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# HOUSE BILL No. 1004

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-12-1-14.3; IC 4-30-16-3; IC 4-33-12; IC 5-2-5-7; IC 6-1.1; IC 6-3-1-3.5; IC 6-3.1-23.8-6; IC 6-5.5-1-2; IC 6-7; IC 9-29-11-1; IC 13-11-2; IC 13-15-11-1; IC 13-16-1; IC 13-18-20; IC 13-20-21; IC 13-22-12; IC 20-9.1-4-12; IC 21-3-1.7.

**Synopsis:** State and local fiscal matters and appropriations. Requires, beginning July 1, 2003, the transfer of \$90,000,000 from the tobacco master settlement agreement fund to the state general fund during each state fiscal year. Deletes the requirement that part of the money deposited in the tobacco master settlement agreement each year be retained and held for investment. Requires, beginning July 1, 2003, the lottery commission to transfer \$100,000,000 of surplus lottery revenue to the state general fund during each state fiscal year. Increases the riverboat admissions tax from \$3 to \$5. Provides that the additional \$2 must be deposited in the state general fund. Reduces the amount of admission tax revenue paid to the horse racing commission by \$10,000,000 each state fiscal year and requires that revenue to be deposited in the state general fund. Adds the amount of property taxes deducted from federal income taxes by certain businesses back to the definition of adjusted gross income for purposes of the adjusted gross income tax and the financial institutions tax during certain taxable years. Suspends the application of the adjusted gross income tax deduction for property taxes assessed on a residence and the income  
(Continued next page)

**Effective:** Upon passage; January 1, 2002 (retroactive); July 1, 2002; August 1, 2002; January 1, 2003; July 1, 2003.

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## Bauer

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

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tax credit for property taxes on business personal property during certain taxable years. Increases the cigarette tax by \$0.50 per pack. Dedicates the revenue from the increased rate to the state general fund. Reduces the distributor's discount for purchasing cigarette tax stamps by an amount proportionate to the increase in the tax rate. Permits distributors to use revenue stamps paid for before July 1, 2003, if the full amount of tax is paid. Increases the tobacco products tax from 15% to 25%. Establishes, increases, or authorizes the establishment of certain fees to be collected by the department of local government finance, the department of environmental management, the air pollution control board, the water pollution control board, the solid waste management board, and the state police department. Allows a school corporation during school year 2003 to transfer an amount equal to its 2002 assessed valuation multiplied by the lesser of (1) 3.28 cents; or (2) one-half its capital project fund tax rate from its capital projects fund to its general fund. Reduces the calendar year cap for 2002 and 2003 by \$57,700,000. Directs the office of Medicaid policy and planning to implement measures to reduce state general fund Medicaid expenditures by \$250,000,000 for the 2001-2003 biennium. Directs the budget agency to develop a plan for the reduction of certain appropriations. Makes the following changes in the 2001 budget: (1) transfers money from the tobacco master settlement agreement fund to the state general fund; (2) reduces the FY 2001-2002 and FY 2002-2003 appropriations for a cost of living adjustment for retired members of the teachers' retirement fund; (3) reduces the total appropriation made from the state general fund for construction projects for the biennium and authorizes the budget agency, after review by the budget committee, to identify the cuts to be made from the projects; and (4) reduces total biennial appropriations made to state universities for general repair and rehabilitation. Repeals a noncode provision concerning the effective date of the income tax credit for property taxes paid on business personal property.

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Introduced

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. 1004



A BILL FOR AN ACT to amend the Indiana Code concerning state and local fiscal matters and to make an appropriation.

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

- 1 SECTION 1. IC 4-12-1-14.3, AS AMENDED BY P.L.291-2001,
- 2 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2003]: Sec. 14.3. (a) As used in this section, "master
- 4 settlement agreement" has the meaning set forth in IC 24-3-3-6.
- 5 (b) There is hereby created the Indiana tobacco master settlement
- 6 agreement fund for the purpose of depositing and distributing money
- 7 received under the master settlement agreement. The fund consists of:
- 8 (1) all money received by the state under the master settlement
- 9 agreement;
- 10 (2) appropriations made to the fund by the general assembly; ~~and~~
- 11 (3) grants, gifts, and donations intended for deposit in the fund;
- 12 **and**
- 13 (4) **interest that accrues from investment of money in the**
- 14 **fund.**
- 15 (c) Money may be expended, transferred, or distributed from the



1 fund during a state fiscal year only in amounts permitted by subsections  
 2 (d) through (e); and only if the expenditures, transfers, or distributions  
 3 are specifically authorized by **this section** or another statute.

4 (d) The maximum amount of expenditures, transfers, or distributions  
 5 that may be made from the fund during the state fiscal year beginning  
 6 July 1, 2000; is determined under STEP THREE of the following  
 7 formula:

8 STEP ONE: Determine the sum of money received or to be  
 9 received by the state under the master settlement agreement  
 10 before July 1, 2001.

11 STEP TWO: Subtract from the STEP ONE sum the amount  
 12 appropriated by P.L.273-1999, SECTION 8; to the children's  
 13 health insurance program from funds accruing to the state from  
 14 the tobacco settlement for the state fiscal years beginning July 1,  
 15 1999; and July 1, 2000.

16 STEP THREE: Multiply the STEP TWO remainder by fifty  
 17 percent (50%):

18 (e) The maximum amount of expenditures, transfers, or distributions  
 19 that may be made from the fund during the state fiscal year beginning  
 20 July 1, 2001; and each state fiscal year after that is determined under  
 21 STEP THREE of the following formula:

22 STEP ONE: Determine the amount of money received or to be  
 23 received by the state under the master settlement agreement  
 24 during that state fiscal year:

25 STEP TWO: Multiply the STEP ONE amount by sixty percent  
 26 (60%):

27 STEP THREE: Add to the STEP TWO product any amounts that  
 28 were available for expenditure, transfer, or distribution under this  
 29 subsection or subsection (d) during preceding state fiscal years  
 30 but that were not expended, transferred, or distributed:

31 (f) The following amounts shall be retained in the fund and may not  
 32 be expended, transferred, or otherwise distributed from the fund:

33 (1) All of the money that is received by the state under the master  
 34 settlement agreement and remains in the fund after the  
 35 expenditures, transfers, or distributions permitted under  
 36 subsections (c) through (e):

37 (2) All interest that accrues from investment of money in the fund;  
 38 unless specifically appropriated by the general assembly: Interest  
 39 that is appropriated from the fund by the general assembly may  
 40 not be considered in determining the maximum amount of  
 41 expenditures, transfers, or distributions under subsection (e):

42 (d) The treasurer of state shall transfer the first ninety million

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1 **dollars (\$90,000,000) deposited in the fund during each state fiscal**  
 2 **year to the state general fund and credit this amount to a special**  
 3 **account to be used for health care expenses.**

4 ~~(g)~~ (e) The fund shall be administered by the budget agency.  
 5 Notwithstanding IC 5-13, the treasurer of state shall invest the money  
 6 in the fund not currently needed to meet the obligations of the fund in  
 7 the same manner as money is invested by the public employees  
 8 retirement fund under IC 5-10.3-5. The treasurer of state may contract  
 9 with investment management professionals, investment advisors, and  
 10 legal counsel to assist in the investment of the fund and may pay the  
 11 state expenses incurred under those contracts from the fund. Interest  
 12 that accrues from these investments shall be deposited in the fund.  
 13 Money in the fund at the end of the state fiscal year does not revert to  
 14 the state general fund.

15 ~~(h)~~ (f) The state general fund is not liable for payment of a shortfall  
 16 in expenditures, transfers, or distributions from the Indiana tobacco  
 17 master settlement agreement fund or any other fund due to a delay,  
 18 reduction, or cancellation of payments scheduled to be received by the  
 19 state under the master settlement agreement. If such a shortfall occurs  
 20 in any state fiscal year, the budget agency shall make the full transfer  
 21 to the regional health facilities construction account and then reduce all  
 22 remaining expenditures, transfers, and distributions affected by the  
 23 shortfall.

