for the Adams circuit court. ~~Their~~
 24 ~~salaries shall be paid monthly out of the treasury of Adams County as~~
 25 ~~provided by law.~~

26 SECTION 252. IC 33-5-5.1-8, AS AMENDED BY P.L.196-1999,
 27 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2003]: Sec. 8. (a) The court may appoint such number
 29 of probate commissioners, juvenile referees, bailiffs, court reporters,
 30 probation officers, and such other personnel, including but not limited
 31 to an administrative officer, as shall in the opinion of the court be
 32 necessary to facilitate and transact the business of the court. In addition
 33 to the personnel authorized under this subsection and IC 31-31-3, the
 34 judges of the Allen superior court-civil division may jointly appoint not
 35 more than four (4) full-time magistrates under IC 33-4-7 to serve the
 36 Allen superior court-civil division. The judges of the Allen superior
 37 court-civil division may jointly assign any such magistrates the duties
 38 and powers of a probate commissioner. In addition to the personnel
 39 authorized under this subsection and IC 31-31-3, the judge of the Allen
 40 superior court-criminal division may jointly appoint not more than
 41 three (3) full-time magistrates under IC 33-4-7 to serve the Allen
 42 superior court-criminal division. Any such magistrate serves at the

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1 pleasure of, and continues in office until jointly removed by, the judges
 2 of the division that appointed the magistrate. All appointments made
 3 under this subsection shall be made without regard to the political
 4 affiliation of the appointees. The salaries of the above personnel shall
 5 be fixed and paid as provided by law. ~~If the salaries of any of the above~~
 6 ~~personnel are not provided by law, the amount and time of payment of~~
 7 ~~such salaries shall be fixed by the court, to be paid out of the county~~
 8 ~~treasury by the county auditor, upon the order of the court, and be~~
 9 ~~entered of record.~~ The officers and persons so appointed shall perform
 10 such duties as are prescribed by the court. Any such administrative
 11 officer appointed by the court shall operate under the jurisdiction of the
 12 chief judge and shall serve at the pleasure of the chief judge. Any such
 13 probate commissioners, magistrates, juvenile referees, bailiffs, court
 14 reporters, probation officers, and other personnel appointed by the
 15 court shall serve at the pleasure of the court.

16 (b) Any probate commissioner so appointed by the court may be
 17 vested by said court with all suitable powers for the handling and
 18 management of the probate and guardianship matters of the court,
 19 including the fixing of all bonds, the auditing of accounts of estates and
 20 guardianships and trusts, acceptance of reports, accounts, and
 21 settlements filed in said court, the appointment of personal
 22 representatives, guardians, and trustees, the probating of wills, the
 23 taking and hearing of evidence on or concerning such matters, or any
 24 other probate, guardianship, or trust matters in litigation before such
 25 court, the enforcement of court rules and regulations, the making of
 26 reports to the court concerning his doings in the above premises,
 27 including the taking and hearing of evidence together with such
 28 commissioner's findings and conclusions regarding the same, all of
 29 such matters, nevertheless, to be under the final jurisdiction and
 30 decision of the judges of said court.

31 (c) Any juvenile referee so appointed by the court may be vested by
 32 said court with all suitable powers for the handling and management of
 33 the juvenile matters of the court, including the fixing of bonds, the
 34 taking and hearing of evidence on or concerning any juvenile matters
 35 in litigation before the court, the enforcement of court rules and
 36 regulations, the making of reports to the court concerning his doings in
 37 the above premises, all of such matters, nevertheless, to be under final
 38 jurisdiction and decision of the judges of said court.

39 (d) For any and all of the foregoing purposes, any probate
 40 commissioner and juvenile referee shall have the power to summon
 41 witnesses to testify before the said commissioner and juvenile referee,

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1 to administer oaths and take acknowledgments in connection with and
2 in furtherance of said duties and powers.

3 (e) The powers of a magistrate appointed under this section include
4 the powers provided in IC 33-4-7 and the power to enter a final order
5 or judgment in any proceeding involving matters specified in
6 IC 33-5-2-4 (jurisdiction of small claims docket) or IC 34-26-2
7 (protective orders to prevent abuse).

8 SECTION 253. IC 33-5-5.1-21.1 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 21.1. (a) The
10 court shall be governed and operated by a board of judges, which is
11 composed of all of the judges of the superior court. Six (6) judges are
12 required for a quorum for conducting business and as a majority for
13 taking action. Every two (2) years the board of judges shall elect a chief
14 judge to carry out such ministerial functions of representation as the
15 board of judges periodically determines by a majority of the board's
16 members.

17 (b) Matters of administration, budget, expenditures, policy, and
18 procedure affecting the entire court shall be determined by a majority
19 of the board of judges. Any such determination shall bind the entire
20 board of judges and each judge thereof.

21 (c) One (1) budget covering all the divisions of the court shall be
22 prepared for the court and submitted ~~to the county fiscal body~~ **under**
23 **rules adopted by the supreme court.** However, each division shall
24 prepare its own budget as a component of the superior court's total
25 budget.

26 SECTION 254. IC 33-5-8-3 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The clerk
28 of the Bartholomew circuit court shall be the clerk of the Bartholomew
29 superior courts and the sheriff of Bartholomew County shall be the
30 sheriff of the Bartholomew superior courts. The clerk and sheriff shall
31 attend the courts and discharge all the duties pertaining to their
32 respective offices as they are now or may hereafter be required to do by
33 law with reference to the Bartholomew circuit court.

34 (b) The judges of the courts shall appoint a bailiff and an official
35 court reporter for each court to serve as such during the pleasure of the
36 court, and the judge shall fix their per diem or salary within the limits
37 and in the manner as may be provided by law concerning bailiffs and
38 official court reporters, and the same shall be paid ~~monthly out of the~~
39 ~~treasury of Bartholomew County~~ in the manner provided by law. The
40 salary of judge of each court shall be the same as is provided by law for
41 judges of superior courts.

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1 SECTION 255. IC 33-5-8.5-5, AS ADDED BY P.L.45-2000,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003]: Sec. 5. The judge of the court shall appoint a
 4 bailiff and an official court reporter for the court. The judge may
 5 appoint a referee, commissioner, or other personnel as the judge
 6 considers necessary to facilitate and transact the business of the court.
 7 Their salaries shall be fixed in the same manner as the salaries of the
 8 personnel for the Blackford circuit court. ~~Their salaries shall be paid~~
 9 ~~monthly out of the treasury of Blackford County as provided by law.~~
 10 Personnel appointed under this section continue in office until removed
 11 by the judge of the court.

12 SECTION 256. IC 33-5-9-3 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judges of
 14 the courts shall appoint a bailiff and an official court reporter for each
 15 court, to serve as such during the pleasure of the court; and the judges
 16 shall fix their compensation within the limits and in the manner as may
 17 be provided by law concerning the bailiff and official court reporter of
 18 Boone circuit court. ~~and the compensation shall be paid monthly out of~~
 19 ~~the treasury of Boone County in the manner provided by law.~~

20 SECTION 257. IC 33-5-9.5-5 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 22 the court shall appoint a bailiff and an official court reporter for the
 23 court. Their salaries shall be fixed in the same manner as the salaries
 24 of the bailiff and official court reporter for the Carroll circuit court.
 25 ~~Their salaries shall be paid monthly out of the treasury of Carroll~~
 26 ~~County as provided by law.~~

27 SECTION 258. IC 33-5-9.7-9, AS AMENDED BY P.L.196-1999,
 28 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2003]: Sec. 9. The judge of each court shall appoint a
 30 bailiff and an official court reporter for the judge's court. Their salaries
 31 shall be fixed in the same manner as the salaries of the bailiff and
 32 official court reporter for the Cass circuit court. ~~Their salaries shall be~~
 33 ~~paid monthly out of the treasury of Cass County as provided by law.~~

34 SECTION 259. IC 33-5-10.2-5, AS ADDED BY P.L.45-2000,
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2003]: Sec. 5. The judge of the court shall appoint a
 37 bailiff and an official court reporter for the court. The judge may
 38 appoint a referee, commissioner, or other personnel as the judge
 39 considers necessary to facilitate and transact the business of the court.
 40 Their salaries shall be fixed in the same manner as the salaries of the
 41 personnel for the Dearborn circuit court. ~~Their salaries shall be paid~~
 42 ~~monthly out of the treasury of Dearborn County as provided by law.~~



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1 Personnel appointed under this section continue in office until removed
2 by the judge of the court.

3 SECTION 260. IC 33-5-10.3-5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
5 the court shall appoint a bailiff and an official court reporter for the
6 court. Their salaries shall be fixed in the same manner as the salaries
7 of the bailiff and official court reporter for the Clinton circuit court.
8 ~~Their salaries shall be paid monthly out of the treasury of Clinton~~
9 ~~County as provided by law.~~

10 SECTION 261. IC 33-5-10.5-9 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
12 the court shall appoint a bailiff and an official court reporter for the
13 court and the court may appoint a probation officer; their salaries shall
14 be fixed in the same manner as the salaries of the bailiff and official
15 court reporter for the Clay circuit court. ~~Their salaries shall be paid~~
16 ~~semimonthly out of the treasury of Clay County as provided by law.~~

17 SECTION 262. IC 33-5-10.6-5 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
19 the court shall appoint a bailiff and an official court reporter for the
20 court. Their salaries shall be fixed in the same manner as the salaries
21 of the bailiff and official court reporter for the Daviess circuit court.
22 ~~Their salaries shall be paid monthly out of the treasury of Daviess~~
23 ~~County as provided by law.~~

24 SECTION 263. IC 33-5-10.7-5 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
26 of the court shall appoint a bailiff and an official court reporter for the
27 court.

28 (b) The salaries of the bailiff and the official court reporter shall be
29 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
30 official court reporter for the Decatur circuit court. ~~and~~

31 ~~(2)~~ paid monthly out of the treasury of Decatur County as provided
32 by law.

33 SECTION 264. IC 33-5-10.8-9 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
35 the court shall appoint a bailiff and an official court reporter for the
36 court; their salaries shall be fixed in the same manner as the salaries of
37 the bailiff and official court reporter for the DeKalb circuit court. ~~Their~~
38 ~~salaries shall be paid monthly out of the treasury of DeKalb County as~~
39 ~~provided by law.~~

40 SECTION 265. IC 33-5-10.8-17 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. (a) The court
42 has a standard small claims and misdemeanor division.

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1 (b) ~~If the county executive establishes the position of small claims~~
 2 ~~referee to serve the court;~~ The judge of the court may appoint a
 3 part-time small claims referee under IC 33-5-2.5 to assist the court in
 4 the exercise of its small claims jurisdiction.

5 (c) The small claims referee is entitled to reasonable compensation
 6 not exceeding twenty thousand dollars (\$20,000) a year as
 7 recommended by the judge of the court. ~~to be paid by the county after~~
 8 ~~the salary is approved by the county fiscal body. The state shall pay~~
 9 ~~fifty percent (50%) of the salary set under this subsection and the~~
 10 ~~county shall pay the remainder of the salary.~~

11 (d) The county executive shall provide and maintain a suitable
 12 courtroom and facilities for the use of the small claims referee,
 13 including necessary furniture and equipment.

14 (e) The court shall employ administrative staff necessary to support
 15 the functions of the small claims referee.

16 (f) The county fiscal body shall appropriate sufficient funds for the
 17 provision of ~~staff and~~ facilities required under this section.

18 SECTION 266. IC 33-5-10.9-5 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 20 of the court shall appoint a bailiff and an official court reporter for the
 21 court.

22 (b) The salaries of the bailiff and the official court reporter shall be
 23 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
 24 ~~official court reporter for the Fulton circuit court. and~~

25 ~~(2) paid monthly out of the treasury of Fulton County as provided~~
 26 ~~by law.~~

27 SECTION 267. IC 33-5-12.5-9 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
 29 the court shall appoint a bailiff and an official court reporter for the
 30 court; their salaries shall be fixed in the same manner as the salaries of
 31 the bailiff and official court reporter for the Dubois circuit court. ~~Their~~
 32 ~~salaries shall be paid monthly out of the treasury of Dubois County as~~
 33 ~~provided by law.~~

34 SECTION 268. IC 33-5-13.1-8 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. Each judge of
 36 the court shall appoint a bailiff and an official court reporter for his
 37 court. Their salaries shall be fixed in the same manner as the salaries
 38 of the bailiff and official court reporter for the Elkhart circuit court.
 39 ~~Their salaries shall be paid monthly out of the treasury of Elkhart~~
 40 ~~County as provided by law.~~

41 SECTION 269. IC 33-5-17.1-5 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of

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1 the court shall appoint a bailiff and an official court reporter for the
 2 court. Their salaries shall be fixed in the same manner as the salaries
 3 of the bailiff and official court reporter for the Fayette circuit court.
 4 ~~Their salaries shall be paid monthly out of the treasury of Fayette~~
 5 ~~County as provided by law.~~

6 SECTION 270. IC 33-5-18.1-8 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. The judge of
 8 the court shall appoint a bailiff and an official court reporter for the
 9 court; their salaries shall be fixed in the same manner as the salaries of
 10 the bailiff and official court reporter for the Floyd circuit court. ~~Their~~
 11 ~~salaries shall be paid monthly out of the treasury of Floyd County as~~
 12 ~~provided by law.~~

13 SECTION 271. IC 33-5-18.3-5 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 15 the court shall appoint a bailiff and an official court reporter for the
 16 court; their salaries shall be fixed in the same manner as the salaries of
 17 the bailiff and official court reporter for the Gibson circuit court. ~~Their~~
 18 ~~salaries shall be paid monthly out of the treasury of Gibson County as~~
 19 ~~provided by law.~~

20 SECTION 272. IC 33-5-19.3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
 22 the Grant superior court No. 2 shall appoint a bailiff and an official
 23 court reporter for said court, to serve as such during the pleasure of the
 24 court. The judge shall fix their compensation within the limits and in
 25 the manner as may be provided by law concerning bailiffs and official
 26 court reporters. ~~The compensation shall be paid monthly out of the~~
 27 ~~treasury of Grant County, in the manner provided by law.~~

28 SECTION 273. IC 33-5-19.3-5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 30 of the court shall appoint a bailiff and an official court reporter for the
 31 court.

- 32 (b) The salaries of the bailiff and the official court reporter shall be
 33 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 34 official court reporter for the Grant circuit court, Grant superior
 35 court, and Grant superior court No. 2. ~~and~~
 36 ~~(2) paid monthly out of the treasury of Grant County as provided~~
 37 ~~by law.~~

38 SECTION 274. IC 33-5-19.5-5 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 40 the court shall appoint a bailiff and an official court reporter for the
 41 court. Their salaries shall be fixed in the same manner as the salaries
 42 of the bailiff and official court reporter for the Greene circuit court.



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1 Their salaries shall be paid monthly out of the treasury of Greene
2 County as provided by law.

3 SECTION 275. IC 33-5-19.8-5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
5 of the court shall appoint a bailiff and an official court reporter for the
6 court.

7 (b) The salaries of the bailiff and the official court reporter shall be
8 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
9 ~~official court reporter for the Harrison circuit court. and~~

10 ~~(2) paid monthly out of the treasury of Harrison County as~~
11 ~~provided by law.~~

12 SECTION 276. IC 33-5-20.2-5 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
14 of the court shall appoint a bailiff and an official court reporter for the
15 court.

16 (b) The salaries of the bailiff and the official court reporter shall be
17 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
18 ~~official court reporter for the Howard circuit court, Howard~~
19 ~~superior court, and Howard superior court No. 2. and~~

20 ~~(2) paid monthly out of the treasury of Howard County as provided~~
21 ~~by law.~~

22 SECTION 277. IC 33-5-21-3 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
24 each court shall appoint a bailiff and an official court reporter for said
25 court, to serve as such during the pleasure of the appointing judge. The
26 appointing judge shall fix the compensation of the officers. ~~within the~~
27 ~~limits and in the manner as may be provided by law concerning bailiffs~~
28 ~~and official court reporters. The same shall be paid monthly out of the~~
29 ~~treasury of Henry County in the manner provided by law.~~

30 SECTION 278. IC 33-5-22-3 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
32 each Hamilton superior court:

33 (1) shall appoint a bailiff and an official court reporter for the
34 court; and

35 (2) may appoint other personnel necessary to facilitate and transact
36 the business of the court;

37 to serve as such during the pleasure of the court. ~~and the judge shall fix~~
38 ~~their compensation within the limits and in the manner provided by law~~
39 ~~concerning bailiffs, official court reporters, and other personnel of the~~
40 ~~court. The compensation shall be paid monthly out of the treasury of~~
41 ~~Hamilton County in the manner provided by law.~~

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1 SECTION 279. IC 33-5-23-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
3 each court shall appoint a bailiff and an official court reporter for the
4 court, to serve as such during the pleasure of the court. The judge shall
5 fix their per diem or salary. ~~within the limits and in the manner as may~~
6 ~~be provided by law concerning bailiffs and official court reporters. The~~
7 ~~same shall be paid monthly out of the treasury of Hancock County in~~
8 ~~the manner provided by law.~~

9 SECTION 280. IC 33-5-24-3 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
11 each Johnson superior court shall appoint a bailiff and an official court
12 reporter for his court, to serve during the pleasure of the court. Each
13 judge shall fix their per diem or salary. ~~within the limits and in the~~
14 ~~manner as may be provided by law concerning bailiffs and official~~
15 ~~court reporters. The per diem or salary shall be paid monthly out of the~~
16 ~~treasury of Johnson County in the manner provided by law.~~

17 SECTION 281. IC 33-5-25-3 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
19 each Hendricks superior court shall appoint a bailiff and an official
20 court reporter for his court, to serve as such during the pleasure of the
21 court. Each judge shall fix their compensation. ~~within the limits and in~~
22 ~~the manner as may be provided by law concerning the bailiff and~~
23 ~~official court reporter of Hendricks circuit court. The compensation~~
24 ~~shall be paid monthly out of the treasury of Hendricks County in the~~
25 ~~manner provided by law.~~

26 SECTION 282. IC 33-5-25.3-5, AS AMENDED BY P.L.124-2000,
27 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2003]: Sec. 5. (a) The judge of the court shall appoint a
29 bailiff and an official court reporter for the court.

30 (b) The court may appoint a referee and other personnel as the court
31 determines necessary to facilitate and transact the business of the court.

32 (c) Salaries of the personnel described in subsections (a) and (b) shall
33 be fixed in the same manner as the salaries of the bailiff and official
34 court reporter for the Huntington circuit court. ~~Their salaries shall be~~
35 ~~paid out of the treasury of Huntington County as provided by law.~~

36 SECTION 283. IC 33-5-25.4-5 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
38 the court shall appoint a bailiff and an official court reporter for the
39 court. Their salaries shall be fixed in the same manner as the salaries
40 of the bailiff and official court reporter for the Jackson circuit court.
41 ~~Their salaries shall be paid monthly out of the treasury of Jackson~~
42 ~~County as provided by law.~~

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1 SECTION 284. IC 33-5-25.5-18 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 18. (a) The judge
 3 of the court may ~~subject to the budget approved for the court by the~~
 4 ~~fiscal body of Jasper County~~; employ personnel necessary for the
 5 proper administration of the court.

6 (b) Personnel employed under this section:

7 (1) include court reporters, bailiffs, clerical staff, and any
 8 additional officers necessary for the proper administration of the
 9 court; and

10 (2) are subject to the rules concerning employment and
 11 management of court personnel adopted by the court under section
 12 17 of this chapter.

13 SECTION 285. IC 33-5-25.7-5 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 15 the court shall appoint a bailiff and an official court reporter for the
 16 court. Their salaries shall be fixed in the same manner as the salaries
 17 of the bailiff and official court reporter for the Jay circuit court. ~~Their~~
 18 ~~salaries shall be paid monthly out of the treasury of Jay County as~~
 19 ~~provided by law.~~

20 SECTION 286. IC 33-5-25.8-5 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 22 of the court shall appoint a bailiff and an official court reporter for the
 23 court.

24 (b) The salaries of the bailiff and the official court reporter shall be
 25 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
 26 ~~official court reporter for the Jefferson and Switzerland circuit~~
 27 ~~court. and~~

28 ~~(2) paid monthly out of the treasury of Jefferson County as~~
 29 ~~provided by law.~~

30 SECTION 287. IC 33-5-25.9-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 32 the court shall appoint a bailiff and an official court reporter for the
 33 court. Their salaries shall be fixed in the same manner as the salaries
 34 of the bailiff and official court reporter for the Jennings circuit court.
 35 ~~Their salaries shall be paid monthly out of the treasury of Jennings~~
 36 ~~County as provided by law.~~

37 SECTION 288. IC 33-5-27-8 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) Each judge
 39 of the superior court shall appoint a bailiff and an official court reporter
 40 for the court, to serve as such during the pleasure of the court.

41 (b) Each judge shall fix the compensation of the bailiff and official
 42 court reporter. ~~within the limits and in the manner as may be provided~~

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1 by law concerning the bailiff and official court reporter of the
2 Kosciusko circuit court. The compensation shall be paid monthly out
3 of the treasury of Kosciusko County in the manner provided by law.

4 SECTION 289. IC 33-5-27.5-5 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
6 the court shall appoint a bailiff and an official court reporter for the
7 court. Their salaries shall be fixed in the same manner as the salaries
8 of the bailiff and official court reporter for the LaGrange circuit court.
9 Their salaries shall be paid monthly out of the treasury of LaGrange
10 County as provided by law.

11 SECTION 290. IC 33-5-29.5-7.2, AS AMENDED BY P.L.254-1999,
12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2003]: Sec. 7.2. (a) The judge of division No. 1, division
14 No. 2, and division No. 3 of the court may each appoint one (1)
15 full-time magistrate under IC 33-4-7 to serve as the court requires. A
16 magistrate appointed under this section:

17 (1) must be a resident of the county; and

18 (2) continues in office until removed by the judge that the
19 magistrate serves.

20 (b) The appointment of a magistrate under this section must be in
21 writing.

22 (c) The judge may specifically determine the duties of the magistrate
23 within the limits established under IC 33-4-7.

24 (d) The county executive shall provide and maintain suitable
25 facilities for the use of the magistrate, including necessary furniture
26 and equipment.

27 (e) The court shall employ administrative staff necessary to support
28 the functions of the magistrates.