24 SECTION 2. IC 4-30-16-3, AS AMENDED BY P.L.273-1999,  
 25 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2003]: Sec. 3. (a) The commission shall transfer the surplus  
 27 revenue in the administrative trust fund as follows:

28 (1) Before the last business day of January, April, July, and  
 29 October, the commission shall transfer to the treasurer of state, for  
 30 deposit in the Indiana state teachers' retirement fund (IC  
 31 21-6.1-2), an amount equal to the lesser of:

32 (A) seven million five hundred thousand dollars (\$7,500,000);  
 33 or

34 (B) the additional quarterly contribution needed so that the  
 35 ratio of the unfunded liability of the Indiana state teachers'  
 36 retirement fund compared to total active teacher payroll is as  
 37 close as possible to but not greater than the ratio that existed  
 38 on the preceding July 1.

39 On or before June 15 of each year, the board of trustees of the  
 40 Indiana state teachers' retirement fund shall submit to the  
 41 treasurer of state, each member of the pension management  
 42 oversight commission, and the auditor of state its estimate of the

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1 quarterly amount needed to freeze the unfunded accrued liability  
 2 of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a  
 3 percent of payroll. The estimate shall be based on the most recent  
 4 actuarial valuation of the fund. Notwithstanding any other law,  
 5 including any appropriations law resulting from a budget bill (as  
 6 defined in IC 4-12-1-2), the money transferred under this  
 7 subdivision shall be set aside in a special account to be used as a  
 8 credit against the unfunded accrued liability of the pre-1996  
 9 account (as defined in IC 21-6.1-1-6.9) of the Indiana state  
 10 teachers' retirement fund. The money transferred is in addition to  
 11 the appropriation needed to pay benefits for the state fiscal year.

12 (2) Before the last business day of January, April, July, and  
 13 October, the commission shall transfer:

14 (A) two million five hundred thousand dollars (\$2,500,000) of  
 15 the surplus revenue to the treasurer of state for deposit in the  
 16 "k" portion of the pension relief fund (IC 5-10.3-11); and

17 (B) five million dollars (\$5,000,000) of the surplus revenue to  
 18 the treasurer of state for deposit in the "m" portion of the  
 19 pension relief fund (IC 5-10.3-11).

20 **(3) Before the last business day of January, April, July, and**  
 21 **October, the commission shall transfer to the treasurer of**  
 22 **state, for deposit in the state general fund, twenty-five million**  
 23 **dollars (\$25,000,000) of the surplus revenue. The deposits**  
 24 **required under this subdivision shall commence with the**  
 25 **deposit required before the last day of July, 2003.**

26 (4) The surplus revenue remaining in the fund on the last day of  
 27 January, April, July, and October after the transfers under  
 28 subdivisions (1), ~~and~~ (2), **and (3)** shall be transferred by the  
 29 commission to the treasurer of state for deposit on that day in the  
 30 build Indiana fund.

31 (b) The commission may make transfers to the treasurer of state  
 32 more frequently than required by subsection (a). However, the number  
 33 of transfers does not affect the amount that is required to be transferred  
 34 for the purposes listed in subsection (a)(1), ~~and~~ (a)(2), **and (a)(3)**. Any  
 35 amount transferred during the month in excess of the amount required  
 36 to be transferred for the purposes listed in subsection (a)(1), ~~and~~ (a)(2),  
 37 **and (a)(3)** shall be transferred to the build Indiana fund.

38 SECTION 3. IC 4-33-12-1 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. A tax is imposed on  
 40 admissions to gambling excursions authorized under this article at a  
 41 rate of ~~three five~~ ~~dollars (\$3)~~ **(\$5)** for each person admitted to the  
 42 gambling excursion. This admission tax is imposed upon the licensed

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1 owner conducting the gambling excursion.

2 SECTION 4. IC 4-33-12-6, AS AMENDED BY P.L.215-2001,  
3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2002]: Sec. 6. (a) The department shall place in the state  
5 general fund the tax revenue collected under this chapter.

6 (b) Except as provided by subsection (c) and IC 6-3.1-20-7, the  
7 treasurer of state shall quarterly pay the following amounts:

8 (1) One dollar (\$1) of the admissions tax collected by the licensed  
9 owner for each person embarking on a riverboat during the  
10 quarter shall be paid to:

11 (A) the city in which the riverboat is docked, if the city:

12 (i) is described in IC 4-33-6-1(a)(1) through  
13 IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or

14 (ii) is contiguous to the Ohio River and is the largest city in  
15 the county; and

16 (B) the county in which the riverboat is docked, if the  
17 riverboat is not docked in a city described in clause (A).

18 (2) One dollar (\$1) of the admissions tax collected by the licensed  
19 owner for each person embarking on a riverboat during the  
20 quarter shall be paid to the county in which the riverboat is  
21 docked. In the case of a county described in subdivision (1)(B),  
22 this one dollar (\$1) is in addition to the one dollar (\$1) received  
23 under subdivision (1)(B).

24 (3) Ten cents (\$0.10) of the admissions tax collected by the  
25 licensed owner for each person embarking on a riverboat during  
26 the quarter shall be paid to the county convention and visitors  
27 bureau or promotion fund for the county in which the riverboat is  
28 docked.

29 (4) Fifteen cents (\$0.15) of the admissions tax collected by the  
30 licensed owner for each person embarking on a riverboat during  
31 a quarter shall be paid to the state fair commission, for use in any  
32 activity that the commission is authorized to carry out under  
33 IC 15-1.5-3.

34 (5) Ten cents (\$0.10) of the admissions tax collected by the  
35 licensed owner for each person embarking on a riverboat during  
36 the quarter shall be paid to the division of mental health and  
37 addiction. The division shall allocate at least twenty-five percent  
38 (25%) of the funds derived from the admissions tax to the  
39 prevention and treatment of compulsive gambling.

40 (6) Sixty-five cents (\$0.65) of the admissions tax collected by the  
41 licensed owner for each person embarking on a riverboat during  
42 the quarter

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1       **(6) Two dollars (\$2) of the admissions tax collected by the**  
 2       **licensed owner for each person embarking on a riverboat**  
 3       **during the quarter shall be paid to the state general fund.**

4       **(7) The remainder of the admissions tax collected by the**  
 5       **licensed owner for each person embarking on a riverboat**  
 6       **during the quarter shall be paid as follows:**

7           **(A) To the state general fund until a total of ten million**  
 8           **dollars (\$10,000,000) is paid to the state general fund in a**  
 9           **particular state fiscal year.**

10          **(B) After the amount required under clause (A) is paid to**  
 11          **the state general fund, the remainder of the admissions tax**  
 12          **distributed under this subdivision shall be paid to the**  
 13          Indiana horse racing commission to be distributed as follows,  
 14          in amounts determined by the Indiana horse racing  
 15          commission, for the promotion and operation of horse racing  
 16          in Indiana:

17           ~~(A)~~ **(i) To one (1) or more breed development funds**  
 18           **established by the Indiana horse racing commission under**  
 19           **IC 4-31-11-10.**

20           ~~(B)~~ **(ii) To a racetrack that was approved by the Indiana**  
 21           **horse racing commission under IC 4-31. The commission**  
 22           **may make a grant under this clause only for purses,**  
 23           **promotions, and routine operations of the racetrack. No**  
 24           **grants shall be made for long term capital investment or**  
 25           **construction and no grants shall be made before the**  
 26           **racetrack becomes operational and is offering a racing**  
 27           **schedule.**

28          (c) With respect to tax revenue collected from a riverboat that  
 29          operates on Patoka Lake, the treasurer of state shall quarterly pay the  
 30          following amounts:

31           (1) The counties described in IC 4-33-1-1(3) shall receive one  
 32           dollar (\$1) of the admissions tax collected for each person  
 33           embarking on the riverboat during the quarter. This amount shall  
 34           be divided equally among the counties described in  
 35           IC 4-33-1-1(3).