29 (f) The county fiscal body shall appropriate sufficient funds for the
30 provision of ~~staff and~~ facilities required under this section.

31 (g) A magistrate is entitled to annual compensation as established
32 under IC 33-4-7-9.1. The state shall pay the salary set under
33 IC 33-4-7-9.1.

34 SECTION 291. IC 33-5-29.5-8 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) The senior
36 judge of each division may appoint the number of bailiffs, court
37 reporters, probation officers, and other personnel, as in the opinion of
38 the senior judge is necessary to judicially and efficiently facilitate and
39 transact the business of the division. All appointments shall be made
40 without regard to the political affiliation of the appointees. The salaries
41 of the court personnel shall be fixed and paid as provided by law. The
42 officers and persons appointed shall:

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- 1 (1) perform the duties prescribed by the senior judge of each
 2 respective division; and
 3 (2) serve at the pleasure of the senior judge.
 4 (b) The court shall appoint an administrative officer who shall have
 5 the duties as the court shall determine necessary to ensure the efficient
 6 operation of the court. The court may appoint the number of deputy
 7 administrative officers as the court considers necessary to facilitate and
 8 transact the business of the court. Any appointment of an
 9 administrative officer or deputy administrative officer shall be made
 10 without regard to the political affiliation of the appointees. The salaries
 11 of the administrative officer and any deputy administrative officer shall
 12 be fixed by the court. ~~to be paid out of the county treasury by the~~
 13 ~~county auditor, upon the order of the court, and entered of record.~~ Any
 14 administrative officer or deputy administrative officer appointed by the
 15 court shall:
 16 (1) operate under the jurisdiction of the chief judge; and
 17 (2) serve at the pleasure of the chief judge.
 18 (c) The court may appoint part-time juvenile referees and
 19 magistrates. ~~as provided by IC 31-31-3.~~
 20 (d) The court may appoint ~~the number of a probate commissioners~~
 21 **commissioner provided for by IC 29-2-2. The probate commissioners**
 22 **shall be vested with the powers and duties provided by IC 29: and**
 23 **determine the commissioner's duties.**
 24 SECTION 292. IC 33-5-31.1-5 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 26 each court shall appoint a bailiff and an official court reporter for the
 27 court. Their salaries shall be fixed in the same manner as the salaries
 28 of the bailiff and official court reporter for the LaPorte circuit court.
 29 ~~Their salaries shall be paid monthly out of the treasury of LaPorte~~
 30 ~~County as provided by law.~~
 31 SECTION 293. IC 33-5-33.1-8 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. The court may
 33 appoint bailiffs, court reporters, probation officers, and such other
 34 personnel, including an administrative officer, as necessary to transact
 35 the business of the court. The salaries of the personnel shall be fixed
 36 and paid as provided by law. ~~However, if the salaries of any of the~~
 37 ~~personnel are not provided by law, the amount and time of payment of~~
 38 ~~such salaries shall be fixed by the court, to be paid out of the county~~
 39 ~~treasury by the county auditor upon the order of the court, and be~~
 40 ~~entered of record.~~ The officers and persons so appointed shall perform
 41 such duties as are prescribed by the court. Personnel appointed by the
 42 court serve at the pleasure of the court.

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1 SECTION 294. IC 33-5-35.5-8 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. The judge of
 3 each court shall appoint a bailiff and an official court reporter for the
 4 court. The salaries of the bailiff and court reporter shall be fixed in the
 5 same manner as the salaries of the bailiff and official court reporter for
 6 the Marshall circuit court. ~~The salaries shall be paid monthly out of the~~
 7 ~~treasury of Marshall County as provided by law.~~

8 SECTION 295. IC 33-5-35.8-9 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
 10 the court shall appoint a bailiff and an official court reporter for the
 11 court; their salaries shall be fixed in the same manner as the salaries of
 12 the bailiff and official court reporter for the Miami circuit court. ~~Their~~
 13 ~~salaries shall be paid monthly out of the treasury of Miami County as~~
 14 ~~provided by law.~~

15 SECTION 296. IC 33-5-36.6-5 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. A judge of the
 17 court shall appoint a bailiff and an official court reporter for the court.
 18 Their salaries shall be fixed in the same manner as the salaries of the
 19 bailiff and official court reporter for the Montgomery circuit court.
 20 ~~Their salaries shall be paid monthly out of the treasury of Montgomery~~
 21 ~~County as provided by law.~~

22 SECTION 297. IC 33-5-37-3 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) Each judge
 24 of the Morgan superior court shall appoint a bailiff and an official court
 25 reporter for said court to serve as such during the pleasure of the court.

26 (b) The judge shall fix the compensation of the bailiff and official
 27 court reporter within the limits and in the manner as may be provided
 28 by law concerning bailiffs and official court reporters.

29 (c) ~~The compensation shall be paid monthly out of the treasury of~~
 30 ~~Morgan County in the manner provided by law.~~

31 SECTION 298. IC 33-5-37.2-9 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
 33 the court shall appoint a bailiff and an official court reporter for the
 34 court; their salaries shall be fixed in the same manner as the salaries of
 35 the bailiff and official court reporter for the Newton circuit court. ~~Their~~
 36 ~~salaries shall be paid monthly out of the treasury of Newton County as~~
 37 ~~provided by law.~~

38 SECTION 299. IC 33-5-37.5-8, AS AMENDED BY P.L.196-1999,
 39 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2003]: Sec. 8. The judge of a court shall appoint a bailiff
 41 and an official court reporter for the court; their salaries shall be fixed
 42 in the same manner as the salaries of the bailiff and official court

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1 reporter for the Noble circuit court. ~~Their salaries shall be paid monthly~~
 2 ~~out of the treasury of Noble County as provided by law.~~

3 SECTION 300. IC 33-5-37.7-9 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. The judge of
 5 the court shall appoint a bailiff and an official court reporter for the
 6 court; their salaries shall be fixed in the same manner as the salaries of
 7 the bailiff and official court reporter for a circuit court. ~~Their salaries~~
 8 ~~shall be paid monthly out of the treasuries of Ohio and Switzerland~~
 9 ~~counties as provided by law.~~

10 SECTION 301. IC 33-5-37.8-5, AS ADDED BY P.L.45-2000,
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2003]: Sec. 5. The judge of the court shall appoint a
 13 bailiff and an official court reporter for the court. The judge may
 14 appoint a referee, commissioner, or other personnel as the judge
 15 considers necessary to facilitate and transact the business of the court.
 16 Their salaries shall be fixed in the same manner as the salaries of the
 17 personnel for the Orange circuit court. ~~Their salaries shall be paid~~
 18 ~~monthly out of the treasury of Orange County as provided by law.~~
 19 Personnel appointed under this section continue in office until removed
 20 by the judge of the court.

21 SECTION 302. IC 33-5-38.1-5 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 23 of the court shall appoint a bailiff and an official court reporter for the
 24 court.

- 25 (b) The salaries of the bailiff and the official court reporter shall be
 26 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 27 official court reporter for the Posey circuit court. ~~and~~
 28 ~~(2)~~ paid monthly out of the treasury of Posey County as provided
 29 by law.

30 SECTION 303. IC 33-5-38.2-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 32 of the court shall appoint a bailiff and an official court reporter for the
 33 court.

- 34 (b) The salaries of the bailiff and the official court reporter shall be
 35 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 36 official court reporter for the Pulaski circuit court. ~~and~~
 37 ~~(2)~~ paid monthly out of the treasury of Pulaski County as provided
 38 by law.

39 SECTION 304. IC 33-5-38.3-5 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 41 of the court shall appoint a bailiff and an official court reporter for the
 42 court.



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1 (b) The salaries of the bailiff and the official court reporter shall be
 2 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 3 official court reporter for the Putnam circuit court. ~~and~~
 4 ~~(2)~~ paid monthly out of the treasury of Putnam County as provided
 5 by law.

6 SECTION 305. IC 33-5-38.5-5 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 8 the court shall appoint a bailiff and an official court reporter for the
 9 court. Their salaries shall be fixed in the same manner as the salaries
 10 of the bailiff and official court reporter for the Randolph circuit court.
 11 ~~Their salaries shall be paid monthly out of the treasury of Randolph~~
 12 ~~County as provided by law.~~

13 SECTION 306. IC 33-5-38.7-5 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 15 of the court shall appoint a bailiff and an official court reporter for the
 16 court.

17 (b) The salaries of the bailiff and the official court reporter shall be
 18 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 19 official court reporter for the Ripley circuit court. ~~and~~
 20 ~~(2)~~ paid monthly out of the treasury of Ripley County as provided
 21 by law.

22 SECTION 307. IC 33-5-38.8-5, AS ADDED BY P.L.45-2000,
 23 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2003]: Sec. 5. The judge of the court shall appoint a
 25 bailiff and an official court reporter for the court. The judge may
 26 appoint a referee, commissioner, or other personnel as the judge
 27 considers necessary to facilitate and transact the business of the court.
 28 Their salaries shall be fixed in the same manner as the salaries of the
 29 personnel for the Rush circuit court. ~~Their salaries shall be paid at least~~
 30 ~~monthly out of the treasury of Rush County as provided by law.~~
 31 Personnel appointed under this section continue in office until removed
 32 by the judge of the court.

33 SECTION 308. IC 33-5-38.9-5 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 35 of the court shall appoint a bailiff and an official court reporter for the
 36 court.

37 (b) The salaries of the bailiff and official court reporter shall be
 38 ~~(1)~~ fixed in the same manner as the salaries of the bailiff and
 39 official court reporter for the Scott circuit court. ~~and~~
 40 ~~(2)~~ paid monthly out of the treasury of Scott County as provided by
 41 law.

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1 SECTION 309. IC 33-5-39-5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 3 each court shall appoint a bailiff and an official court reporter for the
 4 court, to serve as such during the pleasure of the appointing judge. The
 5 appointing judge shall fix the compensation of the officers within the
 6 limits and in the manner as may be prescribed by law concerning
 7 bailiffs and official court reporters. ~~The compensation of the officers~~
 8 ~~shall be paid monthly out of the treasury of Shelby County in the~~
 9 ~~manner prescribed by law.~~

10 SECTION 310. IC 33-5-40-23, AS AMENDED BY P.L.196-1999,
 11 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2003]: Sec. 23. (a) The court, by rules duly adopted by
 13 the court, shall designate one (1) of the judges as chief judge and fix
 14 the time he shall preside.

15 (b) The chief judge shall be responsible for the operation and conduct
 16 of the court and to seeing that the court shall efficiently and judicially
 17 operate.

18 (c) The chief judge shall do the following:

19 (1) Assign cases to a judge of the court or reassign cases from one
 20 (1) judge of the court to another judge of the court to ensure the
 21 efficient operation and conduct of the court.

22 (2) Assign and allocate courtrooms, other rooms, and other
 23 facilities to ensure the efficient operation and conduct of the court.

24 (3) Annually submit ~~to the fiscal body of St. Joseph County a~~
 25 ~~budget for the court~~ **in accordance with rules adopted by the**
 26 **supreme court.**

27 (4) Make appointments or selections on behalf of the court that are
 28 required of a superior court judge under any statute.

29 (5) Direct the employment and management of court personnel.

30 (6) Conduct cooperative efforts with other courts for establishing
 31 and administering shared programs and facilities.

32 SECTION 311. IC 33-5-40-25, AS AMENDED BY P.L.196-1999,
 33 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2003]: Sec. 25. The court shall, when in its opinion it
 35 ~~shall be~~ **is** necessary, appoint such additional personnel for the proper
 36 administration of the court, including but not limited to an
 37 administrative officer who shall operate under the jurisdiction of the
 38 chief judge.

39 SECTION 312. IC 33-5-40.1-5 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 41 the court shall appoint a bailiff and an official court reporter for the
 42 court. Their salaries shall be fixed in the same manner as the salaries

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1 of the bailiff and official court reporter for the Steuben circuit court.
 2 Their salaries shall be paid monthly out of the treasury of Steuben
 3 County as provided by law:

4 SECTION 313. IC 33-5-40.5-5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 6 the court shall appoint a bailiff and an official court reporter for the
 7 court. Their salaries shall be fixed in the same manner as the salaries
 8 of the bailiff and official court reporter for the Sullivan circuit court.
 9 Their salaries shall be paid monthly out of the treasury of Sullivan
 10 County as provided by law:

11 SECTION 314. IC 33-5-42-3 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) The clerk
 13 of the Tippecanoe Circuit Court shall be the clerk of superior court No.
 14 2 of Tippecanoe County and the sheriff of Tippecanoe County shall be
 15 the sheriff of superior court No. 2 of Tippecanoe County. The clerk and
 16 sheriff shall attend said court and discharge all the duties pertaining to
 17 their respective office as they are now or may hereafter be required to
 18 do by law with reference to the Tippecanoe Circuit Court.

19 (b) The judge of superior court No. 2 of Tippecanoe County shall
 20 appoint a bailiff and an official reporter for said court to serve as such
 21 during the pleasure of the court; and the judge shall fix their
 22 compensation within the limits and in the manner as may be provided
 23 by law concerning bailiffs and official court reporters. ~~and the~~
 24 ~~compensation shall be paid monthly out of the treasury of Tippecanoe~~
 25 ~~County; in the manner provided by law.~~ The salary of the judge shall
 26 be the same as is provided by law for judges of superior courts.

27 SECTION 315. IC 33-5-42.1-5 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 29 the court shall appoint a bailiff and an official court reporter for the
 30 court. Their salaries shall be fixed in the same manner as the salaries
 31 of the bailiff and official court reporter for the Tippecanoe circuit court.
 32 Their salaries shall be paid monthly out of the treasury of Tippecanoe
 33 County as provided by law:

34 SECTION 316. IC 33-5-42.2-5, AS ADDED BY P.L.196-1999,
 35 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2003]: Sec. 5. The judges of Tippecanoe superior court
 37 No. 4, No. 5, and No. 6:

- 38 (1) shall each appoint a bailiff and an official court reporter for the
 39 court; and
 40 (2) may each appoint other court personnel necessary to facilitate
 41 and transact the business of the court.

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1 A person appointed under this section serves at the pleasure of the
 2 judge appointing the person. Their salaries shall be fixed in the same
 3 manner as the salaries of the bailiff, official court reporter, and other
 4 personnel for the Tippecanoe circuit court. ~~Their salaries shall be paid~~
 5 ~~monthly out of the treasury of Tippecanoe County as provided by law.~~

6 SECTION 317. IC 33-5-43-17 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. Each judge of
 8 the court shall appoint a court reporter, a bailiff and a riding bailiff for
 9 the court whose salary shall be fixed by the court and paid as now
 10 provided by law, and who shall serve at the pleasure of the judge
 11 making such appointment.

12 SECTION 318. IC 33-5-43-33 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 33. The court
 14 shall submit its budget estimates annually **under rules adopted by the**
 15 **supreme court. to the auditor of the county for presentment and**
 16 **approval by the county council; as provided in IC 36-2-5.**

17 SECTION 319. IC 33-5-44.1-8 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. **(a)** The court
 19 may appoint such number of commissioners, probate commissioners,
 20 referees, juvenile referees, bailiffs, court reporters, probation officers,
 21 and such other personnel, including but not limited to an administrative
 22 officer, as shall in the opinion of the court be necessary to facilitate and
 23 transact the business of the court. The salaries of the personnel shall be
 24 fixed and paid as provided by law. ~~However, if the salaries of any of~~
 25 ~~the personnel are not provided by law, the amount and time of payment~~
 26 ~~of such salaries shall be fixed by the court, to be paid out of the county~~
 27 ~~treasury by the county auditor upon the order of the court, and be~~
 28 ~~entered on record.~~ The officers and persons so appointed shall perform
 29 such duties as are prescribed by the court. Any such commissioners,
 30 probate commissioners, referees, juvenile referees, probation officers,
 31 and other personnel appointed by the court shall serve at the pleasure
 32 of the court.

33 **(b)** Any probate commissioner so appointed by the court may be
 34 vested by said court with all suitable powers for the handling and
 35 management of the probate and guardianship matters of the court,
 36 including the fixing of all bonds, the auditing of accounts of estates and
 37 guardianships and trusts, acceptance of reports, accounts and
 38 settlements filed in said court, the appointment of personal
 39 representatives, guardians and trustees, the probating of wills, the
 40 taking and hearing of evidence on or concerning such matters, or any
 41 other probate, guardianship or trust matters in litigation before such
 42 court, the enforcement of court rules and regulations, and making of



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1 reports to the court including the taking and hearing of evidence
 2 together with such commissioner's findings and conclusions regarding
 3 the same, all of such matters, nevertheless, to be under the final
 4 jurisdiction and decision of the judges of said court.

5 (c) Any juvenile referee appointed by the court may be vested by said
 6 court with all suitable powers for the handling and management of the
 7 juvenile matters of the court, including the fixing of bonds, the taking
 8 and hearing of evidence on or concerning any juvenile matters in
 9 litigation before the court, the enforcement of court rules and
 10 regulations, the making of reports to the court concerning his doings in
 11 the above premises, all of such matters, nevertheless, to be under final
 12 jurisdiction and decision of the judges of said court.

13 (d) For any and all the foregoing purposes, any probate commissioner
 14 and juvenile referee shall have the power to summon witnesses to
 15 testify before the said commissioner and juvenile referee, to administer
 16 oaths and take acknowledgments in connection with and in furtherance
 17 of said duties and powers.

18 SECTION 320. IC 33-5-45.1-5 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The judge
 20 of the court shall appoint a bailiff and an official court reporter for the
 21 court.

22 (b) The salaries of the bailiff and the official court reporter shall be
 23 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
 24 ~~official court reporter for the Wabash circuit court. and~~

25 ~~(2) paid monthly out of the treasury of Wabash County as provided~~
 26 ~~by law.~~

27 SECTION 321. IC 33-5-45.8-5 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 29 the court shall appoint a bailiff and an official court reporter for the
 30 court. Their salaries shall be fixed in the same manner as the salaries
 31 of the bailiff and official court reporter for the Washington circuit
 32 court. ~~Their salaries shall be paid monthly out of the treasury of~~
 33 ~~Washington County as provided by law.~~

34 SECTION 322. IC 33-5-46-3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
 36 said court shall appoint a bailiff and an official court reporter for said
 37 court, to serve as such during the pleasure of the court. The judge shall
 38 fix their per diem or salary within the limits and in the manner as ~~many~~
 39 ~~may~~ be provided by law concerning bailiffs and official court reporters.
 40 ~~The same shall be paid monthly out of the treasury of Wayne County~~
 41 ~~in the manner provided by law.~~

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1 SECTION 323. IC 33-5-47-3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. The judge of
 3 the Wayne superior court No. 2 shall appoint a bailiff and an official
 4 court reporter for the court, to serve as such during the pleasure of the
 5 court. The judge shall fix their compensation within the limits and in
 6 the manner as may be provided by law concerning bailiffs and official
 7 court reporters. ~~The compensation shall be paid monthly out of the~~
 8 ~~treasury of Wayne County in the manner provided by law.~~

9 SECTION 324. IC 33-5-48-8 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. The judge of
 11 the court may appoint a bailiff, official court reporter, referee,
 12 commissioner, and any other personnel as ~~he~~ **the judge of the court**
 13 considers necessary to facilitate and transact the business of the court.
 14 The judge of the court shall fix their compensation within the limits
 15 and in the manner as provided by law concerning these officers and
 16 employees. These personnel shall serve at the pleasure of the court. ~~and~~
 17 ~~be paid monthly in the manner of payment for officers and employees~~
 18 ~~of Wayne circuit court and Wayne superior courts No. 1 and No. 2.~~

19 SECTION 325. IC 33-5-48.5-5 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 21 the court shall appoint a bailiff and an official court reporter for the
 22 court. Their salaries shall be fixed in the same manner as the salaries
 23 of the bailiff and official court reporter for the Wells circuit court.
 24 ~~Their salaries shall be paid monthly out of the treasury of Wells County~~
 25 ~~as provided by law.~~

26 SECTION 326. IC 33-5-49-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 28 the court shall appoint a bailiff and an official court reporter for the
 29 court; their salaries shall be fixed in the same manner as the salaries of
 30 the bailiff and official court reporter for the White circuit court. ~~Their~~
 31 ~~salaries shall be paid monthly out of the treasury of White County as~~
 32 ~~provided by law.~~

33 SECTION 327. IC 33-5-50-5 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. The judge of
 35 the court shall appoint a bailiff and an official court reporter for the
 36 court; their salaries shall be fixed in the same manner as the salaries of
 37 the bailiff and official court reporter for the Whitley circuit court. ~~Their~~
 38 ~~salaries shall be paid monthly out of the treasury of Whitley County as~~
 39 ~~provided by law.~~

40 SECTION 328. IC 33-5-50-11 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. (a) The court
 42 has a standard small claims and misdemeanor division.

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1 (b) ~~If the county executive establishes the position of small claims~~
 2 ~~referee to serve the court~~ The judge of the court may appoint a
 3 part-time small claims referee under IC 33-5-2.5 to assist the court in
 4 the exercise of its small claims jurisdiction.

5 (c) The small claims referee is entitled to reasonable compensation
 6 not exceeding twenty thousand dollars (\$20,000) as recommended by
 7 the judge of the court. ~~to be paid by the county after it is approved by~~
 8 ~~the county fiscal body.~~ The state shall pay ~~fifty percent (50%)~~ of the
 9 salary set under this subsection. ~~and the county shall pay the remainder~~
 10 ~~of the salary.~~

11 (d) The county executive shall provide and maintain a suitable
 12 courtroom and facilities for the use of the small claims referee,
 13 including furniture and equipment, as necessary.

14 (e) The court shall employ administrative staff necessary to support
 15 the functions of the small claims referee.

16 (f) The county fiscal body shall appropriate sufficient funds for the
 17 provision of ~~staff and~~ facilities required under this section.

18 SECTION 329. IC 33-8-2-14 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. Whenever any
 20 person shall be appointed judge pro tem under the provisions of this
 21 chapter, ~~he shall be entitled to ten dollars (\$10.00) for each day he may~~
 22 ~~serve as such judge; to be paid out of the county treasury; where such~~
 23 ~~probate court is held; upon the warrant of the county auditor; based~~
 24 ~~upon the filing of a claim therefor approved by the judge of said court.~~
 25 ~~Any amount in excess of five hundred dollars (\$500) allowed to any~~
 26 ~~judge pro tem; during any year shall be deducted by the board of county~~
 27 ~~commissioners from the regular annual salary of the judge of such~~
 28 ~~probate court; making the appointment; except where such judge pro~~
 29 ~~tem shall be appointed on account of change of venue; relationship;~~
 30 ~~interest as former counsel; or absence of judge in case of serious~~
 31 ~~sickness of himself or family.~~ **the person is entitled to be paid from**
 32 **the state general fund under rules adopted by the supreme court.**

33 SECTION 330. IC 33-8-2-21 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 21. The same
 35 docket fees shall be taxed in the said court as are now or may be
 36 provided by law to be taxed in the circuit court, and the said fees, when
 37 collected, shall be paid by the clerk to the ~~treasurer of the county to be~~
 38 ~~applied in reimbursing the county for expenses of said court state.~~

39 SECTION 331. IC 33-8-2-23 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 23. Said probate
 41 court may appoint a chief clerk and such other employees as ~~he the~~

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1 **judge of the probate court** deems necessary whose salaries shall be
2 fixed by said judge and be paid ~~out of the county treasury~~ **by the state.**

3 SECTION 332. IC 33-13-4-1 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. The judge of
5 the circuit, superior, ~~criminal~~, probate, and **juvenile county** courts in
6 each county in the state of Indiana having a population of thirty-five
7 thousand (35,000) or more, according to the last preceding United
8 States census, shall appoint a bailiff and may appoint a riding bailiff for
9 **his the judge's court.** ~~whose per diem shall be fixed by the court to be~~
10 ~~paid out of the county treasury.~~ In counties having a population of less
11 than thirty-five thousand (35,000) according to the last preceding
12 United States census, the judge of the circuit court may appoint a bailiff
13 **to serve the courts in the county,** but if no bailiff be appointed, the
14 sheriff of the county shall perform the duties of the bailiff.

15 SECTION 333. IC 33-13-16-9 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. A temporary
17 judge is entitled to twenty-five dollars (\$25) for each day that ~~he~~ **the**
18 **judge** serves as a temporary judge, and this payment shall be paid by
19 ~~the county.~~ **state.**

20 SECTION 334. IC 33-15-23-1 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. (a) **Except as**
22 **otherwise provided by law,** for the purpose of facilitating and
23 expediting the trial of causes, the judge of each circuit, ~~criminal~~,
24 superior, probate, and **juvenile county** court of each and every county
25 of this state shall appoint an official reporter, whose duty it shall be,
26 whenever required by such judge, to be promptly present in said court,
27 and to take down ~~in shorthand~~ the oral evidence given in all causes,
28 including both questions and answers, and to note all rulings of the
29 judge in respect to the admission and rejection of evidence and the
30 objections and exceptions thereto, and write out the instructions of the
31 court in jury trials.

32 (b) In counties in which the circuit, **superior,** or probate court sits as
33 a juvenile court, the official reporter of the circuit court, **superior**
34 **court,** or probate court, as the case may be, shall report the proceedings
35 of the juvenile court as part of **his the official reporter's** duties as
36 reporter of the circuit, **superior,** or probate court. ~~and, except as~~
37 ~~provided in subsection (c);~~ such reporter shall receive no additional
38 compensation for his services for reporting the proceedings of the
39 juvenile court.

40 (c) ~~In counties wherein a circuit court has juvenile jurisdiction; and~~
41 ~~wherein there is a juvenile referee and the circuit judge is the judge of~~
42 ~~the juvenile court, the salary of the juvenile court reporter shall be one~~

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1 hundred and twenty-five dollars (\$125) per month which shall be in
 2 addition to any compensation such reporter may receive as reporter of
 3 the circuit court.

4 (d) The official reporters of juvenile courts shall be paid the same
 5 amount for their services and in the same manner, have the same duties
 6 and be subject to the same restrictions as is provided for by law for the
 7 official reporters of the other courts. However, in a county having a
 8 population of more than two hundred fifty thousand (250,000), the
 9 judge of the juvenile court may appoint court reporters as necessary for
 10 compliance with the law in regard to the reporting of cases and
 11 facilitating and expediting the trial of causes, each of whom shall
 12 receive a salary of not less than three hundred dollars (\$300) per
 13 month.

14 SECTION 335. IC 33-15-26-1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. As used in this
 16 chapter,

17 (1) "official court reporter" ~~shall mean~~ **means** any court reporter who
 18 is appointed as the official court reporter by the judge of any circuit,
 19 superior, or probate, **or county** court in the state.

20 (2) "Census" shall mean the last preceding United States federal
 21 decennial census;

22 (3) "State salary" shall mean that part of a court reporter's salary
 23 which is paid by the state of Indiana;

24 (4) "County salary" shall mean that part of a court reporter's salary
 25 which is paid by the county;

26 (5) "Salary" shall mean the amount of the state salary and the amount
 27 of the county salary added together;

28 (6) "Judicial circuit" shall mean any county comprising a single
 29 judicial circuit or any combination of one (1) or more counties
 30 comprising a single judicial circuit.

31 SECTION 336. IC 33-19-1-3 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) Except for
 33 the state share prescribed by IC 33-19-7-1 for semiannual distribution,
 34 and as provided under IC 33-17-1-4(e) and IC 33-19-6-1.5, within
 35 thirty (30) days after the clerk collects a fee, the clerk shall forward the
 36 fee to:

37 (1) the county auditor, if the clerk is a clerk of a circuit court; or

38 (2) the city or town fiscal officer, if the clerk is the clerk of a city
 39 or town court.

40 (b) If part of the fee is collected on behalf of another person for
 41 service as a juror or witness, the ~~county auditor~~ **division of state court**
 42 **administration** or city or town fiscal officer shall forward that part of

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1 the fee to the person within forty-five (45) days after the ~~auditor~~
 2 **division of state court administration** or fiscal officer receives the
 3 claim for the fee.

4 (c) Except for amounts deposited in a user fee fund established under
 5 IC 33-19-8, the county auditor shall distribute fees received from the
 6 clerk to:

7 (1) the county treasurer for deposit in the county general fund, if
 8 the fee belongs to the county; and

9 (2) the fiscal officer of a city or town, if the fee belongs to the city
 10 or town under IC 33-19-7-3.

11 (d) Except for amounts deposited in a user fee fund established under
 12 IC 33-19-8, the city or town fiscal officer shall deposit all fees received
 13 from a clerk in the treasury of the city or town.

14 (e) The clerk shall forward the state share of each fee to the state
 15 treasury at the clerk's semiannual settlement for state revenue.

16 SECTION 337. IC 33-19-1-4 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Jurors of
 18 circuit, superior, county, probate, and municipal courts and members
 19 of a grand jury are entitled to fees equal to:

20 (1) the mileage rate paid to state officers for each mile necessarily
 21 traveled to and from the court; and

22 (2) payment at the rate of:

23 **(A) in a county that did not have an ordinance in effect on**
 24 **November 1, 2001, to pay a supplemental fee to jurors from**
 25 **county funds:**

26 (i) fifteen dollars (\$15) for each day the juror is in actual
 27 attendance in court until the jury is impaneled; and

28 ~~(B)~~ (ii) forty dollars (\$40) for each day the juror is in actual
 29 attendance after impaneling and until the jury is discharged; or

30 **(B) in a county that had an ordinance in effect on November**
 31 **1, 2001, to pay a supplemental fee to jurors from county**
 32 **funds:**

33 (i) fifteen dollars (\$15) plus the amount of the adopted
 34 supplemental fee for each day the juror is in actual
 35 attendance in court until the jury is impaneled; and

36 (ii) forty dollars (\$40) plus the amount of the adopted
 37 supplemental fee for each day the juror is in actual
 38 attendance after impaneling and until the jury is
 39 discharged.

40 (b) A county fiscal body may adopt an ordinance to pay from county
 41 funds a supplemental fee in addition to the fees prescribed by
 42 subsection (a)(2):

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1 ~~(e)~~ **(b)** Jurors of city and town courts are entitled to:

- 2 (1) fifteen dollars (\$15) per day while in actual attendance; and
 3 (2) receive a sum for mileage equal to that sum per mile paid to
 4 state officers and employees for each mile necessarily traveled to
 5 and from the court.

6 ~~(d)~~ **(c)** A city or town fiscal body may adopt an ordinance to pay from
 7 city or town funds a supplemental fee in addition to the fee prescribed
 8 by subsection ~~(e)~~~~(1)~~: **(b)(1)**.

9 ~~(e)~~ **(d)** A prospective juror who is summoned for jury duty and who
 10 reports to the summoning court on the day specified in the summons is
 11 in actual attendance on that day for the purposes of this section.

12 SECTION 338. IC 33-19-1-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The clerk
 14 shall note witness and juror fees when they are claimed and forward the
 15 claims to the county auditor or city or town fiscal officer.

16 (b) The clerk is not entitled to a fee for providing an affidavit or other
 17 proof of attendance to a juror or witness.

18 (c) The county auditor or city or town fiscal officer shall disburse
 19 juror or witness fees claimed under this section as provided in section
 20 3(b) of this chapter.

21 **(d) The county auditor or city or town fiscal officer shall forward**
 22 **to the division of state court administration a claim for all jury or**
 23 **witness fees disbursed in the preceding quarter. The division of**
 24 **state court administration shall reimburse the county auditor or**
 25 **town fiscal officer for the cost of jury and witness fees disbursed in**
 26 **the preceding quarter.**

27 SECTION 339. IC 33-19-4-3 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) This section
 29 applies in all actions listed in IC 33-19-5-4, IC 33-19-5-5, and
 30 IC 33-19-5-6.

31 (b) In an action where there has been or will be a change of venue or
 32 transfer from one (1) county to another, the clerk of the court from
 33 which the action is transferred shall collect from the party seeking
 34 change of venue a fee equal to that required by IC 33-19-5-4,
 35 IC 33-19-5-5, or IC 33-19-5-6. ~~The clerk of the transferring court shall~~
 36 ~~forward the fee collected under this section to the clerk of the court to~~
 37 ~~which the action is transferred.~~

38 SECTION 340. IC 33-19-5-2, AS AMENDED BY P.L.1-2001,
 39 SECTION 35, AS AMENDED BY P.L.183-2001, SECTION 5, AND
 40 AS AMENDED BY P.L.280-2001, SECTION 19, IS AMENDED AND
 41 CORRECTED TO READ AS FOLLOWS [EFFECTIVE JANUARY

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1, 2003]: Sec. 2. (a) Except as provided in subsections (d) and (e), for each action that results in a judgment:

- (1) for a violation constituting an infraction; or
- (2) for a violation of an ordinance of a municipal corporation (as defined in IC 36-1-2-10);

the clerk shall collect from the defendant an infraction or ordinance violation costs fee of seventy dollars (\$70).

(b) In addition to the infraction or ordinance violation costs fee collected under this section, the clerk shall collect from the defendant the following fees if they are required under IC 33-19-6:

- (1) A document fee (*IC 33-19-6-1, IC 33-19-6-2, IC 33-19-6-3*).
- (2) An alcohol and drug services program user fee (*IC 33-19-6-7(b)*).
- (3) A law enforcement continuing education program fee (*IC 33-19-6-7(c)*).
- (4) An alcohol and drug countermeasures fee (*IC 33-19-6-10*).
- (5) A highway work zone fee (*IC 33-19-6-14*).
- (6) A deferred prosecution fee (*IC 33-19-6-16.2*).
- (7) *A jury fee (IC 33-19-6-17)*.
- ~~(7) *A judicial salaries fee (IC 33-19-6-18)*.~~
- (8) *A document storage fee (IC 33-19-6-18.1)*.
- (9) *An automated record keeping fee (IC 33-19-6-19)*.
- (10) *A late payment fee (IC 33-19-6-20)*.

(c) The clerk shall transfer to the county auditor or fiscal officer of the municipal corporation the following fees, within thirty (30) days after they are collected, for deposit by the auditor or fiscal officer in the user fee fund established under IC 33-19-8:

- (1) The alcohol and drug services program user fee.
- (2) The law enforcement continuing education program fee.
- (3) The **following amounts from the** deferral program fee:
 - (A) Fifty two dollars (\$52) of the initial user's fee.**
 - (B) Ten dollars (\$10) of the monthly user's fee.**

(d) The defendant is not liable for any ordinance violation costs fee in an action in which:

- (1) the defendant was charged with an ordinance violation subject to IC 33-6-3;
- (2) the defendant denied the violation under IC 33-6-3-2;
- (3) proceedings in court against the defendant were initiated under IC 34-28-5 (or IC 34-4-32 before its repeal); and
- (4) the defendant was tried and the court entered judgment for the defendant for the violation.

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1 (e) Instead of the infraction or ordinance violation costs fee
 2 prescribed by subsection (a), the clerk shall collect a deferral program
 3 fee if an agreement between a prosecuting attorney or an attorney for
 4 a municipal corporation and the person charged with a violation
 5 entered into under IC 34-28-5-1 (or IC 34-4-32-1 before its repeal)
 6 requires payment of those fees by the person charged with the
 7 violation. The deferral program fee is:

- 8 (1) an initial user's fee not to exceed fifty-two dollars (\$52); and
 9 (2) a monthly user's fee not to exceed ten dollars (\$10) for each
 10 month the person remains in the deferral program.

11 SECTION 341. IC 33-19-6-11 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. (a) This
 13 section applies to an action in a circuit court in a county that has
 14 established a program under IC 9-30-9.

15 (b) The ~~probation department clerk~~ shall collect an alcohol abuse
 16 deterrent program fee and a medical fee set by the court under
 17 IC 9-30-9-8 and deposit ~~it them~~ into the ~~supplemental adult probation~~
 18 ~~services county alcohol abuse deterrent~~ fund.

19 SECTION 342. IC 33-19-6-17 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 17. ~~(a)~~ In each
 21 action in which a defendant is found to have committed a crime,
 22 violated a statute defining an infraction, or violated an ordinance of a
 23 municipal corporation, the clerk shall collect a jury fee of two dollars
 24 (\$2).

25 ~~(b) The fee collected under this section shall be deposited into the~~
 26 ~~county user fee fund established by IC 33-19-8-5.~~

27 SECTION 343. IC 33-19-6-22 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2003]: Sec. 22. (a) **This section applies**
 30 **to a probation officer serving a circuit, superior, probate, or**
 31 **county court.**

32 (b) **A probation officer shall transfer to the clerk a probation**
 33 **user fee collected under any of the following:**

- 34 (1) **IC 31-40-2-1.**
 35 (2) **IC 35-38-2-1.**

36 SECTION 344. IC 33-19-6-23 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JANUARY 1, 2003]: Sec. 23. (a) **This section applies**
 39 **to a probation officer serving a circuit, superior, probate, or**
 40 **county court if a community corrections program does not operate**
 41 **the home detention program.**

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1 **(b) A probation officer shall transfer to the clerk a home**
 2 **detention fee collected under IC 35-38-2.5-6.**

3 SECTION 345. IC 33-19-6-24 IS ADDED TO THE INDIANA
 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 2003]: **Sec. 24. The clerk shall collect a**
 6 **guardian ad litem or court appointed special advocate user fee**
 7 **ordered under IC 31-15-6-11, IC 31-17-6-9, or IC 31-40-3-1.**

8 SECTION 346. IC 33-19-6-25 IS ADDED TO THE INDIANA
 9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JANUARY 1, 2003]: **Sec. 25. The clerk shall collect an**
 11 **amount ordered under IC 33-9-11.5-6 (reimbursement for court**
 12 **appointed legal services) or IC 33-19-2-3 (costs of representation).**

13 SECTION 347. IC 33-19-7-1, AS AMENDED BY P.L.183-2001,
 14 SECTION 13, AND AS AMENDED BY P.L.280-2001, SECTION 25,
 15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
 16 1, 2003]: Sec. 1. (a) The clerk of a circuit court shall semiannually
 17 distribute to the auditor of state as the state share for deposit in the state
 18 general fund ~~seventy ninety-seven percent (70%)~~ **(97%)** of the amount
 19 of fees collected under the following:

- 20 (1) IC 33-19-5-1(a) (criminal costs fees).
 21 (2) IC 33-19-5-2(a) (infraction or ordinance violation costs fees).
 22 (3) IC 33-19-5-3(a) (juvenile costs fees).
 23 (4) IC 33-19-5-4(a) (civil costs fees).
 24 (5) IC 33-19-5-5(a) (small claims costs fees).
 25 (6) IC 33-19-5-6(a) (probate costs fees).
 26 ~~(7) IC 33-19-6-16.2 (deferred prosecution fees):~~

27 (b) The clerk of a circuit court shall semiannually distribute to the
 28 auditor of state for deposit in the state user fee fund established under
 29 IC 33-19-9-2 the following:

- 30 (1) Twenty-five percent (25%) of the drug abuse, prosecution,
 31 interdiction, and correction fees collected under
 32 IC 33-19-5-1(b)(5).
 33 (2) Twenty-five percent (25%) of the alcohol and drug
 34 countermeasures fees collected under IC 33-19-5-1(b)(6),
 35 IC 33-19-5-2(b)(4), and IC 33-19-5-3(b)(5).
 36 (3) Fifty percent (50%) of the child abuse prevention fees collected
 37 under IC 33-19-5-1(b)(7).
 38 (4) One hundred percent (100%) of the domestic violence
 39 prevention and treatment fees collected under IC 33-19-5-1(b)(8).
 40 (5) One hundred percent (100%) of the highway work zone fees
 41 collected under IC 33-19-5-1(b)(9) and IC 33-19-5-2(b)(5).

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- 1 (6) One hundred percent (100%) of the safe schools fee collected
2 under IC 33-19-6-16.3.
- 3 (7) One hundred percent (100%) of the automated record keeping
4 fee (IC 33-19-6-19).
- 5 (c) The clerk of a circuit court shall monthly distribute to the county
6 auditor the following:
- 7 (1) Seventy-five percent (75%) of the drug abuse, prosecution,
8 interdiction, and correction fees collected under
9 IC 33-19-5-1(b)(5).
- 10 (2) Seventy-five percent (75%) of the alcohol and drug
11 countermeasures fees collected under IC 33-19-5-1(b)(6),
12 IC 33-19-5-2(b)(4), and IC 33-19-5-3(b)(5).
- 13 The county auditor shall deposit fees distributed by a clerk under this
14 subsection into the county drug free community fund established under
15 IC 5-2-11.
- 16 (d) The clerk of a circuit court shall monthly distribute to the county
17 auditor fifty percent (50%) of the child abuse prevention fees collected
18 under IC 33-19-5-1(b)(8). The county auditor shall deposit fees
19 distributed by a clerk under this subsection into the county child
20 advocacy fund established under IC 12-17-17.
- 21 (e) The clerk of a circuit court shall semiannually distribute to the
22 auditor of state for deposit in the state general fund:
- 23 **(1) seventy percent (70%) of the amount of the fees described**
24 **in IC 33-19-6-16.2 (deferred prosecution fee);**
- 25 **(2) one hundred percent (100%) of the ~~judicial salaries fee:~~**
26 **amount of fees collected under IC 33-19-6-17 (jury fee);**
- 27 **(3) one hundred percent (100%) of the amount of fees collected**
28 **under IC 33-19-6-22 (probation user fees);**
- 29 **(4) one hundred percent (100%) of the amount of fees**
30 **described in IC 33-19-6-23 (home detention fees); and**
- 31 **(5) one hundred percent (100%) of the informal adjustment**
32 **program fee collected by the probation department under**
33 **IC 31-34-8-8 or IC 31-37-9-9.**
- 34 (f) The clerk of a circuit court shall monthly distribute to the county
35 auditor one hundred percent (100%) of the late payment fees collected
36 under IC 33-19-6-20. The county auditor shall deposit fees distributed
37 by a clerk under this subsection as follows:
- 38 (1) If directed to do so by an ordinance adopted by the county
39 fiscal body, the county auditor shall deposit:
- 40 **(A) forty percent (40%) of the fees in the clerk's record**
41 **perpetuation fund established under IC 33-19-6-1.5; and**
- 42 **(B) sixty percent (60%) of the fees in the county general fund.**

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- 1 (2) If the county fiscal body has not adopted an ordinance under
- 2 subdivision (1), the county auditor shall deposit all the fees in the
- 3 county general fund.
- 4 (g) The clerk of the circuit court shall semiannually distribute to the
- 5 auditor of state for deposit in the sexual assault victims assistance fund
- 6 established under IC 16-19-13-6 one hundred percent (100%) of the
- 7 sexual assault victims assistance fees collected under IC 33-19-6-21.
- 8 SECTION 348. IC 33-19-7-2 IS AMENDED TO READ AS
- 9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. The clerk of a
- 10 circuit court shall forward the county share of fees collected to the
- 11 county auditor in accordance with IC 33-19-1-3(a). The auditor shall
- 12 retain as the county share twenty-seven percent (27%) of the amount
- 13 of fees collected under the following:
- 14 (1) IC 33-19-5-1(a) (criminal costs fees):
- 15 (2) IC 33-19-5-2(a) (infraction or ordinance violation costs fees):
- 16 (3) IC 33-19-5-3(a) (juvenile costs fees):
- 17 (4) IC 33-19-5-4(a) (civil costs fees):
- 18 (5) IC 33-19-5-5(a) (small claims costs fees):
- 19 (6) IC 33-19-5-6(a) (probate costs fees):
- 20 (7) IC 33-19-6-16.2 (deferred prosecution fees).
- 21 SECTION 349. IC 33-19-7-4, AS AMENDED BY P.L.183-2001,
- 22 SECTION 14, AND AS AMENDED BY P.L.280-2001, SECTION 26,
- 23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
- 24 1, 2003]: Sec. 4. (a) The clerk of a city or town court shall
- 25 semiannually distribute to the auditor of state as the state share for
- 26 deposit in the state general fund ~~fifty-five~~ **seventy-five** percent (~~55%~~
- 27 **75%**) of the amount of fees collected under the following:
- 28 (1) IC 33-19-5-1(a) (criminal costs fees).
- 29 (2) IC 33-19-5-2(a) (infraction or ordinance violation costs fees).
- 30 (3) IC 33-19-5-4(a) (civil costs fees).
- 31 (4) IC 33-19-5-5 (small claims costs fees).
- 32 (5) IC 33-19-6-16.2 (~~deferred prosecution fees~~):
- 33 (b) Once each month the city or town fiscal officer shall distribute to
- 34 the county auditor as the county share twenty percent (20%) of the
- 35 amount of fees collected under the following:
- 36 (1) IC 33-19-5-1(a) (criminal costs fees):
- 37 (2) IC 33-19-5-2(a) (infraction or ordinance violation costs fees):
- 38 (3) IC 33-19-5-4(a) (civil costs fees):
- 39 (4) IC 33-19-5-5 (small claims costs fees):
- 40 (5) IC 33-19-6-16.2 (deferred prosecution fees).