36           (2) The Patoka Lake development account established under  
 37           IC 4-33-15 shall receive one dollar (\$1) of the admissions tax  
 38           collected for each person embarking on the riverboat during the  
 39           quarter.

40           (3) The resource conservation and development program that:

41           (A) is established under 16 U.S.C. 3451 et seq.; and

42           (B) serves the Patoka Lake area;

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1 shall receive forty cents (\$0.40) of the admissions tax collected  
2 for each person embarking on the riverboat during the quarter.

3 (4) The state general fund shall receive fifty cents (\$0.50) of the  
4 admissions tax collected for each person embarking on the  
5 riverboat during the quarter.

6 (5) The division of mental health and addiction shall receive ten  
7 cents (\$0.10) of the admissions tax collected for each person  
8 embarking on the riverboat during the quarter. The division shall  
9 allocate at least twenty-five percent (25%) of the funds derived  
10 from the admissions tax to the prevention and treatment of  
11 compulsive gambling.

12 (d) Money paid to a unit of local government under subsection  
13 (b)(1) through (b)(2) or subsection (c)(1):

14 (1) must be paid to the fiscal officer of the unit and may be  
15 deposited in the unit's general fund or riverboat fund established  
16 under IC 36-1-8-9, or both;

17 (2) may not be used to reduce the unit's maximum levy under  
18 IC 6-1.1-18.5, but may be used at the discretion of the unit to  
19 reduce the property tax levy of the unit for a particular year;

20 (3) may be used for any legal or corporate purpose of the unit,  
21 including the pledge of money to bonds, leases, or other  
22 obligations under IC 5-1-14-4; and

23 (4) is considered miscellaneous revenue.

24 (e) Money paid by the treasurer of state under subsection (b)(3)  
25 shall be:

26 (1) deposited in:

27 (A) the county convention and visitor promotion fund; or

28 (B) the county's general fund if the county does not have a  
29 convention and visitor promotion fund; and

30 (2) used only for the tourism promotion, advertising, and  
31 economic development activities of the county and community.

32 (f) Money received by the division of mental health and addiction  
33 under subsections (b)(5) and (c)(5):

34 (1) is annually appropriated to the division of mental health and  
35 addiction;

36 (2) shall be distributed to the division of mental health and  
37 addiction at times during each state fiscal year determined by the  
38 budget agency; and

39 (3) shall be used by the division of mental health and addiction  
40 for programs and facilities for the prevention and treatment of  
41 addictions to drugs, alcohol, and compulsive gambling, including  
42 the creation and maintenance of a toll free telephone line to

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1 provide the public with information about these addictions. The  
 2 division shall allocate at least twenty-five percent (25%) of the  
 3 money received to the prevention and treatment of compulsive  
 4 gambling.

5 SECTION 5. IC 5-2-5-7 IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) Except as provided in  
 7 subsection (c), on request for release or inspection of a limited criminal  
 8 history, law enforcement agencies may ~~and the department~~ shall do the  
 9 following:

10 (1) Require a form, provided by them, to be completed. This form  
 11 shall be maintained for a period of two (2) years and shall be  
 12 available to the record subject upon request.

13 (2) Collect a three dollar (\$3) fee to defray the cost of processing  
 14 a request for inspection.

15 (3) Collect a seven dollar (\$7) fee to defray the cost of processing  
 16 a request for release. ~~However, law enforcement agencies and the~~  
 17 ~~department may not charge the fee for requests received from the~~  
 18 ~~parent locator service of the child support bureau of the division~~  
 19 ~~of family and children.~~

20 (b) **Except as provided in subsection (c), on request for release**  
 21 **or inspection of a limited criminal history, the department shall do**  
 22 **the following:**

23 (1) **Require a form, provided by the department, to be**  
 24 **completed. This form shall be maintained for a period of two**

25 **(2) years and shall be available to the record subject upon**  
 26 **request.**

27 **(2) Collect fees set by rule to defray the cost of processing a**  
 28 **request for release or inspection.**

29 (c) Law enforcement agencies and the department shall edit  
 30 information so that the only information released or inspected is  
 31 information which:

32 (1) has been requested; and

33 (2) is limited criminal history information.

34 ~~(c)~~ (d) The fee required under subsection (a) **or (b)** shall be waived  
 35 if the request is from the:

36 (1) institute for conviction information that will be used to  
 37 establish or update the sex and violent offender registry under  
 38 IC 5-2-12; **or**

39 (2) **parent locator service of the child support bureau of the**  
 40 **division of family and children.**

41 SECTION 6. IC 6-1.1-15-3, AS AMENDED BY P.L.198-2001,  
 42 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2002]: Sec. 3. (a) A taxpayer may obtain a review by the  
 2 Indiana board of a county property tax assessment board of appeals  
 3 action with respect to the assessment of that taxpayer's tangible  
 4 property if the county property tax assessment board of appeals' action  
 5 requires the giving of notice to the taxpayer. A township assessor,  
 6 county assessor, member of a county property tax assessment board of  
 7 appeals, or county property tax assessment board of appeals that made  
 8 the original determination under appeal under this section, or a county  
 9 auditor who made the original enterprise zone inventory credit  
 10 determination under appeal under IC 6-1.1-20.8, is a party to the  
 11 review under this section to defend the determination. At the time that  
 12 notice is given to the taxpayer, the taxpayer shall also be informed in  
 13 writing of:

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

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

22 (c) In order to obtain a review by the Indiana board under this  
 23 section, the party must file a petition for review with the appropriate  
 24 county assessor within thirty (30) days after the notice of the county  
 25 property tax assessment board of appeals action is given to the  
 26 taxpayer. **A party who is a taxpayer must include with the petition**  
 27 **a filing fee of one hundred dollars (\$100).**

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

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

40 (e) The county assessor shall transmit the petition for review **and**  
 41 **any accompanying filing fee under subsection (c)** to the Indiana  
 42 board within ten (10) days after it is filed. **The Indiana board shall**

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**transfer any fees collected under this subsection to the state treasurer for deposit in the state general fund.**

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

SECTION 7. IC 6-1.1-15-12, AS AMENDED BY P.L.198-2001, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when he finds that the error exists.

(c) If the tax is based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor.
- (2) The county auditor.
- (3) The county assessor.

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1 If two (2) of these officials do not approve such a correction, the county  
 2 auditor shall refer the matter to the county property tax assessment  
 3 board of appeals for determination. The county property tax assessment  
 4 board of appeals shall provide a copy of the determination to the  
 5 taxpayer and to the county auditor.

6 (e) A taxpayer may appeal a determination of the county property  
 7 tax assessment board of appeals **under this section** to the Indiana  
 8 board for a final administrative determination. **The taxpayer shall file**  
 9 **a petition and filing fee of one hundred dollars (\$100) with the**  
 10 **county assessor as required under section 3 of this chapter, and an**  
 11 appeal under this section shall be conducted in the same manner as  
 12 appeals under sections 4 through 8 of this chapter. The Indiana board  
 13 shall send the final administrative determination to the taxpayer, the  
 14 county auditor, the county assessor, and the township assessor.

15 (f) If a correction or change is made in the tax duplicate after it is  
 16 delivered to the county treasurer, the county auditor shall transmit a  
 17 certificate of correction to the county treasurer. The county treasurer  
 18 shall keep the certificate as the voucher for settlement with the county  
 19 auditor.

20 (g) A taxpayer that files a personal property tax return under  
 21 IC 6-1.1-3 may not petition under this section for the correction of an  
 22 error made by the taxpayer on the taxpayer's personal property tax  
 23 return. If the taxpayer wishes to correct an error made by the taxpayer  
 24 on the taxpayer's personal property tax return, the taxpayer must  
 25 instead file an amended personal property tax return under  
 26 IC 6-1.1-3-7.5.

27 SECTION 8. IC 6-1.1-31-11.5, AS ADDED BY P.L.198-2001,  
 28 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2002]: Sec. 11.5. (a) Subject to subsection ~~(b)~~; **(c)**, the  
 30 department of local government finance shall adopt rules under  
 31 IC 4-22-2 to govern the practice of representatives in proceedings  
 32 before the property tax assessment board of appeals and the department  
 33 of local government finance.

34 **(b) The department of local government finance shall adopt**  
 35 **rules under subsection (a) to establish a program for the licensure**  
 36 **of tax representatives (as defined in 50 IAC 15-5-1). The rules**  
 37 **adopted under this subsection must require:**

- 38 **(1) an applicant for a license or a license holder to pay an**  
 39 **annual licensure fee of fifty dollars (\$50); and**  
 40 **(2) the department of local government finance to transfer all**  
 41 **licensure fees collected to the state treasurer for deposit in the**  
 42 **state general fund.**

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1 (c) Except as provided in subsection ~~(c)~~, (d), a rule adopted under  
2 subsection (a) may not:

3 (1) restrict the ability of a representative to practice before the  
4 property tax assessment board of appeals or the department of  
5 local government finance based on the fact that the representative  
6 is not an attorney admitted to the Indiana bar; or

7 (2) restrict the admissibility of written or oral testimony of a  
8 representative or other witness based upon the manner in which  
9 the representative or other witness is compensated.

10 ~~(c)~~ (d) A rule adopted under subsection (a) may require a  
11 representative in a proceeding before the property tax assessment board  
12 of appeals or the department of local government finance to be an  
13 attorney admitted to the Indiana bar if the matter under consideration  
14 in the proceeding is:

15 (1) an exemption for which an application is required under  
16 IC 6-1.1-11;

17 (2) a claim that taxes are illegal as a matter of law;

18 (3) a claim regarding the constitutionality of an assessment; or

19 (4) any other matter that requires representation that involves the  
20 practice of law.

21 ~~(d)~~ (e) This subsection applies to a petition that is filed with the  
22 property tax assessment board of appeals or a matter under  
23 consideration by the department of local government finance before the  
24 adoption of a rule under subsection (a) that establishes new standards  
25 for:

26 (1) the presentation of evidence or testimony; or

27 (2) the practice of representatives.

28 The property tax assessment board of appeals or the department of  
29 local government finance may not dismiss a petition or reject  
30 consideration of a matter solely for failure to comply with the rule  
31 adopted under subsection (a) without providing the petitioner with an  
32 opportunity to present evidence, testimony, or representation in  
33 compliance with the rule.

34 SECTION 9. IC 6-1.1-35.2-3, AS AMENDED BY P.L.198-2001,  
35 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2002]: Sec. 3. (a) Each year the department of local  
37 government finance shall conduct the continuing education sessions  
38 required in the rules adopted by the department for all assessing  
39 officials, county assessors, and all members of, and hearing officers for,  
40 the county property tax assessment board of appeals. These sessions  
41 must be conducted at the locations described in subsection (b).

42 (b) To ensure that all assessing officials, assessors, and members of

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1 county property tax assessment boards of appeals have an opportunity  
2 to attend the continuing education sessions required by this section, the  
3 department of local government finance shall conduct the continuing  
4 education sessions at a minimum of four (4) separate regional  
5 locations. The department shall determine the locations of the  
6 continuing education sessions, but:

- 7 (1) at least one (1) continuing education session must be held in  
8 the northeastern part of Indiana;
- 9 (2) at least one (1) continuing education session must be held in  
10 the northwestern part of Indiana;
- 11 (3) at least one (1) continuing education session must be held in  
12 the southeastern part of Indiana; and
- 13 (4) at least one (1) continuing education session must be held in  
14 the southwestern part of Indiana.

15 The four (4) regional continuing education sessions may not be held in  
16 Indianapolis. However, the department of local government finance  
17 may, after the conclusion of the four (4) continuing education sessions,  
18 provide additional continuing education sessions at locations  
19 determined by the department.

20 (c) **This subsection does not apply to assessing officials and their**  
21 **employees, county assessors and their employees, members and**  
22 **employees of, and hearing officers for, the county property tax**  
23 **assessment board of appeals, or employees of the department of**  
24 **local government finance. The department of local government**  
25 **finance shall collect a fee of:**

- 26 (1) **one hundred dollars (\$100) from an individual who attends**  
27 **a full day continuing education session that provides more**  
28 **than three and one-half (3 1/2) hours of continuing education**  
29 **credit; or**
- 30 (2) **fifty dollars (\$50) from an individual who attends a half**  
31 **day continuing education session that provides three and**  
32 **one-half (3 1/2) or fewer hours of continuing education credit.**

33 **All fees collected by the department of local government finance**  
34 **under this subsection shall be deposited in the assessing official**  
35 **training account established under IC 6-1.1-35.5-7.**

36 (d) Any assessing official, county assessor, or member of, and  
37 hearing officers for, the county property tax assessment board of  
38 appeals who attends required sessions is entitled to receive a mileage  
39 allowance and the per diem per session set by the department of local  
40 government finance by rule adopted under IC 4-22-2 from the county  
41 in which the official resides. A person is entitled to a mileage  
42 allowance under this section only for travel between the person's place

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1 of work and the training session nearest to the person's place of work.

2 SECTION 10. IC 6-3-1-3.5, AS AMENDED BY P.L.14-2000,  
3 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3.5. When used in  
5 IC 6-3, the term "adjusted gross income" shall mean the following:

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

9 (1) Subtract income that is exempt from taxation under IC 6-3 by  
10 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 62 of the Internal Revenue Code  
13 for taxes based on or measured by income and levied at the state  
14 level by any state of the United States. **In addition, for taxable**  
15 **years beginning after December 31, 2001, and before January**  
16 **1, 2005, add an amount equal to any deduction or deductions**  
17 **allowed or allowable under Section 62 of the Internal Revenue**  
18 **Code for taxes on property levied by any subdivision of any**  
19 **state of the United States.**

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

23 (4) Subtract one thousand dollars (\$1,000) for:  
24 (A) each of the exemptions provided by Section 151(c) of the  
25 Internal Revenue Code;  
26 (B) each additional amount allowable under Section 63(f) of  
27 the Internal Revenue Code; and  
28 (C) the spouse of the taxpayer if a separate return is made by  
29 the taxpayer and if the spouse, for the calendar year in which  
30 the taxable year of the taxpayer begins, has no gross income  
31 and is not the dependent of another taxpayer.

32 (5) Subtract:  
33 (A) one thousand five hundred dollars (\$1,500) for each of the  
34 exemptions allowed under Section 151(c)(1)(B) of the Internal  
35 Revenue Code for taxable years beginning after December 31,  
36 1996; and  
37 (B) five hundred dollars (\$500) for each additional amount  
38 allowable under Section 63(f)(1) of the Internal Revenue Code  
39 if the adjusted gross income of the taxpayer, or the taxpayer  
40 and the taxpayer's spouse in the case of a joint return, is less  
41 than forty thousand dollars (\$40,000).