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1 (c) The city or town fiscal officer shall retain twenty-five percent
 2 (25%) as the city or town share of the fees collected under the
 3 following:

- 4 (1) IC 33-19-5-1(a) (criminal costs fees).
 5 (2) IC 33-19-5-2(a) (infraction or ordinance violation costs fees).
 6 (3) IC 33-19-5-4(a) (civil costs fees).
 7 (4) IC 33-19-5-5 (small claims costs fees).
 8 (5) IC 33-19-6-16.2 (deferred prosecution fees).

9 (d) The clerk of a city or town court shall semiannually distribute to
 10 the auditor of state for deposit in the state user fee fund established
 11 under IC 33-19-9 the following:

- 12 (1) Twenty-five percent (25%) of the drug abuse, prosecution,
 13 interdiction, and corrections fees collected under
 14 IC 33-19-5-1(b)(5).
 15 (2) Twenty-five percent (25%) of the alcohol and drug
 16 countermeasures fees collected under IC 33-19-5-1(b)(6),
 17 IC 33-19-5-2(b)(4), and IC 33-19-5-3(b)(5).
 18 (3) One hundred percent (100%) of the highway work zone fees
 19 collected under IC 33-19-5-1(b)(9) and IC 33-19-5-2(b)(5).
 20 (4) One hundred percent (100%) of the safe schools fee collected
 21 under IC 33-19-6-16.3.
 22 (5) One hundred percent (100%) of the automated record keeping
 23 fee (IC 33-19-6-19).

24 (e) The clerk of a city or town court shall monthly distribute to the
 25 county auditor the following:

- 26 (1) Seventy-five percent (75%) of the drug abuse, prosecution,
 27 interdiction, and corrections fees collected under
 28 IC 33-19-5-1(b)(5).
 29 (2) Seventy-five percent (75%) of the alcohol and drug
 30 countermeasures fees collected under IC 33-19-5-1(b)(6),
 31 IC 33-19-5-2(b)(4), and IC 33-19-5-3(b)(5).

32 The county auditor shall deposit fees distributed by a clerk under this
 33 subsection into the county drug free community fund established under
 34 IC 5-2-11.

35 (f) The clerk of a city or town court shall semiannually distribute to
 36 the auditor of state for deposit in the state general fund:

- 37 **(1) fifty-five percent (55%) of the fees collected under**
 38 **IC 33-19-6-16.2 (deferred prosecution fees);**
 39 **(2) one hundred percent (100%) of the judicial salaries fee: fees**
 40 **collected under IC 33-19-6-17 (jury fee); and**
 41 **(3) two dollars (\$2) for each of the following fees collected**
 42 **under IC 33-19-5-2(e) (deferral program fee):**

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1 **(A) Each initial user's fee collected.**

2 **(B) Each monthly user's fee collected.**

3 (g) The clerk of a city or town court shall distribute monthly to the
4 city or town fiscal officer (as defined in IC 36-1-2-7) one hundred
5 percent (100%) of the late payment fees collected under IC 33-19-6-20.
6 The city or town fiscal officer (as defined in IC 36-1-2-7) shall deposit
7 fees distributed by a clerk under this subsection in the city or town
8 general fund.

9 SECTION 350. IC 33-19-8-5 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) A county
11 user fee fund is established in each county for the purpose of financing
12 various program services. The county fund shall be administered by the
13 county auditor.

14 (b) The county fund consists of the following fees collected by a
15 clerk under this article: ~~and by the probation department for the~~
16 ~~juvenile court under IC 31-34-8-8 or IC 31-37-9-9:~~

17 (1) The pretrial diversion program fee.

18 ~~(2) The informal adjustment program fee.~~

19 ~~(3) (2) The marijuana eradication program fee.~~

20 ~~(4) (3) The alcohol and drug services program fee.~~

21 ~~(5) (4) The law enforcement continuing education program fee.~~

22 ~~(6) (5) The deferral program fee.~~

23 ~~(7) The jury fee.~~

24 (c) ~~All of the jury fee and two dollars (\$2) of every deferral program~~
25 ~~fee collected under IC 33-19-5-2(c) shall be deposited by the county~~
26 ~~auditor in the jury pay fund under IC 33-19-10.~~

27 SECTION 351. IC 33-22 IS ADDED TO THE INDIANA CODE AS
28 A **NEW ARTICLE TO READ AS FOLLOWS** [EFFECTIVE
29 JANUARY 1, 2003]:

30 **ARTICLE 22. PROBATION OFFICERS**

31 **Chapter 1. Definitions**

32 **Sec. 1. The definitions in this chapter apply throughout this**
33 **article.**

34 **Sec. 2. "Handgun" has the meaning set forth in IC 35-47-1-6.**

35 **Sec. 3. "Juvenile court" has the meaning set forth in**
36 **IC 31-9-2-70.**

37 **Sec. 4. "Juvenile law" has the meaning set forth in IC 31-9-2-72.**

38 **Chapter 2. Chief Probation Officer**

39 **Sec. 1. A court, or two (2) or more courts acting jointly, may**
40 **designate a probation officer to direct and supervise the work of**
41 **the probation department.**

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1 **Sec. 2. The judge of the juvenile court shall appoint a chief**
 2 **probation officer.**

3 **Sec. 3. The chief probation officer of a juvenile court, under the**
 4 **direction of the juvenile court, shall supervise the work of the**
 5 **probation department.**

6 **Chapter 3. Probation Officers**

7 **Sec. 1. A court or division of a court authorized to impose**
 8 **probation shall appoint one (1) or more probation officers,**
 9 **depending on the needs of the court, except that two (2) or more**
 10 **divisions within a court, two (2) or more courts within a county, or**
 11 **two (2) or more courts not in the same county may jointly appoint**
 12 **and employ one (1) or more probation officers for the purpose of**
 13 **meeting the needs of the courts.**

14 **Sec. 2. (a) This section does not apply to a person certified as a**
 15 **qualified probation officer before January 1, 2003.**

16 **(b) A person may be appointed as a probation officer after**
 17 **December 31, 2002, only if that person meets the minimum**
 18 **employment qualifications adopted by the supreme court.**

19 **(c) An uncertified person appointed as a probation officer after**
 20 **December 31, 2002, who fails to successfully complete a written**
 21 **examination established by the supreme court within six (6)**
 22 **months after the date of the person's appointment is prohibited**
 23 **from exercising the powers of a probation officer as granted by**
 24 **law.**

25 **Sec. 3. Probation officers serve at the pleasure of the appointing**
 26 **court.**

27 **Sec. 4. The amount and time of payment of salaries of city court**
 28 **probation officers shall be fixed by the court consistent with the**
 29 **rules of the supreme court to be paid out of the city treasury by the**
 30 **city controller. City court probation officers are entitled to their**
 31 **actual expenses necessarily incurred in the performance of their**
 32 **duties.**

33 **Sec. 5. If directed by the appointing court, a probation officer**
 34 **shall give a bond in a sum to be fixed by the court.**

35 **Chapter 4. Probation Staff**

36 **Sec. 1. The courts authorized to appoint probation officers shall**
 37 **appoint administrative personnel needed to properly discharge the**
 38 **probation function. A judge of a juvenile court may appoint an**
 39 **appropriate number of other employees to assist the juvenile**
 40 **probation department.**

41 **Sec. 2. These personnel serve at the pleasure of the appointing**
 42 **court.**

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1 **Sec. 3. The amount and time of payment of salaries of**
 2 **administrative personnel in a city or town court shall be fixed by**
 3 **the court to be paid out of the city treasury by the city controller.**

4 **Chapter 5. General Powers and Duties**

5 **Sec. 1. A probation officer is directly responsible to and subject**
 6 **to the orders of the court appointing the probation officer.**

7 **Sec. 2. A probation officer may:**

- 8 (1) **visit and confer with any person under investigation or**
 9 **under the probation officer's supervision;**
 10 (2) **exercise those powers necessary to carry out the probation**
 11 **officer's duties; and**
 12 (3) **act as a parole officer for the department of correction**
 13 **when requested by the department of correction and when the**
 14 **request is approved by the court.**

15 **Sec. 3. A probation officer may not carry a handgun while acting**
 16 **in the scope of employment as a probation officer unless all of the**
 17 **following conditions are met:**

- 18 (1) **The appointing court enters an order authorizing the**
 19 **probation officer to carry the handgun while on duty.**
 20 (2) **The probation officer is issued a license to carry the**
 21 **handgun under IC 35-47-2.**
 22 (3) **The probation officer successfully completes a handgun**
 23 **safety course certified by the law enforcement training board**
 24 **under IC 5-2-1-9(m).**

25 **Sec. 4. A probation officer shall:**

- 26 (1) **conduct prehearing and presentence investigations and**
 27 **prepare reports as required by law;**
 28 (2) **assist the courts in making pretrial release decisions;**
 29 (3) **assist the courts, prosecuting attorneys, and other law**
 30 **enforcement officials in making decisions regarding the**
 31 **diversion of charged individuals to appropriate noncriminal**
 32 **alternatives;**
 33 (4) **furnish each person placed on probation under the officer's**
 34 **supervision a written statement of the conditions of probation**
 35 **and instruct the person regarding those conditions;**
 36 (5) **supervise and assist persons on probation consistent with**
 37 **conditions of probation imposed by the court;**
 38 (6) **bring to the court's attention any modification in the**
 39 **conditions of probation considered advisable;**
 40 (7) **notify the court when a violation of a condition of probation**
 41 **occurs;**

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- 1 (8) cooperate with public and private agencies and other
 2 persons concerned with the treatment or welfare of persons on
 3 probation and assist them in obtaining services from those
 4 agencies and persons;
 5 (9) keep accurate records of cases investigated by the
 6 probation officer and of all cases assigned to the officer by the
 7 court and make these records available to the court upon
 8 request;
 9 (10) collect and disburse money from persons under the
 10 probation officer's supervision according to the order of the
 11 court and keep accurate and complete accounts of those
 12 collections and disbursements;
 13 (11) assist the court in transferring supervision of a person on
 14 probation to a court in another jurisdiction; and
 15 (12) perform other duties required by law or as directed by the
 16 court.
- 17 **Sec. 5. IC 34-13-3 applies whenever:**
 18 (1) a governmental entity or its employee is sued for civil
 19 damages; and
 20 (2) the civil action arises out of an act within the scope of a
 21 probation officer's employment or duties.
- 22 **Chapter 6. Juvenile Probation Departments**
 23 **Sec. 1. The judge of a juvenile court shall appoint probation**
 24 **officers and an appropriate number of other employees to assist**
 25 **the probation department.**
- 26 **Sec. 2. A probation officer shall, to carry out the juvenile law:**
 27 (1) conduct the investigations and prepare the reports and
 28 recommendations that the court directs and keep a written
 29 record of those investigations, reports, and recommendations;
 30 (2) receive and examine complaints and allegations concerning
 31 matters covered by the juvenile law and make preliminary
 32 inquiries and investigations;
 33 (3) implement informal adjustments with the approval of the
 34 court;
 35 (4) prepare and submit the predisposition report required for
 36 a dispositional hearing under the juvenile law;
 37 (5) supervise and assist by all suitable methods a child placed
 38 on probation or in the probation officer's care by order of the
 39 court or other legal authority;
 40 (6) keep complete records of the probation officer's work and
 41 comply with any order of the court concerning the collection,

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1 protection, and distribution of any money or other property
2 coming into the probation officer's hands;

3 (7) with the cooperation and assistance of the county office of
4 family and children, prepare and monitor performance of any
5 case plan and ensure compliance with all other procedures, as
6 necessary or appropriate to satisfy the requirements of Title
7 IV-E of the Social Security Act (42 U.S.C. 670 et seq.), and
8 applicable federal regulations for federal financial
9 participation in the payment of the cost of services provided to
10 an eligible child; and

11 (8) perform the other functions that are designated by the
12 juvenile law or by the court in accordance with the juvenile
13 law.

14 Sec. 3. Except for carrying a handgun as authorized under
15 IC 33-22-5-3, a probation officer does not have the powers of a law
16 enforcement officer.

17 Chapter 7. Duties; Judicial Conference of Indiana

18 Sec. 1. The judicial conference of Indiana shall:

- 19 (1) keep informed of the work of all probation departments;
20 (2) inform courts and probation departments of legislation
21 concerning probation and of other developments in probation;
22 and
23 (3) submit to the general assembly before January 15 of each
24 year the report prepared by the division of state court
25 administration containing statistical and other information
26 relating to probation.

27 Sec. 2. The judicial conference of Indiana may:

- 28 (1) visit and inspect any probation department and confer with
29 probation officers and judges administering probation; and
30 (2) under rules adopted by the supreme court, require
31 probation departments to submit periodic reports of their
32 work on forms furnished by the conference.

33 Sec. 3. The judicial conference of Indiana may arrange
34 conferences or workshops for probation officers and judges
35 administering probation in order to enhance knowledge about and
36 improve the delivery of probation services. The expenses of
37 probation officers and judges incurred in attending these
38 conferences or workshops shall be paid in the same manner as
39 other expenses are paid in the courts in which they serve.

40 Sec. 4. The judicial conference of Indiana shall provide probation
41 departments with training and technical assistance for:

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- 1 (1) the implementation and management of probation case
2 classification; and
3 (2) the development and use of workload information.

4 **Sec. 5.** The judicial conference of Indiana shall, in cooperation
5 with the division of family and children and the department of
6 education, provide probation departments with training and
7 technical assistance relating to special education services and
8 programs that may be available for delinquent children or children
9 in need of services. The subjects addressed by the training and
10 technical assistance must include the following:

- 11 (1) Eligibility standards.
12 (2) Testing requirements and procedures.
13 (3) Procedures and requirements for placement in programs
14 provided by school corporations or special education
15 cooperatives under IC 20-1-6.
16 (4) Procedures and requirements for placement in residential
17 special education institutions or facilities under IC 20-1-6-19
18 and 511 IAC 7-12-5.
19 (5) Development and implementation of individual education
20 programs for eligible children:
21 (A) in accordance with applicable requirements of state and
22 federal laws and rules; and
23 (B) in coordination with:
24 (i) individual case plans; and
25 (ii) informal adjustment programs or dispositional decrees
26 entered by courts having juvenile jurisdiction under
27 IC 31-34 and IC 31-37.
28 (6) Sources of federal, state, and local funding that are or may
29 be available to support special education programs for
30 children for whom proceedings have been initiated under
31 IC 31-34 and IC 31-37. Training for probation departments
32 may be provided jointly with training provided to child welfare
33 caseworkers relating to the same subject matter.

34 **Sec. 6.** The judicial conference of Indiana shall make
35 recommendations to courts and probation departments
36 concerning:

- 37 (1) selection, training, distribution, and removal of probation
38 officers;
39 (2) methods and procedures for the administration of
40 probation, including investigation, supervision, workloads,
41 recordkeeping, and reporting; and
42 (3) use of citizen volunteers and public and private agencies.

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1 **Sec. 7. There is established within the judicial conference of**
 2 **Indiana a probation standards and practices advisory committee,**
 3 **consisting of the following ten (10) members, not more than five (5)**
 4 **of whom may be affiliated with the same political party:**

5 **(1) the chief justice of the supreme court or the chief justice's**
 6 **designee, who shall serve as chairman of the committee;**

7 **(2) the commissioner or the commissioner's designee;**

8 **(3) one (1) judge of a circuit or superior court having criminal**
 9 **jurisdiction;**

10 **(4) one (1) judge of a county or municipal court having**
 11 **criminal jurisdiction;**

12 **(5) one (1) judge of a circuit or superior court having juvenile**
 13 **jurisdiction;**

14 **(6) one (1) supervising probation officer;**

15 **(7) two (2) probation officers, one (1) whose primary**
 16 **responsibility is adult supervision and one (1) whose primary**
 17 **responsibility is juvenile supervision; and**

18 **(8) two (2) lay persons.**

19 **Sec. 8. (a) Other than the commissioner and the chief justice, who**
 20 **shall serve by virtue of their offices, or their designees, members of**
 21 **the probation standards and practices advisory committee shall be**
 22 **appointed by the governor. All appointments shall be made for**
 23 **terms of four (4) years or while maintaining the position held at the**
 24 **time of appointment to the committee, whichever is the lesser**
 25 **period. Appointees shall serve as members of the committee only**
 26 **while holding the office or position held at the time of appointment.**

27 **(b) Vacancies on the committee caused by resignation, death, or**
 28 **removal shall be filled for the unexpired term of the member**
 29 **succeeded in the same manner as the original appointment.**
 30 **Members may be reappointed for additional terms. The appointed**
 31 **members of the committee may be removed by the governor for**
 32 **cause after an opportunity to be heard by the governor upon due**
 33 **notice.**

34 **(c) Each appointed member is entitled to the minimum salary per**
 35 **diem as provided in IC 4-10-11-2.1(b) for each day engaged in the**
 36 **official business of the committee. In addition, each member is**
 37 **entitled to reimbursement for traveling and other expenses as**
 38 **provided in the travel policies and procedures established by the**
 39 **department of administration and approved by the budget agency.**
 40 **The committee shall meet at least three (3) times a year and at**
 41 **other times at the call of the chairman. The chairman shall call the**
 42 **organizational meeting of the committee within thirty (30) days**

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1 after the last initial appointment to the committee has been made
2 by the governor. For the purposes of transacting business, a
3 majority of the membership constitutes a quorum.

4 **Sec. 9.** The conference may delegate any of the functions
5 described in this chapter to the judicial center.

6 **Sec. 10. (a)** Every probation department shall annually compile
7 and make available to the judicial conference of Indiana upon
8 request accurate statistical information pertaining to its operation,
9 including:

- 10 (1) presentence and predisposition reports prepared;
- 11 (2) investigations and reports regarding cases assigned to the
- 12 probation department and disposed of before trial;
- 13 (3) cases disposed of by termination of supervision, including
- 14 revocation of probation;
- 15 (4) that probation department's operational costs, including
- 16 salaries of probation officers and administrative personnel;
- 17 and
- 18 (5) persons employed.

19 **(b)** Before January 5 of each year, each probation department
20 shall send to the judicial conference of Indiana the following
21 statistical information concerning home detention for the
22 preceding calendar year:

- 23 (1) The number of persons supervised by the department or by
- 24 a community corrections program who were placed in home
- 25 detention under IC 35-38-2.5.
- 26 (2) The number of persons supervised by the department or by
- 27 a community corrections program who successfully completed
- 28 a period of home detention ordered under IC 35-38-2.5.
- 29 (3) The number of persons supervised by the department or by
- 30 a community corrections program who failed to complete a
- 31 period of home detention ordered under IC 35-38-2.5, and a
- 32 description of the subsequent disposition for those persons.
- 33 (4) For each person under home detention supervised by the
- 34 department or by a community corrections program, a
- 35 description of the most serious offense for which the person
- 36 was convicted, resulting in a sentence that included a period of
- 37 home detention ordered as a condition of probation.
- 38 (5) The amount of home detention user fees collected by the
- 39 department under IC 35-38-2.5.
- 40 (6) The amount of home detention user fees deposited into the
- 41 community corrections home detention fund for the county in
- 42 which the department is located.

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1 (7) The average expense per person placed in home detention
2 supervised by the department with a monitoring device.

3 (8) The average expense per person placed in home detention
4 supervised by the department without a monitoring device.

5 **Chapter 8. Supreme Court Rules**

6 **Sec. 1. The supreme court may adopt rules consistent with this**
7 **chapter, prescribing minimum standards concerning:**

8 (1) educational and occupational qualifications for employment
9 as a probation officer;

10 (2) compensation of probation officers;

11 (3) protection of probation records and disclosure of
12 information contained in those records; and

13 (4) presentence investigation reports.

14 SECTION 352. IC 34-6-2-20 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 20. "Charitable
16 entity", for purposes of IC 34-30-5, means any entity exempted from
17 the Indiana state gross income retail tax under ~~IC 6-2.1-3-20.~~
18 **IC 6-2.5-5-21(b)(1)(B).**

19 SECTION 353. IC 35-38-1-9 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. (a) As used in
21 this chapter, "recommendation" and "victim" have the meanings set out
22 in IC 35-35-3-1.

23 (b) The presentence investigation consists of the gathering of
24 information with respect to:

25 (1) the circumstances attending the commission of the offense;

26 (2) the convicted person's history of delinquency or criminality,
27 social history, employment history, family situation, economic
28 status, education, and personal habits; and

29 (3) the impact of the crime upon the victim.

30 (c) The presentence investigation may include any matter that the
31 probation officer conducting the investigation believes is relevant to
32 the question of sentence, and must include:

33 (1) any matters the court directs to be included;

34 (2) any written statements submitted to the prosecuting attorney by
35 a victim under IC 35-35-3;

36 (3) any written statements submitted to the probation officer by a
37 victim; and

38 (4) preparation of the victim impact statement required under
39 section 8.5 of this chapter.