42 This amount is in addition to the amount subtracted under

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- 1 subdivision (4).
- 2 (6) Subtract an amount equal to the lesser of:
- 3 (A) that part of the individual's adjusted gross income (as
- 4 defined in Section 62 of the Internal Revenue Code) for that
- 5 taxable year that is subject to a tax that is imposed by a
- 6 political subdivision of another state and that is imposed on or
- 7 measured by income; or
- 8 (B) two thousand dollars (\$2,000).
- 9 (7) Add an amount equal to the total capital gain portion of a
- 10 lump sum distribution (as defined in Section 402(e)(4)(D) of the
- 11 Internal Revenue Code) if the lump sum distribution is received
- 12 by the individual during the taxable year and if the capital gain
- 13 portion of the distribution is taxed in the manner provided in
- 14 Section 402 of the Internal Revenue Code.
- 15 (8) Subtract any amounts included in federal adjusted gross
- 16 income under Internal Revenue Code Section 111 as a recovery
- 17 of items previously deducted as an itemized deduction from
- 18 adjusted gross income.
- 19 (9) Subtract any amounts included in federal adjusted gross
- 20 income under the Internal Revenue Code which amounts were
- 21 received by the individual as supplemental railroad retirement
- 22 annuities under 45 U.S.C. 231 and which are not deductible under
- 23 subdivision (1).
- 24 (10) Add an amount equal to the deduction allowed under Section
- 25 221 of the Internal Revenue Code for married couples filing joint
- 26 returns if the taxable year began before January 1, 1987.
- 27 (11) Add an amount equal to the interest excluded from federal
- 28 gross income by the individual for the taxable year under Section
- 29 128 of the Internal Revenue Code if the taxable year began before
- 30 January 1, 1985.
- 31 (12) Subtract an amount equal to the amount of federal Social
- 32 Security and Railroad Retirement benefits included in a taxpayer's
- 33 federal gross income by Section 86 of the Internal Revenue Code.
- 34 (13) In the case of a nonresident taxpayer or a resident taxpayer
- 35 residing in Indiana for a period of less than the taxpayer's entire
- 36 taxable year, the total amount of the deductions allowed pursuant
- 37 to subdivisions (3), (4), (5), and (6) shall be reduced to an amount
- 38 which bears the same ratio to the total as the taxpayer's income
- 39 taxable in Indiana bears to the taxpayer's total income.
- 40 (14) In the case of an individual who is a recipient of assistance
- 41 under IC 12-10-6-1, IC 12-10-6-2, IC 12-15-2-2, or IC 12-15-7,
- 42 subtract an amount equal to that portion of the individual's

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1 adjusted gross income with respect to which the individual is not  
 2 allowed under federal law to retain an amount to pay state and  
 3 local income taxes.

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

7 (16) For taxable years beginning after December 31, 1999,  
 8 subtract an amount equal to the portion of any premiums paid  
 9 during the taxable year by the taxpayer for a qualified long term  
 10 care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the  
 11 taxpayer's spouse, or both.

12 (17) **For taxable years beginning before January 1, 2002, or**  
 13 **after December 31, 2004,** subtract an amount equal to the lesser  
 14 of:

15 (A) two thousand five hundred dollars (\$2,500); or

16 (B) the amount of property taxes that are paid during the  
 17 taxable year in Indiana by the individual on the individual's  
 18 principal place of residence.

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

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

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

27 (3) Add an amount equal to any deduction or deductions allowed  
 28 or allowable pursuant to Section 63 of the Internal Revenue Code  
 29 for taxes based on or measured by income and levied at the state  
 30 level by any state of the United States. **In addition, for taxable**  
 31 **years beginning after December 31, 2001, and before January**  
 32 **1, 2005, add an amount equal to a deduction or deductions**  
 33 **allowed or allowable under Section 63 of the Internal Revenue**  
 34 **Code for taxes on property levied by a state or subdivision of**  
 35 **a state of the United States.**

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

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



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1 SECTION 11. IC 6-3.1-23.8-6, AS ADDED BY P.L.291-2001,  
 2 SECTION 122, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) Except as provided in  
 4 this chapter, a taxpayer is entitled to a credit against the taxpayer's state  
 5 tax liability for a taxable year **beginning after December 31, 2004**, for  
 6 the net ad valorem property taxes paid by the taxpayer in the taxable  
 7 year on business personal property with an assessed value equal to the  
 8 lesser of:

- 9 (1) the assessed value of the person's business personal property;  
 10 or  
 11 (2) an assessed value of thirty-seven thousand five hundred  
 12 dollars (\$37,500).

13 A taxpayer is entitled to only one (1) credit under this chapter each  
 14 taxable year.

15 (b) An affiliated group that files a consolidated return under  
 16 IC 6-2.1-5-5 is entitled to only one (1) credit under this chapter each  
 17 taxable year on that consolidated return. A taxpayer that is a  
 18 partnership, joint venture, or pool is entitled to only one (1) credit  
 19 under this chapter each taxable year, regardless of the number of  
 20 partners or participants in the organization.

21 (c) A utility company is not entitled to claim the credit under this  
 22 chapter.

23 SECTION 12. IC 6-5.5-1-2 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:  
 25 Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted  
 26 gross income" means taxable income as defined in Section 63 of the  
 27 Internal Revenue Code, adjusted as follows:

- 28 (1) Add the following amounts:  
 29 (A) An amount equal to a deduction allowed or allowable  
 30 under Section 166, Section 585, or Section 593 of the Internal  
 31 Revenue Code.  
 32 (B) An amount equal to a deduction allowed or allowable  
 33 under Section 170 of the Internal Revenue Code.  
 34 (C) An amount equal to a deduction or deductions allowed or  
 35 allowable under Section 63 of the Internal Revenue Code for  
 36 taxes based on or measured by income and levied at the state  
 37 level by a state of the United States or levied at the local level  
 38 by any subdivision of a state of the United States.  
 39 (D) The amount of interest excluded under Section 103 of the  
 40 Internal Revenue Code or under any other federal law, minus  
 41 the associated expenses disallowed in the computation of  
 42 taxable income under Section 265 of the Internal Revenue

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(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

**(G) For taxable years beginning after December 31, 2001, and before January 1, 2005, an amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes on property levied by a state or subdivision of a state of the United States.**

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income multiplied by the quotient of:

(1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment

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1 contracts issued by the company and held by persons residing  
2 within Indiana and elsewhere.

3 (d) As used in subsection (c), "investment company" means a  
4 person, copartnership, association, limited liability company, or  
5 corporation, whether domestic or foreign, that:

6 (1) is registered under the Investment Company Act of 1940 (15  
7 U.S.C. 80a-1 et seq.); and

8 (2) solicits or receives a payment to be made to itself and issues  
9 in exchange for the payment:

- 10 (A) a so-called bond;  
11 (B) a share;  
12 (C) a coupon;  
13 (D) a certificate of membership;  
14 (E) an agreement;  
15 (F) a pretended agreement; or  
16 (G) other evidences of obligation;

17 entitling the holder to anything of value at some future date, if the  
18 gross payments received by the company during the taxable year  
19 on outstanding investment contracts, plus interest and dividends  
20 earned on those contracts (by prorating the interest and dividends  
21 earned on investment contracts by the same proportion that  
22 certificate reserves (as defined by the Investment Company Act  
23 of 1940) is to the company's total assets) is at least fifty percent  
24 (50%) of the company's gross payments upon investment  
25 contracts plus gross income from all other sources except  
26 dividends from subsidiaries for the taxable year. The term  
27 "investment contract" means an instrument listed in clauses (A)  
28 through (G).

29 SECTION 13. IC 6-7-1-12 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) The following  
31 taxes are imposed, and shall be collected and paid as provided in this  
32 chapter, upon the sale, exchange, bartering, furnishing, giving away, or  
33 otherwise disposing of cigarettes within the state of Indiana:

34 (1) On cigarettes weighing not more than three (3) pounds per  
35 thousand (1,000), a tax at the rate of ~~seven hundred seventy-five~~  
36 ~~thousandths of a cent (\$0.00775)~~ **three thousand two hundred**  
37 **seventy-five ten-thousandths of a cent (\$0.003275)** per  
38 individual cigarette.

39 (2) On cigarettes weighing more than three (3) pounds per  
40 thousand (1,000), a tax at the rate of ~~one and three-hundredths~~  
41 ~~a cent (\$0.0103)~~ **forty-three thousand five hundred twenty-six**  
42 **hundred-thousandths of a cent (\$0.0043526)** per individual

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1 cigarette, except that if any cigarettes weighing more than three  
2 (3) pounds per thousand (1,000) shall be more than six and  
3 one-half (6 1/2) inches in length, they shall be taxable at the rate  
4 provided in subdivision (1), counting each two and three-fourths  
5 (2 3/4) inches (or fraction thereof) as a separate cigarette.

6 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared  
7 for the purpose of making cigarettes, which are sold, exchanged,  
8 bartered, given away, or otherwise disposed of within the state of  
9 Indiana (other than to a manufacturer of cigarettes for use by him in the  
10 manufacture of cigarettes), the following taxes are imposed, and shall  
11 be collected and paid as provided in this chapter:

- 12 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).
- 13 (2) On more than fifty (50) papers but not more than one hundred
- 14 (100) papers, a tax of one cent (\$0.01).
- 15 (3) On more than one hundred (100) papers, one-half cent
- 16 (\$0.005) for each fifty (50) papers or fractional part thereof.
- 17 (4) On tubes, one cent (\$0.01) for each fifty (50) tubes or
- 18 fractional part thereof.

19 SECTION 14. IC 6-7-1-17 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. (a) Distributors  
21 who hold certificates and retailers shall be agents of the state in the  
22 collection of the taxes imposed by this chapter and the amount of the  
23 tax levied, assessed, and imposed by this chapter on cigarettes sold,  
24 exchanged, bartered, furnished, given away, or otherwise disposed of  
25 by distributors or to retailers. Distributors who hold certificates shall  
26 be agents of the department to affix the required stamps and shall be  
27 entitled to purchase the stamps from the department at a discount of  
28 ~~four one percent (4%)~~ (1%) of the amount of the tax stamps purchased,  
29 as compensation for their labor and expense.

30 (b) The department may permit distributors who hold certificates  
31 and who are admitted to do business in Indiana to pay for revenue  
32 stamps within thirty (30) days after the date of purchase. However, the  
33 privilege is extended upon the express condition that a bond or letter  
34 of credit satisfactory to the department, in an amount not less than the  
35 sales price of the stamps, is filed with the department, and proof of  
36 payment is made of all local property, state income, and excise taxes  
37 for which any such distributor may be liable. The bond or letter of  
38 credit, conditioned to secure payment for the stamps, shall be executed  
39 by the distributor as principal and by a corporation duly authorized to  
40 engage in business as a surety company or financial institution in  
41 Indiana.

42 SECTION 15. IC 6-7-1-28.1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE AUGUST 1, 2002]: Sec. 28.1. The taxes,  
 2 registration fees, fines, or penalties collected under this chapter shall  
 3 be deposited in the following manner:

4 (1) ~~Seven thirty-firsts (7/31)~~ **Eighty-six and forty-four**  
 5 **hundredths percent (86.44%)** of the money shall be deposited  
 6 in a fund to be known as the cigarette tax fund.

7 (2) ~~One thirty-first (1/31)~~ **Eight-tenths percent (0.8%)** of the  
 8 money shall be deposited in a fund to be known as the mental  
 9 health centers fund.

10 (3) ~~Fourteen thirty-firsts (14/31)~~ **Five and fifty-eight hundredths**  
 11 **percent (5.58%)** of the money shall be deposited in the state  
 12 general fund.

13 (4) ~~Nine thirty-firsts (9/31)~~ **Seven and eighteen hundredths**  
 14 **percent (7.18%)** of the money shall be deposited into the pension  
 15 relief fund established in IC 5-10.3-11.

16 The money in the cigarette tax fund, the mental health centers fund, or  
 17 the pension relief fund at the end of a fiscal year does not revert to the  
 18 state general fund. However, if in any fiscal year, the amount allocated  
 19 to a fund under subdivision (1) or (2) is less than the amount received  
 20 in fiscal year 1977, then that fund shall be credited with the difference  
 21 between the amount allocated and the amount received in fiscal year  
 22 1977, and the allocation for the fiscal year to the fund under  
 23 subdivision (3) shall be reduced by the amount of that difference.

24 SECTION 16. IC 6-7-2-7 IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2002]: Sec. 7. A tax is imposed on the  
 26 distribution of tobacco products in Indiana at the rate of ~~fifteen~~  
 27 **twenty-five percent (15%) (25%)** of the wholesale price of the tobacco  
 28 products. The distributor of the tobacco products is liable for the tax.  
 29 The tax is imposed at the time the distributor:

30 (1) brings or causes tobacco products to be brought into Indiana  
 31 for distribution;

32 (2) manufactures tobacco products in Indiana for distribution; or

33 (3) transports tobacco products to retail dealers in Indiana for  
 34 resale by those retail dealers.

35 SECTION 17. IC 6-7-2-13 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. A distributor that  
 37 files a complete return and pays the tax due within the time specified  
 38 in section 12 of this chapter is entitled to deduct and retain from the tax  
 39 a collection allowance of ~~one percent (1%)~~ **six one-thousandths**  
 40 **(0.006)** of the amount due. If a distributor files an incomplete report,  
 41 the department may reduce the collection allowance by an amount that  
 42 does not exceed the lesser of:



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- 1 (1) ten percent (10%) of the collection allowance; or
- 2 (2) fifty dollars (\$50).

3 SECTION 18. IC 9-29-11-1 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The main  
 5 department, office, agency, or other person under whose supervision a  
 6 law enforcement officer carries on the law enforcement officer's duties  
 7 may charge a fee that is fixed by:

8 **(1) rule of the state police department, if the department**  
 9 **supplying a copy of the accident report is the state police**  
 10 **department; or**

11 **(2) ordinance of the fiscal body in all other cases;**  
 12 in an amount not less than three dollars (\$3) for each report.

13 (b) The fee collected under subsection (a) shall be deposited in the  
 14 following manner:

15 (1) If the department supplying a copy of the accident report is the  
 16 state police department, in a separate account known as the  
 17 "accident report account". The account may be expended at the  
 18 discretion of the state police superintendent for a purpose  
 19 reasonably related to the keeping of accident reports and records  
 20 or the prevention of street and highway accidents.

21 (2) If the department supplying a copy of the accident report is the  
 22 sheriff, county police, or county coroner, in a separate account  
 23 known as the "accident report account". The account may be  
 24 expended at the discretion of the chief administrative officer of  
 25 the entity that charged the fee for any purpose reasonably related  
 26 to the keeping of accident reports and records or the prevention  
 27 of street and highway accidents.

28 (3) If the department supplying a copy of the accident report is a  
 29 city or town police department, in the local law enforcement  
 30 continuing education fund established by IC 5-2-8-2.

31 SECTION 19. IC 13-11-2-35.5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JANUARY 1, 2003]: **Sec. 35.5. "Community water**  
 34 **system", for purposes of IC 13-16-1, means a public water system**  
 35 **that serves at least fifteen (15) service connections used by**  
 36 **year-round residents or regularly serves at least twenty-five (25)**  
 37 **year-round residents.**

38 SECTION 20. IC 13-11-2-142.7 IS ADDED TO THE INDIANA  
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 40 [EFFECTIVE JANUARY 1, 2003]: **Sec. 142.7. "Nontransient**  
 41 **noncommunity water system", for purposes of IC 13-16-1, means**  
 42 **a public water system that is not a community water system that**

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1 **regularly serves the same twenty-five (25) or more persons at least**  
 2 **six (6) months per year.**

3 SECTION 21. IC 13-11-2-177.3, AS AMENDED BY P.L.14-2000,  
 4 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JANUARY 1, 2003]: Sec. 177.3. "Public water system", for purposes  
 6 of this chapter, **IC 13-16-1**, and IC 13-18-21, has the meaning set forth  
 7 in 42 U.S.C. 300f.

8 SECTION 22. IC 13-11-2-237.5, AS AMENDED BY P.L.1-2001,  
 9 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JANUARY 1, 2003]: Sec. 237.5. "Transient noncommunity water  
 11 system", for purposes of IC 13-18-11 **and IC 13-16-1**, means a  
 12 noncommunity water system that does not regularly serve at least  
 13 twenty-five (25) of the same persons over six (6) months per year.

14 SECTION 23. IC 13-15-11-1 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. The  
 16 environmental management permit operation fund is established for the  
 17 purpose of providing money for permitting and directly associated  
 18 activities of the **following programs of the department and boards:**

- 19 (1) National Pollutant Discharge Elimination System **program.**
- 20 (2) Solid waste **program. and**
- 21 (3) Hazardous waste **program.**
- 22 **(4) Public water system program under IC 13-16-1-8.**
- 23 **(5) Stormwater permit program under IC 13-16-1-8.**

24 **programs of the department and the boards:**

25 SECTION 24. IC 13-16-1-5 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. **Except as**  
 27 **provided in section 12 of this chapter**, a fee established under this  
 28 chapter shall be deposited in the environmental management special  
 29 fund under IC 13-14-12 when the fee is collected.