40 (d) If there are no written statements submitted to the probation
41 officer, ~~he~~ **the probation officer** shall certify to the court:

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- 1 (1) that ~~he~~ **the probation officer** has attempted to contact the
 2 victim; and
 3 (2) that if ~~he~~ **the probation officer** has contacted the victim, ~~he~~
 4 **the probation officer** has offered to accept the written statements
 5 of the victim or to reduce ~~his~~ **the victim's** oral statements to
 6 writing, concerning the sentence, including the acceptance of any
 7 recommendation.
- 8 (e) A presentence investigation report prepared by a probation officer
 9 must include the information and comply with any other requirements
 10 established in the rules adopted ~~under IC 11-13-1-8~~ **by the supreme**
 11 **court.**
- 12 SECTION 354. IC 35-38-2-1 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. (a) Whenever
 14 it places a person on probation, the court shall:
- 15 (1) specify in the record the conditions of the probation; and
 16 (2) advise the person that if the person violates a condition of
 17 probation during the probationary period, a petition to revoke
 18 probation may be filed before the earlier of the following:
- 19 (A) One (1) year after the termination of probation.
 20 (B) Forty-five (45) days after the state receives notice of the
 21 violation.
- 22 (b) In addition, if the person was convicted of a felony and is placed
 23 on probation, the court shall order the person to pay to the ~~probation~~
 24 ~~department clerk~~ the user's fee prescribed under subsection (c). If the
 25 person was convicted of a misdemeanor, the court may order the person
 26 to pay the user's fee prescribed under subsection (d). The court may:
- 27 (1) modify the conditions (except a fee payment under subsection
 28 (c)); or
 29 (2) terminate the probation;
- 30 at any time. If the person commits an additional crime, the court may
 31 revoke the probation.
- 32 (c) In addition to any other conditions of probation, the court shall
 33 order each person convicted of a felony to pay:
- 34 (1) not less than twenty-five dollars (\$25) nor more than one
 35 hundred dollars (\$100) as an initial probation user's fee;
 36 (2) a monthly probation user's fee of not less than five dollars (\$5)
 37 nor more than fifteen dollars (\$15) for each month that the person
 38 remains on probation;
 39 (3) the costs of the laboratory test or series of tests to detect and
 40 confirm the presence of the human immunodeficiency virus (HIV)
 41 antigen or antibodies to the human immunodeficiency virus (HIV)

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1 if such tests are required by the court under section 2.3 of this
 2 chapter; and
 3 (4) an alcohol abuse deterrent fee and a medical fee set by the
 4 court under IC 9-30-9-8, if the court has referred the defendant to
 5 an alcohol abuse deterrent program;
 6 to the ~~probation department~~. **clerk.**

7 (d) In addition to any other conditions of probation, the court may
 8 order each person convicted of a misdemeanor to pay:
 9 (1) not more than a fifty dollar (\$50) initial probation user's fee;
 10 (2) not more than a ten dollar (\$10) monthly probation user's fee
 11 for each month that the person remains on probation; and
 12 (3) the costs of the laboratory test or series of tests to detect and
 13 confirm the presence of the human immunodeficiency virus (HIV)
 14 antigen or antibodies to the human immunodeficiency virus (HIV)
 15 if such tests are required by the court under section 2.3 of this
 16 chapter;

17 to the ~~probation department~~. **clerk.**
 18 (e) ~~All money collected by the probation department under this~~
 19 ~~section shall be transferred to the county treasurer who shall deposit the~~
 20 ~~money into the county supplemental adult probation services fund. The~~
 21 ~~fiscal body of the county shall appropriate money from the county~~
 22 ~~supplemental adult probation services fund to the county, superior,~~
 23 ~~circuit, or municipal court of the county that provides probation~~
 24 ~~services to adults.~~

25 (f) ~~(e)~~ All money collected by the probation department of a city or
 26 town court under this section shall be transferred to the fiscal officer of
 27 the city or town. The fiscal officer shall deposit the money into the
 28 ~~local supplemental adult probation services city or town user fee~~ fund.
 29 The fiscal body of the city or town shall appropriate money from the
 30 local supplemental adult probation services fund to the city or town
 31 court of the city or town for the court's use in providing probation
 32 services to adults or for the court's use for other purposes as may be
 33 appropriated by the fiscal body. Money may be appropriated under this
 34 subsection only to those city or town courts that have an adult
 35 probation services program. If a city or town court does not have such
 36 a program, the money collected by the probation department must be
 37 transferred ~~and appropriated as provided under subsection (e): to the~~
 38 **auditor of state for deposit in the state general fund.**

39 (g) ~~(f)~~ Except as provided in subsection ~~(i); (h)~~, the ~~county or~~ local
 40 supplemental adult probation services fund may be used only to
 41 supplement probation services and to increase salaries for probation
 42 officers. A supplemental probation services fund may not be used to

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1 replace other funding of probation services. Any money remaining in
 2 the fund at the end of the year does not revert to any other fund but
 3 continues in the ~~county~~ or local supplemental adult probation services
 4 fund.

5 ~~(h)~~ (g) A person placed on probation for more than one (1) crime
 6 may not be required to pay more than:

7 (1) one (1) initial probation user's fee; and

8 (2) one (1) monthly probation user's fee per month;
 9 to the probation department.

10 ~~(i)~~ (h) This subsection applies to a city or town located in a county
 11 having a population of more than one hundred fifty thousand (150,000)
 12 but less than one hundred sixty thousand (160,000). Any money
 13 remaining in the local supplemental adult probation services fund at the
 14 end of the local fiscal year may be appropriated by the city or town
 15 fiscal body to the city or town court for use by the court for purposes
 16 determined by the fiscal body.

17 SECTION 355. IC 35-38-2.5-8 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) ~~All home~~
 19 ~~detention fees collected by a county based probation department shall~~
 20 ~~be transferred to the county treasurer who shall deposit the fees into the~~
 21 ~~county supplemental adult or juvenile probation services fund.~~ The
 22 expenses of administering a **county based probation department**
 23 home detention program, including the purchase of monitoring devices
 24 and other supervision expenses, shall be paid ~~from the fund:~~ **by the**
 25 **state.**

26 (b) All home detention fees collected by the probation department of
 27 a city or town court shall be transferred to the fiscal officer of the city
 28 or town who shall deposit the fees into the local supplemental adult ~~or~~
 29 ~~juvenile~~ probation services fund. The expenses of administering a
 30 home detention program, including the purchase of monitoring devices
 31 and other supervision expenses shall be paid from the fund.

32 (c) All home detention fees collected by a community corrections
 33 program, except any funds received by a community corrections
 34 program under IC 11-12, shall be deposited into the community
 35 corrections home detention fund established for the county under
 36 IC 11-12-7-1. The expenses of administering a community corrections
 37 home detention program, including the purchase of monitoring devices
 38 and other supervision expenses, shall be paid from the fund.

39 SECTION 356. IC 36-2-10-16 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. (a) Before the
 41 sixteenth day of each month, the treasurer shall prepare a report

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1 showing, as of the close of business on the last day of the preceding
2 month, the following items:

- 3 (1) The total amount of taxes collected and not included in the last
- 4 semiannual settlement of taxes, and the amount of taxes omitted
- 5 from any preceding semiannual settlements, except for taxes
- 6 advanced to the state or a municipal corporation in the county and
- 7 for which an advance settlement has been made.
- 8 (2) The total amount of ~~taxes collected under IC 6-5-10, IC 6-5-11,~~
- 9 ~~and IC 6-5-12~~ and distributions under IC 6-5.5 that are not
- 10 included in the last semiannual settlement of taxes, and the amount
- 11 of those taxes omitted from any preceding semiannual settlements.
- 12 (3) The totals of money received from all other sources and not
- 13 receipted into the ledger fund accounts of the county at the end of
- 14 the month.
- 15 (4) The total of the balances in all ledger fund accounts.
- 16 (5) The total amount of cash in each depository at the close of
- 17 business on the last day of the month.
- 18 (6) The total of county warrants issued against each depository that
- 19 are outstanding and unpaid at the end of the month.
- 20 (7) The record balance of money in each depository at the end of
- 21 the month.
- 22 (8) The cash in the office at the close of the last day of the month.
- 23 (9) Other items for which the treasurer is entitled to credit.

24 The treasurer shall prepare the report in quadruplicate and verify each
25 copy. The treasurer shall retain one (1) copy as a public record and file
26 three (3) copies with the county auditor. The state board of accounts
27 shall prescribe forms for the report in the detail it considers necessary
28 under this section and IC 5-13-6-1.

29 (b) The treasurer shall make the monthly report required by
30 IC 36-2-6-14.

31 SECTION 357. IC 36-3-7-5 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) Liens for
33 taxes levied by the consolidated city are perfected when certified to the
34 auditor of the county.

35 (b) Liens created when the city enters upon property to make
36 improvements to bring it into compliance with a city ordinance, and
37 liens created upon failure to pay charges assessed by the city for
38 services shall be certified to the auditor, after the adoption of a
39 resolution confirming the incurred expense by the appropriate city
40 department, board, or other agency. In addition, the resolution must
41 state the name of the owner as it appears on the township assessor's

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1 record and a description of the property. These liens are perfected when
2 certified to the auditor.

3 (c) The amount of a perfected lien shall be placed on the tax
4 duplicate by the auditor in the nature of a delinquent tax subject to
5 enforcement and collection as otherwise provided under IC 6-1.1-22,
6 IC 6-1.1-24, and IC 6-1.1-25. However, the amount of the lien is not
7 considered a tax ~~within the meaning of IC 6-1.1-21-2(b)~~ and shall not
8 be included as a part of ~~either a total county tax levy under~~
9 ~~IC 6-1.1-21-2(g) or the tax liability of a taxpayer under IC 6-1.1-21-5~~
10 ~~for purposes of the tax credit computations under IC 6-1.1-21-4 and~~
11 ~~IC 6-1.1-21-5. IC 6-1.1-21.1-4.~~

12 SECTION 358. IC 36-7-13-3.8 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3.8. As used in
14 this chapter, "state and local income taxes" means taxes imposed under
15 any of the following:

- 16 (1) ~~IC 6-2-1 (the gross income tax).~~
17 (2) (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).
18 (3) ~~IC 6-3-8 (the supplemental net income tax).~~
19 (4) (2) IC 6-3.5-1.1 (county adjusted gross income tax).
20 (5) (3) IC 6-3.5-6 (county option income tax).
21 (6) (4) IC 6-3.5-7 (county economic development income tax).

22 SECTION 359. IC 36-7-13-15, AS AMENDED BY P.L.174-2001,
23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2003]: Sec. 15. (a) If an advisory commission on
25 industrial development designates a district under this chapter or the
26 legislative body of a county or municipality adopts an ordinance
27 designating a district under section 10.5 of this chapter, the treasurer
28 of state shall establish an incremental tax financing fund for the county.
29 The fund shall be administered by the treasurer of state. Money in the
30 fund does not revert to the state general fund at the end of a state fiscal
31 year.

32 (b) Subject to subsection (c), the following amounts shall be
33 deposited during each state fiscal year in the incremental tax financing
34 fund established for the county under subsection (a):

- 35 (1) The aggregate amount of state gross retail and use taxes that are
36 remitted under IC 6-2.5 by businesses operating in the district,
37 until the amount of state gross retail and use taxes deposited equals
38 the gross retail incremental amount for the district.
39 (2) The aggregate amount of state and local income taxes paid by
40 employees employed in the district with respect to wages earned
41 for work in the district, until the amount of state and local income
42 taxes deposited equals the income tax incremental amount.



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1 (c) The aggregate amount of revenues that is:

2 (1) attributable to:

3 (A) the state gross retail and use taxes established under
4 IC 6-2.5; **and**

5 ~~(B) the gross income tax established under IC 6-2.1;~~

6 ~~(C) (B) the adjusted gross income tax established under IC 6-3-1~~
7 ~~through IC 6-3-7; and~~

8 ~~(D) the supplemental net income tax established under IC 6-3-8;~~
9 ~~and~~

10 (2) deposited during any state fiscal year in each incremental tax
11 financing fund established for a county;
12 may not exceed one million dollars (\$1,000,000) per county.

13 (d) On or before the twentieth day of each month, all amounts held
14 in the incremental tax financing fund established for a county shall be
15 distributed to the district's advisory commission on industrial
16 development for deposit in the industrial development fund of the unit
17 that requested designation of the district.

18 SECTION 360. IC 36-7-14-37 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 37. (a) Real
20 property acquired by the redevelopment district is exempt from
21 taxation while owned by the district.

22 (b) All receipts of the department of redevelopment, including
23 receipts from the sale of real property, personal property, and materials
24 disposed of, are exempt from all taxes. ~~including the gross income tax.~~

25 (c) All other property of the department of redevelopment is exempt
26 from taxation.

27 SECTION 361. IC 36-7-14-39 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39. (a) As used
29 in this section:

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

34 "Base assessed value" means the following:

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

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

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- 1 (B) to the extent that it is not included in clause (A), the net
 2 assessed value of property that is assessed as residential property
 3 under the rules of the ~~state board of tax commissioners;~~
 4 **department of local government finance**, as finally determined
 5 for any assessment date after the effective date of the allocation
 6 provision.
- 7 (2) If an allocation provision is adopted after June 30, 1997, in a
 8 declaratory resolution or an amendment to a declaratory resolution
 9 establishing a blighted area:
- 10 (A) the net assessed value of all the property as finally
 11 determined for the assessment date immediately preceding the
 12 effective date of the allocation provision of the declaratory
 13 resolution, as adjusted under subsection (h); plus
- 14 (B) to the extent that it is not included in clause (A), the net
 15 assessed value of property that is assessed as residential property
 16 under the rules of the ~~state board of tax commissioners;~~
 17 **department of local government finance**, as finally determined
 18 for any assessment date after the effective date of the allocation
 19 provision.
- 20 (3) If:
- 21 (A) an allocation provision adopted before June 30, 1995, in a
 22 declaratory resolution or an amendment to a declaratory
 23 resolution establishing a blighted area expires after June 30,
 24 1997; and
- 25 (B) after June 30, 1997, a new allocation provision is included
 26 in an amendment to the declaratory resolution;
 27 the net assessed value of all the property as finally determined for
 28 the assessment date immediately preceding the effective date of the
 29 allocation provision adopted after June 30, 1997, as adjusted under
 30 subsection (h).
- 31 (4) Except as provided in subdivision (5), for all other allocation
 32 areas, the net assessed value of all the property as finally
 33 determined for the assessment date immediately preceding the
 34 effective date of the allocation provision of the declaratory
 35 resolution, as adjusted under subsection (h).
- 36 (5) If an allocation area established in an economic development
 37 area before July 1, 1995, is expanded after June 30, 1995, the
 38 definition in subdivision (1) applies to the expanded portion of the
 39 area added after June 30, 1995.
- 40 (6) If an allocation area established in a blighted area before July
 41 1, 1997, is expanded after June 30, 1997, the definition in

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1 subdivision (2) applies to the expanded portion of the area added
2 after June 30, 1997.

3 Except as provided in section 39.3 of this chapter, "property taxes"
4 means taxes imposed under IC 6-1.1 on real property. However, upon
5 approval by a resolution of the redevelopment commission adopted
6 before June 1, 1987, "property taxes" also includes taxes imposed
7 under IC 6-1.1 on depreciable personal property. If a redevelopment
8 commission adopted before June 1, 1987, a resolution to include within
9 the definition of property taxes taxes imposed under IC 6-1.1 on
10 depreciable personal property that has a useful life in excess of eight
11 (8) years, the commission may by resolution determine the percentage
12 of taxes imposed under IC 6-1.1 on all depreciable personal property
13 that will be included within the definition of property taxes. However,
14 the percentage included must not exceed twenty-five percent (25%) of
15 the taxes imposed under IC 6-1.1 on all depreciable personal property.

16 (b) A declaratory resolution adopted under section 15 of this chapter
17 before January 1, 2006, may include a provision with respect to the
18 allocation and distribution of property taxes for the purposes and in the
19 manner provided in this section. A declaratory resolution previously
20 adopted may include an allocation provision by the amendment of that
21 declaratory resolution before January 1, 2006, in accordance with the
22 procedures required for its original adoption. A declaratory resolution
23 or an amendment that establishes an allocation provision after June 30,
24 1995, must specify an expiration date for the allocation provision that
25 may not be more than thirty (30) years after the date on which the
26 allocation provision is established. However, if bonds or other
27 obligations that were scheduled when issued to mature before the
28 specified expiration date and that are payable only from allocated tax
29 proceeds with respect to the allocation area remain outstanding as of
30 the expiration date, the allocation provision does not expire until all of
31 the bonds or other obligations are no longer outstanding. The allocation
32 provision may apply to all or part of the blighted area. The allocation
33 provision must require that any property taxes subsequently levied by
34 or for the benefit of any public body entitled to a distribution of
35 property taxes on taxable property in the allocation area be allocated
36 and distributed as follows:

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

- 39 (A) the assessed value of the property for the assessment date
40 with respect to which the allocation and distribution is made; or
41 (B) the base assessed value;

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

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

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

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

16 (C) Pay the principal of and interest on bonds payable from
17 allocated tax proceeds in that allocation area and from the
18 special tax levied under section 27 of this chapter.

19 (D) Pay the principal of and interest on bonds issued by the unit
20 to pay for local public improvements in or serving that allocation
21 area.

22 (E) Pay premiums on the redemption before maturity of bonds
23 payable solely or in part from allocated tax proceeds in that
24 allocation area.

25 (F) Make payments on leases payable from allocated tax
26 proceeds in that allocation area under section 25.2 of this
27 chapter.

28 (G) Reimburse the unit for expenditures made by it for local
29 public improvements (which include buildings, parking
30 facilities, and other items described in section 25.1(a) of this
31 chapter) in or serving that allocation area.

32 (H) Reimburse the unit for rentals paid by it for a building or
33 parking facility in or serving that allocation area under any lease
34 entered into under IC 36-1-10.

35 (I) Pay all or a portion of a property tax replacement credit to
36 taxpayers in an allocation area as determined by the
37 redevelopment commission. This credit equals the amount
38 determined under the following STEPS for each taxpayer in a
39 taxing district (as defined in IC 6-1.1-1-20) that contains all or
40 part of the allocation area:

41 STEP ONE: Determine that part of the sum of the amounts under
42 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);

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- 1 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable
 2 to the taxing district.
 3 STEP TWO: Divide:
 4 (A) that part of twenty percent (20%) of each county's total
 5 county tax levy payable that year as determined under
 6 IC 6-1.1-21-4 that is attributable to the taxing district; by
 7 (B) the STEP ONE sum.
 8 STEP THREE: Multiply:
 9 (A) the STEP TWO quotient; times
 10 (B) the total amount of the taxpayer's property taxes levied in
 11 the taxing district that have been allocated during that year to
 12 an allocation fund under this section.
 13 If not all the taxpayers in an allocation area receive the credit in
 14 full, each taxpayer in the allocation area is entitled to receive the
 15 same proportion of the credit. A taxpayer may not receive a
 16 credit under this section and a credit under section 39.5 of this
 17 chapter in the same year.
 18 ~~(F)~~ (I) Pay expenses incurred by the redevelopment commission
 19 for local public improvements that are in the allocation area or
 20 serving the allocation area. Public improvements include
 21 buildings, parking facilities, and other items described in section
 22 25.1(a) of this chapter.
 23 ~~(K)~~ (J) Reimburse public and private entities for expenses
 24 incurred in training employees of industrial facilities that are
 25 located:
 26 (i) in the allocation area; and
 27 (ii) on a parcel of real property that has been classified as
 28 industrial property under the rules of the ~~state board of tax~~
 29 ~~commissioners department of local government finance~~.
 30 However, the total amount of money spent for this purpose in
 31 any year may not exceed the total amount of money in the
 32 allocation fund that is attributable to property taxes paid by the
 33 industrial facilities described in this clause. The reimbursements
 34 under this clause must be made within three (3) years after the
 35 date on which the investments that are the basis for the
 36 increment financing are made.
 37 The allocation fund may not be used for operating expenses of the
 38 commission.
 39 (3) Except as provided in subsection (g), before July 15 of each
 40 year the commission shall do the following:
 41 (A) Determine the amount, if any, by which the base assessed
 42 value when multiplied by the estimated tax rate of the allocation

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1 area will exceed the amount of assessed value needed to produce
 2 the property taxes necessary to make, when due, principal and
 3 interest payments on bonds described in subdivision (2) plus the
 4 amount necessary for other purposes described in subdivision
 5 (2).

6 (B) Notify the county auditor of the amount, if any, of the
 7 amount of excess assessed value that the commission has
 8 determined may be allocated to the respective taxing units in the
 9 manner prescribed in subdivision (1). The commission may not
 10 authorize an allocation of assessed value to the respective taxing
 11 units under this subdivision if to do so would endanger the
 12 interests of the holders of bonds described in subdivision (2) or
 13 lessors under section 25.3 of this chapter.

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

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

22 (d) Property tax proceeds allocable to the redevelopment district
 23 under subsection (b)(2) may, subject to subsection (b)(3), be
 24 irrevocably pledged by the redevelopment district for payment as set
 25 forth in subsection (b)(2).

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

30 (f) Notwithstanding any other law, the assessed value of all taxable
 31 property in the allocation area, for purposes of tax limitation ~~property~~
 32 ~~tax replacement~~, and formulation of the budget, tax rate, and tax levy
 33 for each political subdivision in which the property is located is the
 34 lesser of:

- 35 (1) the assessed value of the property as valued without regard to
 36 this section; or
- 37 (2) the base assessed value.

38 (g) If any part of the allocation area is located in an enterprise zone
 39 created under IC 4-4-6.1, the unit that designated the allocation area
 40 shall create funds as specified in this subsection. A unit that has
 41 obligations, bonds, or leases payable from allocated tax proceeds under
 42 subsection (b)(2) shall establish an allocation fund for the purposes

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1 specified in subsection (b)(2) and a special zone fund. Such a unit
 2 shall, until the end of the enterprise zone phase out period, deposit each
 3 year in the special zone fund any amount in the allocation fund derived
 4 from property tax proceeds in excess of those described in subsection
 5 (b)(1) from property located in the enterprise zone that exceeds the
 6 amount sufficient for the purposes specified in subsection (b)(2) for the
 7 year. The amount sufficient for purposes specified in subsection (b)(2)
 8 for the year shall be determined based on the pro rata portion of such
 9 current property tax proceeds from the portion of the enterprise zone
 10 that is within the allocation area as compared to all such current
 11 property tax proceeds derived from the allocation area. A unit that has
 12 no obligations, bonds, or leases payable from allocated tax proceeds
 13 under subsection (b)(2) shall establish a special zone fund and deposit
 14 all the property tax proceeds in excess of those described in subsection
 15 (b)(1) in the fund derived from property tax proceeds in excess of those
 16 described in subsection (b)(1) from property located in the enterprise
 17 zone. The unit that creates the special zone fund shall use the fund
 18 (based on the recommendations of the urban enterprise association) for
 19 programs in job training, job enrichment, and basic skill development
 20 that are designed to benefit residents and employers in the enterprise
 21 zone or other purposes specified in subsection (b)(2), except that where
 22 reference is made in subsection (b)(2) to allocation area it shall refer
 23 for purposes of payments from the special zone fund only to that
 24 portion of the allocation area that is also located in the enterprise zone.
 25 Those programs shall reserve at least one-half (1/2) of their enrollment
 26 in any session for residents of the enterprise zone.