30 SECTION 25. IC 13-16-1-6, AS AMENDED BY P.L.224-1999,  
 31 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JANUARY 1, 2003]: Sec. 6. Notwithstanding sections 1 through 5 of  
 33 this chapter or any other law, a board or the department may not do any  
 34 of the following:

- 35 (1) Except as provided in sections 7 **and 8** of this chapter, change  
 36 a fee established by:
  - 37 (A) IC 13-18-20;
  - 38 (B) IC 13-20-21; or
  - 39 (C) IC 13-22-12.
- 40 (2) Establish an additional fee that was not in effect on January 1,  
 41 1994, concerning the following:
  - 42 (A) National Pollutant Discharge Elimination System



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1 programs.

2 (B) Solid waste programs.

3 (C) Hazardous waste programs.

4 (3) Require payment of a fee for material used as alternate daily  
5 cover pursuant to a permit issued by the department under 329  
6 IAC 10-20-13.

7 SECTION 26. IC 13-16-1-8 IS ADDED TO THE INDIANA CODE  
8 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
9 JANUARY 1, 2003]: **Sec. 8. The boards may establish fees for the  
10 following:**

11 **(1) Public water system permits. Fees established under this  
12 subdivision are subject to the following conditions:**

13 **(A) Total annual operating fees from all systems may not  
14 exceed two million dollars (\$2,000,000).**

15 **(B) Total annual fees for all active community water  
16 systems may not exceed one million five hundred thousand  
17 dollars (\$1,500,000).**

18 **(C) Total annual fees for all active nontransient  
19 noncommunity water systems may not exceed two hundred  
20 fifty thousand dollars (\$250,000).**

21 **(D) Total annual fees for all active transient  
22 noncommunity water systems may not exceed two hundred  
23 fifty thousand dollars (\$250,000).**

24 **Fees may not be established under this subdivision for schools  
25 that are public water systems.**

26 **(2) Stormwater permits from municipal separate storm sewer  
27 systems.**

28 **(3) NPDES general permits. Fees established under this  
29 subdivision are in addition to the NPDES fees established  
30 under IC 13-18-20.**

31 **A board may change the amount of a fee established under this  
32 section if the board determines, based on the factors set forth in  
33 section 2 of this chapter, that the fee is not appropriate.**

34 SECTION 27. IC 13-16-1-9 IS ADDED TO THE INDIANA CODE  
35 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
36 JANUARY 1, 2003]: **Sec. 9. Fees established under section 8(1) of  
37 this chapter begin accruing January 1 of each year. The  
38 department shall assess fees under section 8(1) of this chapter not  
39 later than January 15 of each year.**

40 SECTION 28. IC 13-16-1-10 IS ADDED TO THE INDIANA  
41 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
42 [EFFECTIVE JANUARY 1, 2003]: **Sec. 10. (a) In addition to the**

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1 penalties prescribed under:

- 2 (1) IC 13-30-4-1;  
 3 (2) IC 13-30-4-2; and  
 4 (3) IC 13-30-5-1;

5 if a person does not remit a fee established under section 8(1) of  
 6 this chapter or an installment of the fee under IC 13-16-2 to the  
 7 department not later than sixty (60) days after the date the fee is  
 8 assessed or not later than thirty (30) days after the date the  
 9 installment is due, the person shall be assessed a delinquency  
 10 charge equal to ten percent (10%) of the fee or ten percent (10%)  
 11 of the installment, whichever applies.

12 (b) A delinquency charge assessed under this section is due and  
 13 payable not later than sixty (60) days after the date a fee under  
 14 section 8(1) of this chapter is assessed or not later than thirty (30)  
 15 days after the date an installment of the fee under IC 13-16-2 is  
 16 due.

17 SECTION 29. IC 13-16-1-11 IS ADDED TO THE INDIANA  
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE JANUARY 1, 2003]: **Sec. 11. If a person does not**  
 20 **remit a fee established under section 8(1) of this chapter or an**  
 21 **installment of the fee under IC 13-16-2 to the department not later**  
 22 **than ninety (90) days after the date the fee is assessed or not later**  
 23 **than sixty (60) days after the date the installment is due, the**  
 24 **department may revoke the person's permit. However, before the**  
 25 **department may revoke a permit under this section, the**  
 26 **department must:**

- 27 (1) not earlier than sixty (60) days after the date the fee is  
 28 assessed or not earlier than thirty (30) days after the  
 29 installment is due; and  
 30 (2) not later than thirty (30) days before the department  
 31 revokes the permit:

32 notify the person by United States mail of the fees and delinquency  
 33 charges due. The notice must state that the department may revoke  
 34 the person's permit for nonpayment after thirty (30) days from the  
 35 date of the notice.

36 SECTION 30. IC 13-16-1-12 IS ADDED TO THE INDIANA  
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JANUARY 1, 2003]: **Sec. 12. Any fees assessed under**  
 39 **section 8 of this chapter or delinquency charges assessed under**  
 40 **section 10 of this chapter:**

- 41 (1) are payable to the department; and  
 42 (2) shall be deposited in the environmental management

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**permit operation fund established under IC 13-15-11-1.**

SECTION 31. IC 13-18-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. For industrial permits, other than coal mine permits or stone quarry permits, the annual base fee per facility is:

(1) one thousand **three hundred** dollars (~~\$1,000~~) (**\$1,300**) for a major permit; and

(2) ~~four~~ **five** hundred dollars (~~\$400~~) (**\$500**) for a minor permit; plus the following annual discharge flow fee per facility:

Daily Average Actual Flow in MGD	Fee
.001 - .05	<del>\$240</del> <b>\$312</b>
.051 - .1	<del>\$360</del> <b>\$468</b>
.101 - .2	<del>\$840</del> <b>\$1,092</b>
.201 - .3	<del>\$1,200</del> <b>\$1,560</b>
.301 - .5	<del>\$1,680</del> <b>\$2,184</b>
.501 - 1.0	<del>\$2,060</del> <b>\$2,678</b>
1.001 - 2.0	<del>\$3,600</del> <b>\$4,680</b>
2.001 - 5.0	<del>\$5,400</del> <b>\$7,020</b>
5.001 - 10.0	<del>\$8,400</del> <b>\$10,920</b>
10.001 - 15.0	<del>\$12,000</del> <b>\$15,600</b>
15.001 - 30.0	<del>\$16,800</del> <b>\$21,840</b>
30.001 - 50.0	<del>\$22,800</del> <b>\$29,640</b>
50.001 - 100.0	<del>\$28,800</del> <b>\$37,440</b>
> 100.0	<del>\$34,800</del> <b>\$45,240</b>

Annual flow fees are reduced by twenty percent (20%) for discharges that are comprised of greater than ninety percent (90%) of non-contact cooling water.

SECTION 32. IC 13-18-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. Each facility for which a coal mine operator files a notice of intent under the general coal mine permit rules adopted under IC 13-18-18 shall pay an annual fee of ~~five~~ **six** hundred ~~fifty~~ dollars (~~\$500~~) (**\$650**) instead of the following individual permit fees. The annual fee must accompany the initial notice of intent and is due each year on the anniversary date of the date when the initial notice of intent was filed.