27 (h) The state board of accounts and ~~state board of tax commissioners~~
 28 **department of local government finance** shall make the rules and
 29 prescribe the forms and procedures that they consider expedient for the
 30 implementation of this chapter. After each general reassessment under
 31 IC 6-1.1-4, the ~~state board of tax commissioners~~ **department of local**
 32 **government finance** shall adjust the base assessed value one (1) time
 33 to neutralize any effect of the general reassessment on the property tax
 34 proceeds allocated to the redevelopment district under this section.
 35 However, the adjustment may not include the effect of property tax
 36 abatements under IC 6-1.1-12.1, and the adjustment may not produce
 37 less property tax proceeds allocable to the redevelopment district under
 38 subsection (b)(2) than would otherwise have been received if the
 39 general reassessment had not occurred. The ~~state board of tax~~
 40 ~~commissioners~~ **department of local government finance** may
 41 prescribe procedures for county and township officials to follow to
 42 assist the state board in making the adjustments.

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1 SECTION 362. IC 36-7-14.5-12.5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12.5. (a) This
 3 section applies only to an authority in a county having a United States
 4 government military base that is scheduled for closing or is completely
 5 or partially inactive or closed.

6 (b) In order to accomplish the purposes set forth in section 11(b) of
 7 this chapter, an authority may create an economic development area:

8 (1) by following the procedures set forth in IC 36-7-14-41 for the
 9 establishment of an economic development area by a
 10 redevelopment commission; and

11 (2) with the same effect as if the economic development area was
 12 created by a redevelopment commission.

13 However, an authority may not include in an economic development
 14 area created under this section any area that was declared a blighted
 15 area, an urban renewal area, or an economic development area under
 16 IC 36-7-14.

17 (c) In order to accomplish the purposes set forth in section 11(b) of
 18 this chapter, an authority may do the following in a manner that serves
 19 an economic development area created under this section:

20 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 21 lease, or any combination of methods, any personal property or
 22 interest in real property needed for the redevelopment of economic
 23 development areas located within the corporate boundaries of the
 24 unit.

25 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 26 other instrument), exchange, lease, rent, or otherwise dispose of
 27 property acquired for use in the redevelopment of economic
 28 development areas on the terms and conditions that the authority
 29 considers best for the unit and the unit's inhabitants.

30 (3) Sell, lease, or grant interests in all or part of the real property
 31 acquired for redevelopment purposes to any other department of
 32 the unit or to any other governmental agency for public ways,
 33 levees, sewerage, parks, playgrounds, schools, and other public
 34 purposes on any terms that may be agreed on.

35 (4) Clear real property acquired for redevelopment purposes.

36 (5) Repair and maintain structures acquired for redevelopment
 37 purposes.

38 (6) Remodel, rebuild, enlarge, or make major structural
 39 improvements on structures acquired for redevelopment purposes.

40 (7) Survey or examine any land to determine whether the land
 41 should be included within an economic development area to be

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- 1 acquired for redevelopment purposes and to determine the value
 2 of that land.
- 3 (8) Appear before any other department or agency of the unit, or
 4 before any other governmental agency in respect to any matter
 5 affecting:
- 6 (A) real property acquired or being acquired for redevelopment
 7 purposes; or
- 8 (B) any economic development area within the jurisdiction of the
 9 authority.
- 10 (9) Institute or defend in the name of the unit any civil action, but
 11 all actions against the authority must be brought in the circuit or
 12 superior court of the county where the authority is located.
- 13 (10) Use any legal or equitable remedy that is necessary or
 14 considered proper to protect and enforce the rights of and perform
 15 the duties of the authority.
- 16 (11) Exercise the power of eminent domain in the name of and
 17 within the corporate boundaries of the unit subject to the same
 18 conditions and procedures that apply to the exercise of the power
 19 of eminent domain by a redevelopment commission under
 20 IC 36-7-14.
- 21 (12) Appoint an executive director, appraisers, real estate experts,
 22 engineers, architects, surveyors, and attorneys.
- 23 (13) Appoint clerks, guards, laborers, and other employees the
 24 authority considers advisable, except that those appointments must
 25 be made in accordance with the merit system of the unit if such a
 26 system exists.
- 27 (14) Prescribe the duties and regulate the compensation of
 28 employees of the authority.
- 29 (15) Provide a pension and retirement system for employees of the
 30 authority by using the public employees' retirement fund or a
 31 retirement plan approved by the United States Department of
 32 Housing and Urban Development.
- 33 (16) Discharge and appoint successors to employees of the
 34 authority subject to subdivision (13).
- 35 (17) Rent offices for use of the department or authority, or accept
 36 the use of offices furnished by the unit.
- 37 (18) Equip the offices of the authority with the necessary furniture,
 38 furnishings, equipment, records, and supplies.
- 39 (19) Design, order, contract for, and construct, reconstruct,
 40 improve, or renovate the following:

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- 1 (A) Any local public improvement or structure that is necessary
 2 for redevelopment purposes or economic development within the
 3 corporate boundaries of the unit.
- 4 (B) Any structure that enhances development or economic
 5 development.
- 6 (20) Contract for the construction, extension, or improvement of
 7 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
- 8 (21) Accept loans, grants, and other forms of financial assistance
 9 from, or contract with, the federal government, the state
 10 government, a municipal corporation, a special taxing district, a
 11 foundation, or any other source.
- 12 (22) Make and enter into all contracts and agreements necessary or
 13 incidental to the performance of the duties of the authority and the
 14 execution of the powers of the authority under this chapter.
- 15 (23) Take any action necessary to implement the purpose of the
 16 authority.
- 17 (24) Provide financial assistance, in the manner that best serves the
 18 purposes set forth in section 11(b) of this chapter, including grants
 19 and loans, to enable private enterprise to develop, redevelop, and
 20 reuse military base property or otherwise enable private enterprise
 21 to provide social and economic benefits to the citizens of the unit.
- 22 (d) An authority may designate all or a portion of an economic
 23 development area created under this section as an allocation area by
 24 following the procedures set forth in IC 36-7-14-39 for the
 25 establishment of an allocation area by a redevelopment commission.
 26 The allocation provision may modify the definition of "property taxes"
 27 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the
 28 depreciable personal property located and taxable on the site of
 29 operations of designated taxpayers in accordance with the procedures
 30 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
 31 applies to such a modification. An allocation area established by an
 32 authority under this section is a special taxing district authorized by the
 33 general assembly to enable the unit to provide special benefits to
 34 taxpayers in the allocation area by promoting economic development
 35 that is of public use and benefit. For allocation areas established for an
 36 economic development area created under this section after June 30,
 37 1997, and to the expanded portion of an allocation area for an
 38 economic development area that was established before June 30, 1997,
 39 and that is expanded under this section after June 30, 1997, the net
 40 assessed value of property that is assessed as residential property under
 41 the rules of the ~~state board of tax commissioners~~, **department of local**
 42 **government finance**, as finally determined for any assessment date,

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1 must be allocated. All of the provisions of IC 36-7-14-39,
 2 IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area
 3 created under this section, except that the authority shall be vested with
 4 the rights and duties of a commission as referenced in those sections,
 5 and except that, notwithstanding IC 36-7-14-39(b)(2), property tax
 6 proceeds paid into the allocation fund may be used by the authority
 7 only to do one (1) or more of the following:

8 (1) Pay the principal of and interest and redemption premium on
 9 any obligations incurred by the special taxing district or any other
 10 entity for the purpose of financing or refinancing military base
 11 reuse activities in or serving or benefitting that allocation area.

12 (2) Establish, augment, or restore the debt service reserve for
 13 obligations payable solely or in part from allocated tax proceeds in
 14 that allocation area or from other revenues of the authority
 15 (including lease rental revenues).

16 (3) Make payments on leases payable solely or in part from
 17 allocated tax proceeds in that allocation area.

18 (4) Reimburse any other governmental body for expenditures made
 19 by it for local public improvements or structures in or serving or
 20 benefitting that allocation area.

21 (5) Pay all or a portion of a property tax replacement credit to
 22 taxpayers in an allocation area as determined by the authority. This
 23 credit equals the amount determined under the following STEPS
 24 for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20)
 25 that contains all or part of the allocation area:

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

30 STEP TWO: Divide:

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

34 (B) the STEP ONE sum.

35 STEP THREE: Multiply:

36 (A) the STEP TWO quotient; by

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

40 If not all the taxpayers in an allocation area receive the credit in
 41 full, each taxpayer in the allocation area is entitled to receive the
 42 same proportion of the credit. A taxpayer may not receive a credit

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- 1 under this section and a credit under IC 36-7-14-39.5 in the same
 2 year.
- 3 ~~(6)~~ (5) Pay expenses incurred by the authority for local public
 4 improvements or structures that are in the allocation area or
 5 serving or benefiting the allocation area.
- 6 ~~(7)~~ (6) Reimburse public and private entities for expenses incurred
 7 in training employees of industrial facilities that are located:
- 8 (A) in the allocation area; and
 9 (B) on a parcel of real property that has been classified as
 10 industrial property under the rules of the ~~state board of tax~~
 11 ~~commissioners~~ **department of local government finance**.
- 12 However, the total amount of money spent for this purpose in any
 13 year may not exceed the total amount of money in the allocation
 14 fund that is attributable to property taxes paid by the industrial
 15 facilities described in clause (B). The reimbursements under this
 16 subdivision must be made within three (3) years after the date on
 17 which the investments that are the basis for the increment
 18 financing are made. The allocation fund may not be used for
 19 operating expenses of the authority.
- 20 (e) In addition to other methods of raising money for property
 21 acquisition, redevelopment, or economic development activities in or
 22 directly serving or benefitting an economic development area created
 23 by an authority under this section, and in anticipation of the taxes
 24 allocated under subsection (d), other revenues of the authority, or any
 25 combination of these sources, the authority may, by resolution, issue
 26 the bonds of the special taxing district in the name of the unit. Bonds
 27 issued under this section may be issued in any amount without
 28 limitation. The following apply if such a resolution is adopted:
- 29 (1) The authority shall certify a copy of the resolution authorizing
 30 the bonds to the municipal or county fiscal officer, who shall then
 31 prepare the bonds. The seal of the unit must be impressed on the
 32 bonds, or a facsimile of the seal must be printed on the bonds.
- 33 (2) The bonds must be executed by the appropriate officer of the
 34 unit and attested by the unit's fiscal officer.
- 35 (3) The bonds are exempt from taxation for all purposes.
- 36 (4) Bonds issued under this section may be sold at public sale in
 37 accordance with IC 5-1-11 or at a negotiated sale.
- 38 (5) The bonds are not a corporate obligation of the unit but are an
 39 indebtedness of the taxing district. The bonds and interest are
 40 payable, as set forth in the bond resolution of the authority:
- 41 (A) from the tax proceeds allocated under subsection (d);
 42 (B) from other revenues available to the authority; or

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- 1 (C) from a combination of the methods stated in clauses (A) and
2 (B).
- 3 (6) Proceeds from the sale of bonds may be used to pay the cost of
4 interest on the bonds for a period not to exceed five (5) years from
5 the date of issuance.
- 6 (7) Laws relating to the filing of petitions requesting the issuance
7 of bonds and the right of taxpayers to remonstrate against the
8 issuance of bonds do not apply to bonds issued under this section.
- 9 (8) If a debt service reserve is created from the proceeds of bonds,
10 the debt service reserve may be used to pay principal and interest
11 on the bonds as provided in the bond resolution.
- 12 (9) If bonds are issued under this chapter that are payable solely or
13 in part from revenues to the authority from a project or projects,
14 the authority may adopt a resolution or trust indenture or enter into
15 covenants as is customary in the issuance of revenue bonds. The
16 resolution or trust indenture may pledge or assign the revenues
17 from the project or projects. The resolution or trust indenture may
18 also contain any provisions for protecting and enforcing the rights
19 and remedies of the bond owners as may be reasonable and proper
20 and not in violation of law, including covenants setting forth the
21 duties of the authority. The authority may establish fees and
22 charges for the use of any project and covenant with the owners of
23 any bonds to set those fees and charges at a rate sufficient to
24 protect the interest of the owners of the bonds. Any revenue bonds
25 issued by the authority that are payable solely from revenues of the
26 authority shall contain a statement to that effect in the form of
27 bond.
- 28 (f) Notwithstanding section 8(a) of this chapter, an ordinance adopted
29 under section 11(b) of this chapter may provide, or be amended to
30 provide, that the board of directors of the authority shall be composed
31 of not fewer than three (3) nor more than seven (7) members, who must
32 be residents of the unit appointed by the executive of the unit.
- 33 (g) The acquisition of real and personal property by an authority
34 under this section is not subject to the provisions of IC 5-22,
35 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
36 purchase of property by public bodies or their agencies.
- 37 (h) An authority may negotiate for the sale, lease, or other disposition
38 of real and personal property without complying with the provisions of
39 IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing
40 the disposition of public property.
- 41 (i) Notwithstanding any other law, utility services provided within an
42 economic development area established under this section are subject

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1 to regulation by the appropriate regulatory agencies unless the utility
 2 service is provided by a utility that provides utility service solely within
 3 the geographic boundaries of an existing or a closed military
 4 installation, in which case the utility service is not subject to regulation
 5 for purposes of rate making, regulation, service delivery, or issuance of
 6 bonds or other forms of indebtedness. However, this exemption from
 7 regulation does not apply to utility service if the service is generated,
 8 treated, or produced outside the boundaries of the existing or closed
 9 military installation.

10 SECTION 363. IC 36-7-15.1-25 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. (a) Real
 12 property acquired by the redevelopment district is exempt from
 13 taxation while owned by the district.

14 (b) All receipts of the department, including receipts from the sale of
 15 real property, personal property, and materials disposed of, are exempt
 16 from all taxes. ~~including the gross income tax:~~

17 (c) As used in this subsection, "year one" means any calendar year
 18 and "year two" means the calendar year following year one. When real
 19 property is acquired by the redevelopment district during the period
 20 from assessment on March 1 of year one to the last day of February of
 21 year two, the taxes due in year two shall be prorated between the seller
 22 and the city. When the proration is made, the auditor shall remove the
 23 city's prorated share from the tax duplicate by auditor's correction.

24 SECTION 364. IC 36-7-15.1-35 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 35. (a)
 26 Notwithstanding section 26(a) of this chapter, with respect to the
 27 allocation and distribution of property taxes for the accomplishment of
 28 a program adopted under section 32 of this chapter, "base assessed
 29 value" means the net assessed value of all of the land as finally
 30 determined for the assessment date immediately preceding the effective
 31 date of the allocation provision, as adjusted under section 26(g) of this
 32 chapter. However, "base assessed value" does not include the value of
 33 real property improvements to the land.

34 (b) The special fund established under section 26(b) of this chapter
 35 for the allocation area for a program adopted under section 32 of this
 36 chapter may be used only for purposes related to the accomplishment
 37 of the program, including the following:

- 38 (1) The construction, rehabilitation, or repair of residential units
 39 within the allocation area.
- 40 (2) The construction, reconstruction, or repair of infrastructure
 41 (such as streets, sidewalks, and sewers) within or serving the
 42 allocation area.

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1 (3) The acquisition of real property and interests in real property
2 within the allocation area.

3 (4) The demolition of real property within the allocation area.

4 (5) To provide financial assistance to enable individuals and
5 families to purchase or lease residential units within the allocation
6 area. However, financial assistance may be provided only to those
7 individuals and families whose income is at or below the county's
8 median income for individuals and families, respectively.

9 (6) To provide financial assistance to neighborhood development
10 corporations to permit them to provide financial assistance for the
11 purposes described in subdivision (5).

12 (7) To provide each taxpayer in the allocation area a credit for
13 property tax replacement as determined under subsections (c) and
14 (d). However, this credit may be provided by the commission only
15 if the city-county legislative body establishes the credit by
16 ordinance adopted in the year before the year in which the credit
17 is provided:

18 (c) The maximum credit that may be provided under subsection
19 (b)(7) to a taxpayer in a taxing district that contains all or part of an
20 allocation area established for a program adopted under section 32 of
21 this chapter shall be determined as follows:

22 STEP ONE: Determine that part of the sum of the amounts
23 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
24 through IC 6-1.1-21-2(g)(5) that is attributable to the taxing
25 district:

26 STEP TWO: Divide:

27 (A) that part of the amount determined under IC 6-1.1-21-4(a)(1)
28 that is attributable to the taxing district; by

29 (B) the amount determined under STEP ONE:

30 STEP THREE: Multiply:

31 (A) the STEP TWO quotient; by

32 (B) the taxpayer's property taxes levied in the taxing district
33 allocated to the allocation fund; including the amount that would
34 have been allocated but for the credit:

35 (d) The commission may determine to grant to taxpayers in an
36 allocation area from its allocation fund a credit under this section, as
37 calculated under subsection (c), by applying one-half (1/2) of the credit
38 to each installment of property taxes that under IC 6-1.1-22-9 are due
39 and payable on May 1 and November 1 of a year. The commission
40 must provide for the credit annually by a resolution and must find in
41 the resolution the following:

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1 (1) That the money to be collected and deposited in the allocation
2 fund; based upon historical collection rates; after granting the
3 credit will equal the amounts payable for contractual obligations
4 from the fund; plus ten percent (10%) of those amounts:

5 (2) If bonds payable from the fund are outstanding; that there is a
6 debt service reserve for the bonds that at least equals the amount
7 of the credit to be granted:

8 (3) If bonds of a lessor under section 17.1 of this chapter or under
9 IC 36-1-10 are outstanding and if lease rentals are payable from the
10 fund; that there is a debt service reserve for those bonds that at
11 least equals the amount of the credit to be granted:

12 If the tax increment is insufficient to grant the credit in full; the
13 commission may grant the credit in part; prorated among all taxpayers:

14 ~~(e)~~ (c) Notwithstanding section 26(b) of this chapter, the special fund
15 established under section 26(b) of this chapter for the allocation area
16 for a program adopted under section 32 of this chapter may only be
17 used to do one (1) or more of the following:

18 (1) Accomplish one (1) or more of the actions set forth in section
19 26(b)(2)(A) through section 26(b)(2)(H) of this chapter.

20 (2) Reimburse the consolidated city for expenditures made by the
21 city in order to accomplish the housing program in that allocation
22 area.

23 The special fund may not be used for operating expenses of the
24 commission.

25 ~~(f)~~ (d) Notwithstanding section 26(b) of this chapter, the commission
26 shall, relative to the special fund established under section 26(b) of this
27 chapter for an allocation area for a program adopted under section 32
28 of this chapter, do the following before July 15 of each year:

29 (1) Determine the amount, if any, by which property taxes payable
30 to the allocation fund in the following year will exceed the amount
31 of property taxes necessary:

32 (A) to make, when due, principal and interest payments on bonds
33 described in section 26(b)(2) of this chapter;

34 (B) to pay the amount necessary for other purposes described in
35 section 26(b)(2) of this chapter; and

36 (C) to reimburse the consolidated city for anticipated
37 expenditures described in subsection ~~(e)(2)~~: (c)(2).

38 (2) Notify the county auditor of the amount, if any, of excess
39 property taxes that the commission has determined may be paid to
40 the respective taxing units in the manner prescribed in section
41 26(b)(1) of this chapter.

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1 SECTION 365. IC 36-7-15.1-35.5, AS ADDED BY P.L.19-2000,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2003]: Sec. 35.5. (a) The general assembly finds the
 4 following:

5 (1) Federal law permits the sale of a multiple family housing
 6 project that is or has been covered, in whole or in part, by a
 7 contract for project based assistance from the United States
 8 Department of Housing and Urban Development without requiring
 9 the continuation of that project based assistance.

10 (2) Such a sale displaces the former residents of a multiple family
 11 housing project described in subdivision (1) and increases the
 12 shortage of safe and affordable housing for persons of low and
 13 moderate income within the county.

14 (3) The displacement of families and individuals from affordable
 15 housing requires increased expenditures of public funds for crime
 16 prevention, public health and safety, fire and accident prevention,
 17 and other public services and facilities.

18 (4) The establishment of a supplemental housing program under
 19 this section will do the following:

20 (A) Benefit the health, safety, morals, and welfare of the county
 21 and the state.

22 (B) Serve to protect and increase property values in the county
 23 and the state.

24 (C) Benefit persons of low and moderate income by making
 25 affordable housing available to them.

26 (5) The establishment of a supplemental housing program under
 27 this section and sections 32 through 35 of this chapter is:

28 (A) necessary in the public interest; and

29 (B) a public use and purpose for which public money may be
 30 spent and private property may be acquired.

31 (b) In addition to its other powers with respect to a housing program
 32 under sections 32 through 35 of this chapter, the commission may
 33 establish a supplemental housing program. Except as provided by this
 34 section, the commission has the same powers and duties with respect
 35 to the supplemental housing program that the commission has under
 36 sections 32 through 35 of this chapter with respect to the housing
 37 program.

38 (c) One (1) allocation area may be established for the supplemental
 39 housing program. The commission is not required to make the findings
 40 required under section 34(5) through 34(8) of this chapter with respect
 41 to the allocation area. However, the commission must find that the
 42 property contained within the boundaries of the allocation area consists

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1 solely of one (1) or more multiple family housing projects that are or
 2 have been covered, in whole or in part, by a contract for project based
 3 assistance from the United States Department of Housing and Urban
 4 Development or have been owned at one time by a public housing
 5 agency. The allocation area need not be contiguous. The definition of
 6 "base assessed value" set forth in section 35(a) of this chapter applies
 7 to the special fund established under section 26(b) of this chapter for
 8 the allocation area.

9 (d) The special fund established under section 26(b) of this chapter
 10 for the allocation area established under this section may be used only
 11 **for the following purposes as provided by this subsection.**

12 ~~(1) Subject to subdivision (2);~~ On January 1 and July 1 of each year
 13 the balance of the special fund shall be transferred to the housing
 14 trust fund established under subsection (e).

15 ~~(2) The commission may provide each taxpayer in the allocation~~
 16 ~~area a credit for property tax replacement in the manner provided~~
 17 ~~by section 35(b)(7) of this chapter. Transfers made under~~
 18 ~~subdivision (1) shall be reduced by the amount necessary to~~
 19 ~~provide the credit.~~

20 (e) The commission shall, by resolution, establish a housing trust
 21 fund to be administered, subject to the terms of the resolution, by:

22 (1) the housing division of the consolidated city; or

23 (2) the department, division, or agency that has been designated to
 24 perform the public housing function by an ordinance adopted
 25 under IC 36-7-18-1.

26 (f) The housing trust fund consists of:

27 (1) amounts transferred to the fund under subsection (d);

28 (2) payments in lieu of taxes deposited in the fund under
 29 IC 36-3-2-11;

30 (3) gifts and grants to the fund;

31 (4) investment income earned on the fund's assets; and

32 (5) other funds from sources approved by the commission.

33 (g) The commission shall, by resolution, establish uses for the
 34 housing trust fund. However, the uses must be limited to:

35 (1) providing financial assistance to those individuals and families
 36 whose income is at or below eighty percent (80%) of the county's
 37 median income for individuals and families, respectively, to enable
 38 those individuals and families to purchase or lease residential units
 39 within the county;

40 (2) paying expenses of administering the fund;

41 (3) making grants, loans, and loan guarantees for the development,
 42 rehabilitation, or financing of affordable housing for individuals

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1 and families whose income is at or below eighty percent (80%) of
 2 the county's median income for individuals and families,
 3 respectively, including the elderly, persons with disabilities, and
 4 homeless individuals and families; and

5 (4) providing technical assistance to nonprofit developers of
 6 affordable housing.

7 (h) At least fifty percent (50%) of the dollars allocated for
 8 production, rehabilitation, or purchase of housing must be used for
 9 units to be occupied by individuals and families whose income is at or
 10 below fifty percent (50%) of the county's area median income for
 11 individuals and families respectively.

12 (i) The low income housing trust fund advisory committee is
 13 established. The low-income housing trust fund advisory committee
 14 consists of eleven (11) members. The membership of the low income
 15 housing trust fund advisory committee is comprised of:

16 (1) one (1) member appointed by the mayor, to represent the
 17 interests of low income families;

18 (2) one (1) member appointed by the mayor, to represent the
 19 interests of owners of subsidized, multifamily housing
 20 communities;

21 (3) one (1) member appointed by the mayor, to represent the
 22 interests of banks and other financial institutions;

23 (4) one (1) member appointed by the mayor, of the department of
 24 metropolitan development;

25 (5) three (3) members representing the community at large
 26 appointed by the commission, from nominations submitted to the
 27 commission as a result of a general call for nominations from
 28 neighborhood associations, community based organizations, and
 29 other social services agencies;

30 (6) one (1) member appointed by and representing the Coalition for
 31 Homeless Intervention and Prevention of Greater Indianapolis;

32 (7) one (1) member appointed by and representing the Local
 33 Initiatives Support Corporation;

34 (8) one (1) member appointed by and representing the Indianapolis
 35 Coalition for Neighborhood Development; and

36 (9) one (1) member appointed by and representing the Indianapolis
 37 Neighborhood Housing Partnership.

38 Members of the low income housing trust fund advisory committee
 39 serve for a term of four (4) years, and are eligible for reappointment. If
 40 a vacancy exists on the committee, the appointing authority who
 41 appointed the former member whose position has become vacant shall
 42 appoint an individual to fill the vacancy. A committee member may be

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1 removed at any time by the appointing authority who appointed the
2 committee member.

3 (j) The low income housing trust fund advisory committee shall make
4 recommendations to the commission regarding:

5 (1) the development of policies and procedures for the uses of the
6 low income housing trust fund; and

7 (2) long term sources of capital for the low income housing trust
8 fund, including:

9 (A) revenue from:

10 (i) development ordinances;

11 (ii) fees; or

12 (iii) taxes;

13 (B) financial market based income;

14 (C) revenue derived from private sources; and

15 (D) revenue generated from grants, gifts, donations or income in
16 any other form, from a:

17 (i) government program;

18 (ii) foundation; or

19 (iii) corporation.

20 (k) The county treasurer shall invest the money in the fund not
21 currently needed to meet the obligations of the fund in the same
22 manner as other public funds may be invested.

23 SECTION 366. IC 36-7-15.1-52, AS ADDED BY P.L.102-1999,
24 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2003]: Sec. 52. (a) Real property acquired by the
26 redevelopment district is exempt from taxation while owned by the
27 district.

28 (b) All receipts of the redevelopment district, including receipts from
29 the sale of real property, personal property, and materials disposed of,
30 are exempt from all taxes. ~~including the gross income tax.~~

31 (c) As used in this subsection, "year one" means any calendar year
32 and "year two" means the calendar year following year one. When real
33 property is acquired by the redevelopment district during the period
34 from assessment on March 1 of year one to the last day of February of
35 year two, the taxes due in year two shall be prorated between the seller
36 and the city. When the proration is made, the auditor shall remove the
37 city's prorated share from the tax duplicate by auditor's correction.

38 SECTION 367. IC 36-7-15.1-53, AS ADDED BY P.L.102-1999,
39 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JANUARY 1, 2003]: Sec. 53. (a) As used in this section:

41 "Allocation area" means that part of a blighted area to which an
42 allocation provision of a resolution adopted under section 40 of this

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1 chapter refers for purposes of distribution and allocation of property
2 taxes.

3 "Base assessed value" means:

4 (1) the net assessed value of all the property as finally determined
5 for the assessment date immediately preceding the effective date
6 of the allocation provision of the declaratory resolution, as adjusted
7 under subsection (h); plus

8 (2) to the extent that it is not included in subdivision (1), the net
9 assessed value of property that is assessed as residential property
10 under the rules of the **state board of tax commissioners,**
11 **department of local government finance,** as finally determined
12 for any assessment date after the effective date of the allocation
13 provision.

14 Except as provided in section 55 of this chapter, "property taxes"
15 means taxes imposed under IC 6-1.1 on real property.

16 (b) A resolution adopted under section 40 of this chapter before
17 January 1, 2006, may include a provision with respect to the allocation
18 and distribution of property taxes for the purposes and in the manner
19 provided in this section. A resolution previously adopted may include
20 an allocation provision by the amendment of that resolution before
21 January 1, 2006, in accordance with the procedures required for its
22 original adoption. A declaratory resolution or an amendment that
23 establishes an allocation provision must be approved by resolution of
24 the legislative body of the excluded city and must specify an expiration
25 date for the allocation provision that may not be more than thirty (30)
26 years after the date on which the allocation provision is established.
27 However, if bonds or other obligations that were scheduled when
28 issued to mature before the specified expiration date and that are
29 payable only from allocated tax proceeds with respect to the allocation
30 area remain outstanding as of the expiration date, the allocation
31 provision does not expire until all of the bonds or other obligations are
32 no longer outstanding. The allocation provision may apply to all or part
33 of the blighted area. The allocation provision must require that any
34 property taxes subsequently levied by or for the benefit of any public
35 body entitled to a distribution of property taxes on taxable property in
36 the allocation area be allocated and distributed as follows:

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

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

41 (B) the base assessed value;

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

3 (2) Except as otherwise provided in this section, property tax
4 proceeds in excess of those described in subdivision (1) shall be
5 allocated to the redevelopment district and, when collected, paid
6 into a special fund for that allocation area that may be used by the
7 redevelopment district only to do one (1) or more of the following:

8 (A) Pay the principal of and interest on any obligations payable
9 solely from allocated tax proceeds that are incurred by the
10 redevelopment district for the purpose of financing or
11 refinancing the redevelopment of that allocation area.

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

15 (C) Pay the principal of and interest on bonds payable from
16 allocated tax proceeds in that allocation area and from the
17 special tax levied under section 50 of this chapter.

18 (D) Pay the principal of and interest on bonds issued by the
19 excluded city to pay for local public improvements in that
20 allocation area.

21 (E) Pay premiums on the redemption before maturity of bonds
22 payable solely or in part from allocated tax proceeds in that
23 allocation area.

24 (F) Make payments on leases payable from allocated tax
25 proceeds in that allocation area under section 46 of this chapter.

26 (G) Reimburse the excluded city for expenditures for local
27 public improvements (which include buildings, park facilities,
28 and other items set forth in section 45 of this chapter) in that
29 allocation area.

30 (H) Reimburse the unit for rentals paid by it for a building or
31 parking facility in that allocation area under any lease entered
32 into under IC 36-1-10.

33 (I) Reimburse public and private entities for expenses incurred
34 in training employees of industrial facilities that are located:

35 (i) in the allocation area; and

36 (ii) on a parcel of real property that has been classified as
37 industrial property under the rules of the ~~state board of tax~~
38 ~~commissioners~~ **department of local government finance**.

39 However, the total amount of money spent for this purpose in
40 any year may not exceed the total amount of money in the
41 allocation fund that is attributable to property taxes paid by the
42 industrial facilities described in this clause. The reimbursements

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- 1 under this clause must be made within three (3) years after the
 2 date on which the investments that are the basis for the
 3 increment financing are made.
 4 The special fund may not be used for operating expenses of the
 5 commission.
 6 (3) Before July 15 of each year, the commission shall do the
 7 following:
 8 (A) Determine the amount, if any, by which property taxes
 9 payable to the allocation fund in the following year will exceed
 10 the amount of assessed value needed to provide the property
 11 taxes necessary to make, when due, principal and interest
 12 payments on bonds described in subdivision (2) plus the amount
 13 necessary for other purposes described in subdivision (2) and
 14 subsection (g).
 15 (B) Notify the county auditor of the amount, if any, of excess
 16 assessed value that the commission has determined may be
 17 allocated to the respective taxing units in the manner prescribed
 18 in subdivision (1).
 19 The commission may not authorize an allocation to the respective
 20 taxing units under this subdivision if to do so would endanger the
 21 interests of the holders of bonds described in subdivision (2).
 22 (c) For the purpose of allocating taxes levied by or for any taxing unit
 23 or units, the assessed value of taxable property in a territory in the
 24 allocation area that is annexed by any taxing unit after the effective
 25 date of the allocation provision of the resolution is the lesser of:
 26 (1) the assessed value of the property for the assessment date with
 27 respect to which the allocation and distribution is made; or
 28 (2) the base assessed value.
 29 (d) Property tax proceeds allocable to the redevelopment district
 30 under subsection (b)(2) may, subject to subsection (b)(3), be
 31 irrevocably pledged by the redevelopment district for payment as set
 32 forth in subsection (b)(2).
 33 (e) Notwithstanding any other law, each assessor shall, upon petition
 34 of the commission, reassess the taxable property situated upon or in, or
 35 added to, the allocation area, effective on the next assessment date after
 36 the petition.
 37 (f) Notwithstanding any other law, the assessed value of all taxable
 38 property in the allocation area, for purposes of tax limitation ~~property~~
 39 ~~tax replacement~~; and formulation of the budget, tax rate, and tax levy
 40 for each political subdivision in which the property is located, is the
 41 lesser of:

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- 1 (1) the assessed value of the property as valued without regard to
 2 this section; or
 3 (2) the base assessed value.
- 4 (g) If any part of the allocation area is located in an enterprise zone
 5 created under IC 4-4-6.1, the unit that designated the allocation area
 6 shall create funds as specified in this subsection. A unit that has
 7 obligations, bonds, or leases payable from allocated tax proceeds under
 8 subsection (b)(2) shall establish an allocation fund for the purposes
 9 specified in subsection (b)(2) and a special zone fund. Such a unit
 10 shall, until the end of the enterprise zone phase out period, deposit each
 11 year in the special zone fund the amount in the allocation fund derived
 12 from property tax proceeds in excess of those described in subsection
 13 (b)(1) from property located in the enterprise zone that exceeds the
 14 amount sufficient for the purposes specified in subsection (b)(2) for the
 15 year. A unit that has no obligations, bonds, or leases payable from
 16 allocated tax proceeds under subsection (b)(2) shall establish a special
 17 zone fund and deposit all the property tax proceeds in excess of those
 18 described in subsection (b)(1) in the fund derived from property tax
 19 proceeds in excess of those described in subsection (b)(1) from
 20 property located in the enterprise zone. The unit that creates the special
 21 zone fund shall use the fund, based on the recommendations of the
 22 urban enterprise association, for one (1) or more of the following
 23 purposes:
- 24 (1) To pay for programs in job training, job enrichment, and basic
 25 skill development designed to benefit residents and employers in
 26 the enterprise zone. The programs must reserve at least one-half
 27 (1/2) of the enrollment in any session for residents of the enterprise
 28 zone.
- 29 (2) To make loans and grants for the purpose of stimulating
 30 business activity in the enterprise zone or providing employment
 31 for enterprise zone residents in an enterprise zone. These loans and
 32 grants may be made to the following:
- 33 (A) Businesses operating in the enterprise zone.
- 34 (B) Businesses that will move their operations to the enterprise
 35 zone if such a loan or grant is made.
- 36 (3) To provide funds to carry out other purposes specified in
 37 subsection (b)(2). However, where reference is made in subsection
 38 (b)(2) to the allocation area, the reference refers, for purposes of
 39 payments from the special zone fund, only to that part of the
 40 allocation area that is also located in the enterprise zone.
- 41 (h) The state board of accounts and ~~state board of tax commissioners~~
 42 **department of local government finance** shall make the rules and

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

15 SECTION 368. IC 36-7-30-25 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. (a) The
 17 following definitions apply throughout this section:

18 (1) "Allocation area" means that part of a military base reuse area
 19 to which an allocation provision of a declaratory resolution
 20 adopted under section 10 of this chapter refers for purposes of
 21 distribution and allocation of property taxes.

22 (2) "Base assessed value" means:

23 (A) the net assessed value of all the property as finally
 24 determined for the assessment date immediately preceding the
 25 adoption date of the allocation provision of the declaratory
 26 resolution, as adjusted under subsection (h); plus

27 (B) to the extent that it is not included in clause (A) or (C), the
 28 net assessed value of any and all parcels or classes of parcels
 29 identified as part of the base assessed value in the declaratory
 30 resolution or an amendment thereto, as finally determined for
 31 any subsequent assessment date; plus

32 (C) to the extent that it is not included in clause (A) or (B), the
 33 net assessed value of property that is assessed as residential
 34 property under the rules of the ~~state board of tax commissioners;~~
 35 **department of local government finance**, as finally determined
 36 for any assessment date after the effective date of the allocation
 37 provision.

38 Clause (C) applies only to allocation areas established in a military
 39 reuse area after June 30, 1997, and to the portion of an allocation
 40 area that was established before June 30, 1997, and that is added
 41 to an existing allocation area after June 30, 1997.

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- 1 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 2 property.
 3 (b) A declaratory resolution adopted under section 10 of this chapter
 4 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 5 resolutions adopted under IC 36-7-14-15 may include a provision with
 6 respect to the allocation and distribution of property taxes for the
 7 purposes and in the manner provided in this section. A declaratory
 8 resolution previously adopted may include an allocation provision by
 9 the amendment of that declaratory resolution in accordance with the
 10 procedures set forth in section 13 of this chapter. The allocation
 11 provision may apply to all or part of the military base reuse area. The
 12 allocation provision must require that any property taxes subsequently
 13 levied by or for the benefit of any public body entitled to a distribution
 14 of property taxes on taxable property in the allocation area be allocated
 15 and distributed as follows:
 16 (1) Except as otherwise provided in this section, the proceeds of
 17 the taxes attributable to the lesser of:
 18 (A) the assessed value of the property for the assessment date
 19 with respect to which the allocation and distribution is made; or
 20 (B) the base assessed value;
 21 shall be allocated to and, when collected, paid into the funds of the
 22 respective taxing units.
 23 (2) Except as otherwise provided in this section, property tax
 24 proceeds in excess of those described in subdivision (1) shall be
 25 allocated to the military base reuse district and, when collected,
 26 paid into an allocation fund for that allocation area that may be
 27 used by the military base reuse district and only to do one (1) or
 28 more of the following:
 29 (A) Pay the principal of and interest and redemption premium on
 30 any obligations incurred by the military base reuse district or any
 31 other entity for the purpose of financing or refinancing military
 32 base reuse activities in or directly serving or benefiting that
 33 allocation area.
 34 (B) Establish, augment, or restore the debt service reserve for
 35 bonds payable solely or in part from allocated tax proceeds in
 36 that allocation area or from other revenues of the reuse authority,
 37 including lease rental revenues.
 38 (C) Make payments on leases payable solely or in part from
 39 allocated tax proceeds in that allocation area.
 40 (D) Reimburse any other governmental body for expenditures
 41 made for local public improvements (or structures) in or directly
 42 serving or benefiting that allocation area.

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

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

11 STEP TWO: Divide:

12 (i) that part of the twenty percent (20%) of each county's total
 13 county tax levy payable that year as determined under
 14 IC 6-1.1-21-4 that is attributable to the taxing district; by

15 (ii) the STEP ONE sum.

16 STEP THREE: Multiply:

17 (i) the STEP TWO quotient; times

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

21 If not all the taxpayers in an allocation area receive the credit in
 22 full, each taxpayer in the allocation area is entitled to receive the
 23 same proportion of the credit. A taxpayer may not receive a
 24 credit under this section and a credit under section 27 of this
 25 chapter in the same year:

26 (F) (E) Pay expenses incurred by the reuse authority for local
 27 public improvements or structures that were in the allocation
 28 area or directly serving or benefiting the allocation area.

29 (G) (F) Reimburse public and private entities for expenses
 30 incurred in training employees of industrial facilities that are
 31 located:

32 (i) in the allocation area; and

33 (ii) on a parcel of real property that has been classified as
 34 industrial property under the rules of the ~~state board of tax~~
 35 ~~commissioners.~~ **department of local government finance.**

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

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- 1 The allocation fund may not be used for operating expenses of the
 2 reuse authority.
- 3 (3) Except as provided in subsection (g), before July 15 of each
 4 year the reuse authority shall do the following:
- 5 (A) Determine the amount, if any, by which property taxes
 6 payable to the allocation fund in the following year will exceed
 7 the amount of property taxes necessary to make, when due,
 8 principal and interest payments on bonds described in
 9 subdivision (2) plus the amount necessary for other purposes
 10 described in subdivision (2).
- 11 (B) Notify the county auditor of the amount, if any, of the
 12 amount of excess property taxes that the reuse authority has
 13 determined may be paid to the respective taxing units in the
 14 manner prescribed in subdivision (1). The reuse authority may
 15 not authorize a payment to the respective taxing units under this
 16 subdivision if to do so would endanger the interest of the holders
 17 of bonds described in subdivision (2) or lessors under section 19
 18 of this chapter. ~~Property taxes received by a taxing unit under
 19 this subdivision are eligible for the property tax replacement
 20 credit provided under IC 6-1.1-21.~~
- 21 (c) For the purpose of allocating taxes levied by or for any taxing unit
 22 or units, the assessed value of taxable property in a territory in the
 23 allocation area that is annexed by a taxing unit after the effective date
 24 of the allocation provision of the declaratory resolution is the lesser of:
 25 (1) the assessed value of the property for the assessment date with
 26 respect to which the allocation and distribution is made; or
 27 (2) the base assessed value.
- 28 (d) Property tax proceeds allocable to the military base reuse district
 29 under subsection (b)(2) may, subject to subsection (b)(3), be
 30 irrevocably pledged by the military base reuse district for payment as
 31 set forth in subsection (b)(2).
- 32 (e) Notwithstanding any other law, each assessor shall, upon petition
 33 of the reuse authority, reassess the taxable property situated upon or in
 34 or added to the allocation area, effective on the next assessment date
 35 after the petition.
- 36 (f) Notwithstanding any other law, the assessed value of all taxable
 37 property in the allocation area, for purposes of tax limitation ~~property
 38 tax replacement~~, and the making of the budget, tax rate, and tax levy
 39 for each political subdivision in which the property is located is the
 40 lesser of:
 41 (1) the assessed value of the property as valued without regard to
 42 this section; or

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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 board~~
33 ~~of tax commissioners~~ **department of local government finance** shall
34 adjust the base assessed value one (1) time to neutralize any effect of
35 the general reassessment on the property tax proceeds allocated to the
36 military base reuse district under this section. However, the adjustment
37 may not include the effect of property tax abatements under
38 IC 6-1.1-12.1, and the adjustment may not produce less property tax
39 proceeds allocable to the military base reuse district under subsection
40 (b)(2) than would otherwise have been received if the general
41 reassessment had not occurred. The ~~state board of tax commissioners~~
42 **department of local government finance** may prescribe procedures

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1 for county and township officials to follow to assist the state board in
2 making the adjustments.

3 SECTION 369. IC 36-9-14-2 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) A
5 cumulative building fund to provide money for the construction,
6 remodeling, and repair of courthouses may be established by the county
7 legislative body under ~~IC 6-1.1-21~~. **IC 6-1.1-41.**

8 (b) As used in this section, "courthouse" includes a historical
9 complex consisting of a former county courthouse, jail, and sheriff's
10 residence which is open to the general public for educational or
11 community purposes in a county having a population of more than one
12 hundred sixty thousand (160,000) but less than two hundred thousand
13 (200,000).

14 SECTION 370. IC 36-9-31-16 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. Any security
16 issued in connection with a financing under this chapter the interest on
17 which is excludable from **adjusted** gross income tax is exempt from
18 the registration requirements of IC 23-2-1, or any other securities
19 registration law.

20 SECTION 371. THE FOLLOWING ARE REPEALED [EFFECTIVE
21 JANUARY 1, 2003]: IC 4-10-18-8; IC 6-1.1-18.6; IC 6-1.1-20.7;
22 IC 6-1.1-20.8; IC 6-1.1-21; IC 6-2.1; IC 6-3-7-1; IC 6-3-7-2.5;
23 IC 6-3-7-3; IC 6-3-8; IC 6-3.1-6-3; IC 6-3.1-14-4; IC 6-3.1-21-10;
24 IC 6-5; IC 6-5-12-3; IC 6-8.1-1-5; IC 8-22-3.5-10; IC 8-22-3.5-12;
25 IC 8-22-3.5-16; IC 11-13-1; IC 11-13-2; IC 12-13-8; IC 12-13-9;
26 IC 12-16-14; IC 12-16.1-13-1; IC 12-16.1-13-2; IC 12-16.1-13-7;
27 IC 12-16.1-14; IC 12-17-3-2; IC 12-17.8-1; IC 12-17.8-2-5;
28 IC 12-19-5-1; IC 12-19-5-2; IC 12-19-5-3; IC 12-19-5-9; 12-19-7-1.5;
29 IC 12-19-7-2; IC 12-19-7-3; IC 12-19-7-4; IC 12-19-7-5; IC 12-19-7-6;
30 IC 12-19-7-7; IC 12-19-7-8; IC 12-19-7-9; IC 12-19-7-10;
31 IC 12-19-7-11; IC 12-19-7-11.1; IC 12-19-7-15; IC 12-19-7-16;
32 IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20;
33 IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24;
34 IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-29;
35 IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 13-21-3-15;
36 IC 16-35-3; IC 16-35-4; IC 31-31-1-1; IC 31-31-3-5; IC 31-31-4-4;
37 IC 31-31-5; IC 31-40-2-2; IC 31-40-2-3; IC 31-40-2-4; IC 33-4-7-11;
38 IC 33-10.5-5-2; IC 33-10.5-8-3; IC 33-13-12-8.2; IC 33-15-26-2;
39 IC 33-15-26-3; IC 33-15-26-4; IC 33-15-26-5; IC 33-15-26-6;
40 IC 33-15-26-7; IC 33-15-26-8; IC 33-15-26-9; IC 33-19-8-8;
41 IC 33-19-10; IC 36-7-14-39.5; IC 36-7-15.1-26.5; IC 36-7-15.1-26.7;
42 IC 36-7-15.1-26.9; IC 36-7-15.1-56; IC 36-7-30-27.

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1 SECTION 372. [EFFECTIVE JANUARY 1, 2003] **The repeal of**
 2 **IC 6-2.1-4.5 and IC 6-5 by this act and the amendments to IC 6-3.1,**
 3 **IC 6-3.5, and IC 6-5.5 by this act apply only to taxable years**
 4 **beginning after December 31, 2002.**

5 SECTION 373. [EFFECTIVE JANUARY 1, 2003] **The repeal of**
 6 **IC 6-2.1 and IC 6-3-8 by this act applies only to taxable years**
 7 **beginning after December 31, 2002.**

8 SECTION 374. [EFFECTIVE JANUARY 1, 2003] **(a) The property**
 9 **tax replacement fund is abolished on January 1, 2003.**

10 **(b) Money in the property tax replacement fund on January 1,**
 11 **2003, reverts to the state general fund.**

12 **(c) Subject to this act, an expenditure appropriated from the**
 13 **property tax replacement fund for disbursement after December**
 14 **31, 2002, shall, after December 31, 2002, be disbursed from the**
 15 **state general fund.**

16 **(d) Except for property tax replacement credits provided under**
 17 **IC 6-3.5, no property tax credits available under a law enacted**
 18 **before July 1, 2002, shall be applied to property taxes due and**
 19 **payable after December 31, 2002.**

20 SECTION 375. [EFFECTIVE JULY 1, 2002] **(a) For purposes of:**

- 21 (1) **IC 6-2.5-2-2, as amended by this act;**
- 22 (2) **IC 6-2.5-6-7, as amended by this act;**
- 23 (3) **IC 6-2.5-6-8, as amended by this act;**
- 24 (4) **IC 6-2.5-6-10, as amended by this act;**
- 25 (5) **IC 6-2.5-7-3, as amended by this act; and**
- 26 (6) **IC 6-2.5-7-5, as amended by this act;**

27 **all transactions, except the furnishing of public utility, telephone,**
 28 **or cable television services and commodities by retail merchants**
 29 **described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11 shall be**
 30 **considered as having occurred after June 30, 2002, to the extent**
 31 **that delivery of the property or services constituting selling at**
 32 **retail is made after that date to the purchaser or to the place of**
 33 **delivery designated by the purchaser. However, a transaction shall**
 34 **be considered as having occurred before July 1, 2002, to the extent**
 35 **that the agreement of the parties to the transaction was entered**
 36 **into before June 1, 2002, and payment for the property or services**
 37 **furnished in the transaction is made before July 1, 2002,**
 38 **notwithstanding the delivery of the property or services after June**
 39 **30, 2002.**

40 **(b) With respect to a transaction constituting the furnishing of**
 41 **public utility, telephone, or cable television services and**
 42 **commodities, only transactions for which the charges are collected**

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1 upon original statements and billings dated after July 31, 2002,
2 shall be considered as having occurred after June 30, 2002.

3 (c) This SECTION expires July 1, 2003.

4 SECTION 376. [EFFECTIVE JULY 1, 2002] IC 6-1.1-20.9-2, as
5 amended by this act, applies to property taxes first due and
6 payable after December 31, 2002.

7 SECTION 377. [EFFECTIVE JANUARY 1, 2003] IC 6-3-1-3.5,
8 IC 6-3-2-1, IC 6-3-2-6, IC 6-3.1-4-2, IC 6-3-4-8, IC 6-3.1-21-5, and
9 IC 6-3.1-21-6, all as amended by this act, apply to taxable years
10 beginning after December 31, 2002.

11 SECTION 378. [EFFECTIVE JANUARY 1, 2003] (a) As used in
12 this SECTION, "county fund" refers to the following:

13 (1) A county supplemental juvenile probation services fund
14 established under IC 31-40-2.

15 (2) A jury pay fund established under IC 33-19-10.

16 (3) A county supplemental adult probation services fund.

17 (b) Each county fund is abolished. The county auditor shall
18 transfer money in a county fund that is unencumbered on January
19 1, 2003, to the auditor of state as part of the first transfer of money,
20 under IC 33-19-7-1, as amended by this act, after January 1, 2003,
21 for deposit in the state general fund. However, the part of the
22 unencumbered fees in a county supplemental adult probation
23 services fund that was generated by alcohol abuse deterrent
24 program fees or medical fees under IC 9-30-9-8, as determined by
25 the division of state court administration, shall be transferred to
26 the county alcohol abuse deterrent fund.

27 (c) Each county shall transfer the part of the money in the jury
28 pay fund (IC 33-19-10) on January 1, 2003, held for transfer to a
29 county fund described in subsection (a), to the auditor of state as
30 part of the first transfer of money, under IC 33-19-7-1, as amended
31 by this act, after January 1, 2003, for deposit in the state general
32 fund.

33 SECTION 379. [EFFECTIVE JANUARY 1, 2003] (a) The county
34 medical assistance to wards fund is abolished on January 1, 2003.
35 Money remaining in the county medical assistance to wards fund
36 on January 1, 2003, shall be transferred to the auditor of state for
37 deposit in the state general fund before January 6, 2003. Taxes
38 collected after December 31, 2002, that became due and payable
39 before January 1, 2003, as a result of a property tax levy imposed
40 for the county medical assistance to wards fund shall be
41 transferred to the state general fund before the fifth day after the
42 month in which the taxes are collected. A refund after December

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1 31, 2002, of property tax payments initially collected from a
2 taxpayer as a result of a levy imposed before January 1, 2003, for
3 the county medical assistance to wards fund shall be reimbursed
4 from the county general fund. A property tax levy for the county
5 medical assistance to wards fund may not be imposed after
6 December 31, 2002.

7 (b) The children with special health care needs county fund is
8 abolished on January 1, 2003. Money remaining in the children
9 with special health care needs county fund on January 1, 2003,
10 shall be transferred to the auditor of state for deposit in the state
11 general fund before January 6, 2003. Taxes collected after June 30,
12 2002, that became due and payable before July 1, 2002, as a result
13 of a property tax levy imposed for the children with special health
14 care needs county fund shall be transferred to the state general
15 fund before the fifth day after the month in which the taxes are
16 collected. A refund after December 31, 2002, of property tax
17 payments initially collected from a taxpayer as a result of a levy
18 imposed before January 1, 2003, for the children with special
19 health care needs county fund shall be reimbursed from the county
20 general fund. A property tax levy for the children with special
21 health care needs county fund may not be imposed after December
22 31, 2002.

23 (c) After December 31, 2002, a property tax levy for the county
24 general fund or any separate county hospital care for the indigent
25 fund may not include any amount for transfer to the state for the
26 hospital care of the indigent program or the uninsured parent
27 program.

28 (d) The family and children's fund is abolished on the later of
29 January 1, 2003, or the date all bonds and loans payable from the
30 fund for expenses incurred before January 1, 2003, are retired.
31 Money remaining in the family and children's fund on January 1,
32 2003, after the payment of all obligations incurred before January
33 1, 2003, the repayment of all advances to the fund from another
34 fund made before January 1, 2003, and any amounts in the fund
35 needed to repay any bonds or loans to the family and children's
36 fund, shall be transferred to the auditor of state for deposit in the
37 state general fund before January 6, 2003. Taxes collected after
38 December 31, 2002, that became due and payable before January
39 1, 2003, as a result of a property tax levy imposed for the family
40 and children's fund (other than taxes imposed to repay bonds or
41 loans to the family and children's fund) shall be transferred to the
42 state general fund before the fifth day after the month in which the

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1 taxes are collected. A refund after December 31, 2002, of property
 2 tax payments initially collected from a taxpayer as a result of a
 3 levy imposed before January 1, 2003, for the family and children's
 4 fund shall be reimbursed from the county general fund. A property
 5 tax levy for the family and children's fund may not be imposed
 6 after December 31, 2002. A county's obligation to pay for child
 7 services (as defined in IC 12-19-7-1) delivered after December 31,
 8 2002, ceases after December 31, 2002. A county retains the
 9 obligation to discharge liabilities incurred from the county's family
 10 and children's fund before January 1, 2003.

11 (e) After December 31, 2002, a property tax levy for the county
 12 general fund may not include any amount for any category of
 13 personnel and other operating expense of a circuit, superior,
 14 probate, or county court that is assumed by the state after
 15 December 31, 2002, under IC 33-1-18, as added by this act.

16 (f) For purposes of computing a county's maximum permissible
 17 ad valorem property tax levy for calendar year 2003 and
 18 subsequent years, the department of local government finance shall
 19 adjust the STEP ONE amount used under IC 6-1.1-18.5-3 to
 20 compute the county's maximum permissible ad valorem property
 21 tax levy for calendar year 2003. The STEP ONE amount shall be
 22 reduced by an amount equal to the ad valorem property tax levy
 23 first due and payable in 2002 (before any reduction for the certified
 24 shares described in STEP ONE) that:

25 (1) would otherwise be included in computing the county's
 26 maximum permissible ad valorem property tax levy for 2002;
 27 and

28 (2) was levied to allow the county to do any of the following:

29 (A) Deposit money in a county medical assistance to wards
 30 fund.

31 (B) Deposit money in a county children with special health
 32 care needs county fund.

33 (C) Pay for child services (as defined in IC 12-19-7-1) if the
 34 county paid for child services from the county general fund
 35 rather than the county family and children's fund. However,
 36 this subsection does not apply to the amount of any advance
 37 to the family and children's fund from the county general
 38 fund that was or would have been repaid from the family and
 39 children's fund.

40 (D) Pay for any category of personnel and other operating
 41 expenses of a circuit, superior, probate, or county court that

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1 is assumed by the state after December 31, 2002, under
 2 IC 33-1-18, as added by this act.

3 SECTION 380. [EFFECTIVE JULY 1, 2002] (a) This SECTION
 4 applies to a domestic insurance company that elected under
 5 IC 27-1-18-2 (as effective before January 1, 2003) to pay gross
 6 income tax under IC 6-2.1 (repealed) for calendar year 2002 or
 7 2003.

8 (b) For taxable years beginning after December 31, 2002, a
 9 domestic insurance company shall be taxed under IC 27-1-18-2 on
 10 its gross premiums.

11 SECTION 381. [EFFECTIVE JULY 1, 2002] (a) This SECTION
 12 applies to a domestic insurance company that:

13 (1) on or before November 30, 2002, did not elect under
 14 IC 27-1-18-2 to be taxed on its gross premiums; and

15 (2) has a taxable year that begins before January 1, 2003, and
 16 ends after December 31, 2002.

17 (b) A domestic insurance company shall file the company's
 18 estimated gross income tax return and pay the company's
 19 estimated gross income tax liability to the department of revenue
 20 as provided in IC 6-2.1-5-1.1 for due dates that occur before
 21 January 1, 2003.

22 (c) Not later than January 15, 2003, a domestic insurance
 23 company shall file a final gross income tax return with the
 24 department of revenue on a form and in the manner prescribed by
 25 the department of revenue. At the time of filing the final gross
 26 income tax return, a domestic insurance company shall pay to the
 27 department of revenue an amount equal to the remainder of:

28 (1) the total gross income tax liability incurred by the domestic
 29 insurance company for the part of the domestic insurance
 30 company's taxable year that occurred in calendar year 2002;
 31 minus

32 (2) the sum of:

33 (A) the total amount of gross income taxes that were
 34 previously paid by the domestic insurance company to the
 35 department of revenue for any quarter of that same part of
 36 the domestic insurance company's taxable year; plus

37 (B) any gross income taxes that were withheld from the
 38 domestic insurance company for that part of the domestic
 39 insurance company's taxable year under IC 6-2.1-6.

40 SECTION 382. [EFFECTIVE JULY 1, 2002] (a) This SECTION
 41 applies to a taxpayer that:

42 (1) pays gross income tax under IC 6-2.1; and

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- 1 (2) has a taxable year that begins before January 1, 2003, and
2 ends after December 31, 2002.
- 3 (b) A taxpayer shall file the taxpayer's estimated gross income
4 tax return and pay the taxpayer's estimated gross income tax
5 liability to the department of revenue as provided in IC 6-2.1-5-1.1
6 for due dates that occur before January 1, 2003.
- 7 (c) Not later than January 15, 2003, a taxpayer shall file a final
8 gross income tax return with the department of revenue on a form
9 and in the manner prescribed by the department of revenue. At the
10 time of filing the final gross income tax return, a taxpayer shall pay
11 to the department of revenue an amount equal to the remainder of:
- 12 (1) the total gross income tax liability incurred by the taxpayer
13 for the part of the taxpayer's taxable year that occurred in
14 calendar year 2002; minus
- 15 (2) the sum of:
- 16 (A) the total amount of gross income taxes that were
17 previously paid by the taxpayer to the department of revenue
18 for any quarter of that same part of the taxpayer's taxable
19 year; plus
- 20 (B) any gross income taxes that were withheld from the
21 taxpayer for that same part of the taxpayer's taxable year
22 under IC 6-2.1-6.
- 23 SECTION 383. [EFFECTIVE JULY 1, 2002] (a) This SECTION
24 applies to a taxpayer that:
- 25 (1) pays gross income tax under IC 6-2.1; and
- 26 (2) has a taxable year that begins before January 1, 2003, and
27 ends after December 31, 2002.
- 28 (b) A taxpayer shall file the taxpayer's estimated gross income
29 tax return and pay the taxpayer's estimated gross income tax
30 liability to the department of state revenue as provided in
31 IC 6-2.1-5-1.1 for due dates that occur before January 1, 2003.
- 32 (c) Not later than April 15, 2003, a taxpayer shall file a final
33 gross income tax return with the department of state revenue on a
34 form and in the manner prescribed by the department of state
35 revenue. At the time of filing the final gross income tax return, a
36 taxpayer shall pay to the department of state revenue an amount
37 equal to the remainder of:
- 38 (1) the total gross income tax liability incurred by the taxpayer
39 for the part of the taxpayer's taxable year that occurred in
40 calendar year 2002; minus
- 41 (2) the sum of:

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1 (A) the total amount of gross income taxes that were
2 previously paid by the taxpayer to the department of state
3 revenue for any quarter of that same part of the taxpayer's
4 taxable year; plus

5 (B) any gross income taxes that were withheld from the
6 taxpayer for that same part of the taxpayer's taxable year
7 under IC 6-2.1-6.

8 SECTION 384. [EFFECTIVE JULY 1, 2002] (a) This SECTION
9 applies to a taxpayer that:

10 (1) pays supplemental net income tax under IC 6-3-8; and

11 (2) has a taxable year that begins before January 1, 2003, and
12 ends after December 31, 2002.

13 (b) A taxpayer shall file the taxpayer's estimated supplemental
14 net income tax return and pay the taxpayer's estimated
15 supplemental net income tax liability to the department of state
16 revenue as provided by law for due dates that occur before
17 January 1, 2003.

18 (c) Not later than April 15, 2003, a taxpayer shall file a final
19 supplemental net income tax return with the department of state
20 revenue on a form and in the manner prescribed by the
21 department of state revenue. At the time of filing the final
22 supplemental net income tax return, a taxpayer shall pay to the
23 department of state revenue an amount equal to the remainder of:

24 (1) the total supplemental net income tax liability incurred by
25 the taxpayer for the part of the taxpayer's taxable year that
26 occurred in calendar year 2002; minus

27 (2) the sum of:

28 (A) the total amount of supplemental net income taxes that
29 were previously paid by the taxpayer to the department of
30 state revenue for any quarter of that same part of the
31 taxpayer's taxable year; plus

32 (B) any supplemental net income taxes that were withheld
33 from the taxpayer for that same part of the taxpayer's
34 taxable year.

35 SECTION 385. [EFFECTIVE JANUARY 1, 2003] (a) This
36 SECTION applies to a corporate taxpayer that:

37 (1) pays adjusted gross income tax under IC 6-3-1 through
38 IC 6-3-7; and

39 (2) has a taxable year that begins before January 1, 2003, and
40 ends after December 31, 2002.

41 (b) The rate of the adjusted gross income tax imposed under
42 IC 6-3-2-1 for that taxable year is a rate equal to the sum of:

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- 1 (1) three and four tenths percent (3.4%) multiplied by a
 2 fraction, the numerator of which is the number of days in the
 3 taxpayer's taxable year that occurred before January 1, 2003,
 4 and the denominator of which is the total number of days in
 5 the taxable year; and
 6 (2) eight and five-tenths percent (8.5%) multiplied by a
 7 fraction, the numerator of which is the number of days in the
 8 taxpayer's taxable year that occurred after December 31, 2002,
 9 and the denominator of which is the total number of days in
 10 the taxable year.
- 11 (c) However, the rate determined under this section shall be
 12 rounded to the nearest hundredth of one percent (0.01%).
- 13 SECTION 386. [EFFECTIVE JANUARY 1, 2003] (a) This
 14 SECTION applies to an individual (or a husband and wife filing a
 15 joint return), a trust, or an estate taxpayer that:
- 16 (1) pays adjusted gross income tax under IC 6-3-1 through
 17 IC 6-3-7; and
 18 (2) has a taxable year that begins before January 1, 2003, and
 19 ends after December 31, 2002.
- 20 (b) The rate of the adjusted gross income tax imposed under
 21 IC 6-3-2-1 for that taxable year for income for the year that is not
 22 greater than ninety thousand dollars (\$90,000) is a rate equal to the
 23 sum of:
- 24 (1) three and four tenths percent (3.4%) multiplied by a
 25 fraction, the numerator of which is the number of days in the
 26 taxpayer's taxable year that occurred before January 1, 2003,
 27 and the denominator of which is the total number of days in
 28 the taxable year; and
 29 (2) three and nine-tenths percent (3.9%) multiplied by a
 30 fraction, the numerator of which is the number of days in the
 31 taxpayer's taxable year that occurred after December 31, 2002,
 32 and the denominator of which is the total number of days in
 33 the taxable year.
- 34 (b) The rate of the adjusted gross income tax imposed under
 35 IC 6-3-2-1 for that taxable year for income for the year that is
 36 greater than ninety thousand dollars (\$90,000) is a rate equal to the
 37 sum of:
- 38 (1) three and four tenths percent (3.4%) multiplied by a
 39 fraction, the numerator of which is the number of days in the
 40 taxpayer's taxable year that occurred before January 1, 2003,
 41 and the denominator of which is the total number of days in
 42 the taxable year; and

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1 (2) four and four-tenths percent (4.4%) multiplied by a
2 fraction, the numerator of which is the number of days in the
3 taxpayer's taxable year that occurred after December 31, 2002,
4 and the denominator of which is the total number of days in
5 the taxable year.

6 (d) However, the rates determined under this section shall be
7 rounded to the nearest hundredth of one percent (0.01%).

8 SECTION 387. [EFFECTIVE JULY 1, 2002] (a) The definitions in
9 IC 6-2.2-2, as added by this act, apply throughout this SECTION.

10 (b) IC 6-2.2 (franchise tax), as added by this act, applies only to
11 taxable years beginning after December 31, 2002.

12 (c) The department of state revenue shall adopt the initial rules
13 and prescribe the initial forms to implement IC 6-2.2 (franchise
14 tax), as added by this act, before January 1, 2003. The department
15 of state revenue may adopt the initial rules required under this
16 SECTION in the same manner that emergency rules are adopted
17 under IC 4-22-2-37.1. A rule adopted under this SECTION expires
18 on the earlier of the following:

19 (1) The date that the rule is superseded, amended, or repealed
20 by a permanent rule adopted under IC 4-22-2 or another rule
21 adopted under this SECTION.

22 (2) July 1, 2003.

23 (d) This subsection applies to a taxpayer that:

24 (1) engaged in doing business in Indiana in any calendar year
25 before January 1, 2003;

26 (2) has a taxable year for federal income tax purposes that
27 began before January 1, 2003, and is not a calendar year; and

28 (3) seeks to engage in doing business in Indiana in 2003.

29 The initial taxable year for a taxpayer described in this subsection
30 is a short taxable year. Notwithstanding IC 6-2.2-4-1, as added by
31 this act, the initial taxable year of a taxpayer under IC 6-2.2, as
32 added by this act, begins January 1, 2003. The initial taxable year
33 of the taxpayer ends on the day immediately preceding the day that
34 the taxpayer's next taxable year for federal income tax purposes
35 begins. Notwithstanding IC 6-2.2-8, as added by this act, the tax
36 imposed under IC 6-2.2, as added by this act, for the initial taxable
37 year of the taxpayer is equal to the tax computed under IC 6-2.2.8
38 multiplied by a fraction. The numerator is the number of days
39 remaining in the taxpayer's taxable year after January 1, 2003, and
40 the denominator is the total number of days in the taxable year.
41 The return for the initial short taxable year of the taxpayer is due
42 before April 16, 2003.



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1 SECTION 388. [EFFECTIVE JANUARY 1, 2003] **IC 6-3.1-24, as**
2 **added by this act, applies only to taxable years beginning after**
3 **December 31, 2002.**

4 SECTION 389. [EFFECTIVE JANUARY 1, 2003] **IC 6-1.1-21.3, as**
5 **added by this act, applies only to property taxes first due and**
6 **payable after December 31, 2002.**

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