Outfalls	Fee
1 Outfall	<del>\$500</del> <b>\$650</b>
2-3 Outfalls	<del>\$750</del> <b>\$975</b>
4-6 Outfalls	<del>\$1,000</del> <b>\$1,300</b>
7-10 Outfalls	<del>\$1,500</del> <b>\$1,950</b>



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1	11-20 Outfalls	<del>\$2,500</del> <b>\$3,250</b>
2	21-99 Outfalls	<del>\$3,500</del> <b>\$4,550</b>
3	SECTION 33. IC 13-18-20-4 IS AMENDED TO READ AS	
4	FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. For stone	
5	quarry permits, the annual fee is as follows:	
6	Outfalls	Fee
7	1 Outfall	<del>\$750</del> <b>\$975</b>
8	2 Outfalls	<del>\$1,500</del> <b>\$1,950</b>
9	3 Outfalls	<del>\$2,000</del> <b>\$2,600</b>
10	4 Outfalls	<del>\$2,500</del> <b>\$3,250</b>

11 SECTION 34. IC 13-18-20-5 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. For municipal  
 13 permits, the annual base fee per facility is:

- 14 (1) one thousand five hundred dollars (\$1,500) for a major permit;  
 15 and  
 16 (2) four hundred dollars (\$400) for a minor permit;  
 17 plus the following annual discharge flow fee per facility:

18	Daily Average Actual	
19	Flow in MGD	Fee
20	.001 - .05	<del>\$300</del> <b>\$390</b>
21	.051 - .1	<del>\$600</del> <b>\$780</b>
22	.101 - .2	<del>\$2,000</del> <b>\$2,600</b>
23	.201 - .3	<del>\$4,000</del> <b>\$5,200</b>
24	.301 - .5	<del>\$5,000</del> <b>\$6,500</b>
25	.501 - 1.0	<del>\$6,000</del> <b>\$7,800</b>
26	1.001 - 2.0	<del>\$7,000</del> <b>\$9,100</b>
27	2.001 - 5.0	<del>\$8,000</del> <b>\$10,400</b>
28	5.001 - 10.0	<del>\$10,000</del> <b>\$13,000</b>
29	10.001 - 15.0	<del>\$13,000</del> <b>\$16,900</b>
30	15.001 - 30.0	<del>\$15,000</del> <b>\$19,500</b>
31	30.001 - 50.0	<del>\$20,000</del> <b>\$26,000</b>
32	50.001 - 100.0	<del>\$22,000</del> <b>\$28,600</b>

33 SECTION 35. IC 13-18-20-6 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. For state  
 35 permits, the annual base fee per facility is:

- 36 (1) one thousand **three hundred** dollars (~~\$1,000~~) (**\$1,300**) for a  
 37 major permit; and  
 38 (2) ~~four~~ **five hundred twenty** dollars (~~\$400~~) (**\$520**) for a minor  
 39 permit;  
 40 plus the following annual discharge flow fee per facility:

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	Daily Average Actual	Fee
	Flow in MGD	
3	.001 - .05	<del>\$240</del> <b>\$312</b>
4	.051 - .1	<del>\$360</del> <b>\$468</b>
5	.101 - .2	<del>\$840</del> <b>\$1,092</b>
6	.201 - .3	<del>\$1,200</del> <b>\$1,560</b>
7	.301 - .5	<del>\$1,680</del> <b>\$2,184</b>
8	.501 - 1.0	<del>\$2,060</del> <b>\$2,678</b>
9	1.001 - 2.0	<del>\$3,600</del> <b>\$4,680</b>
10	2.001 - 5.0	<del>\$5,400</del> <b>\$7,020</b>
11	5.001 - 10.0	<del>\$8,400</del> <b>\$10,920</b>
12	10.001 - 15.0	<del>\$12,000</del> <b>\$15,600</b>
13	15.001 - 30.0	<del>\$16,800</del> <b>\$21,840</b>
14	30.001 - 50.0	<del>\$22,800</del> <b>\$29,640</b>
15	50.001 - 100.0	<del>\$28,800</del> <b>\$37,440</b>
16	> 100.0	<del>\$34,800</del> <b>\$45,240</b>

SECTION 36. IC 13-18-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. For federal permits, the annual base fee per facility is:

- (1) one thousand ~~three hundred~~ **three hundred** dollars (~~\$1,000~~) (**\$1,300**) for a major permit; and
- (2) ~~four five hundred twenty~~ **four hundred twenty** dollars (~~\$400~~) (**\$520**) for a minor permit;

plus the following annual discharge flow fee per facility:

	Daily Average Actual	Fee
	Flow in MGD	
27	.001 - .05	<del>\$240</del> <b>\$312</b>
28	.051 - .1	<del>\$360</del> <b>\$468</b>
29	.101 - .2	<del>\$840</del> <b>\$1,092</b>
30	.201 - .3	<del>\$1,200</del> <b>\$1,560</b>
31	.301 - .5	<del>\$1,680</del> <b>\$2,184</b>
32	.501 - 1.0	<del>\$2,060</del> <b>\$2,678</b>
33	1.001 - 2.0	<del>\$3,600</del> <b>\$4,680</b>
34	2.001 - 5.0	<del>\$5,400</del> <b>\$7,020</b>
35	5.001 - 10.0	<del>\$8,400</del> <b>\$10,920</b>
36	10.001 - 15.0	<del>\$12,000</del> <b>\$15,600</b>
37	15.001 - 30.0	<del>\$16,800</del> <b>\$21,840</b>
38	30.001 - 50.0	<del>\$22,800</del> <b>\$29,640</b>
39	50.001 - 100.0	<del>\$28,800</del> <b>\$37,440</b>
40	> 100.0	<del>\$34,800</del> <b>\$45,240</b>

SECTION 37. IC 13-18-20-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. For semipublic

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1 permits, the annual base fee per facility is:  
 2 (1) ~~seven nine~~ **hundred fifty seventy-five** dollars (~~\$750~~) (**\$975**) for  
 3 a major permit; and  
 4 (2) two hundred ~~sixty~~ **dollars (\$200) (\$260)** for a minor permit;  
 5 plus the following annual discharge flow fee per facility:

6 Daily Average Design

7 Flow in MGD	8 Fee
8 .001 - .05	<del>\$150</del> <b>\$195</b>
9 .051 - .1	<del>\$300</del> <b>\$390</b>
10 .101 - .2	<del>\$1,000</del> <b>\$1,300</b>
11 .201 - .3	<del>\$2,000</del> <b>\$2,600</b>
12 .301 - .5	<del>\$2,500</del> <b>\$3,250</b>
13 .501 - 1.0	<del>\$3,000</del> <b>\$3,900</b>
14 1.001 - 2.0	<del>\$3,500</del> <b>\$4,550</b>
15 2.001 - 5.0	<del>\$4,000</del> <b>\$5,200</b>
16 5.001 - 10.0	<del>\$5,000</del> <b>\$6,500</b>
17 10.001 - 15.0	<del>\$6,500</del> <b>\$8,450</b>
18 15.001 - 30.0	<del>\$7,500</del> <b>\$9,750</b>
19 30.001 - 50.0	<del>\$10,000</del> <b>\$13,000</b>
20 50.001 - 100.0	<del>\$11,000</del> <b>\$14,300</b>

21 SECTION 38. IC 13-18-20-9 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. For public  
 23 water supply permits, the annual base fee per facility is:

24 (1) one thousand ~~three hundred~~ **dollars (\$1,000) (\$1,300)** for a  
 25 major permit; and  
 26 (2) ~~four five~~ **hundred dollars (\$400) (\$520)** for a minor permit;  
 27 plus the following annual discharge flow fee per facility based on  
 28 projected daily average flow in MGD as set forth in a facility NPDES  
 29 permit:

30 Daily Average Actual

31 Flow in MGD	32 Fee
32 .001 - .05	<del>\$240</del> <b>\$312</b>
33 .051 - .1	<del>\$360</del> <b>\$468</b>
34 .101 - .2	<del>\$840</del> <b>\$1,092</b>
35 .201 - .3	<del>\$1,200</del> <b>\$1,560</b>
36 .301 - .5	<del>\$1,680</del> <b>\$2,184</b>
37 .501 - 1.0	<del>\$2,060</del> <b>\$2,678</b>
38 1.001 - 2.0	<del>\$3,600</del> <b>\$4,680</b>
39 2.001 - 5.0	<del>\$5,400</del> <b>\$7,020</b>
40 5.001 - 10.0	<del>\$8,400</del> <b>\$10,920</b>
41 10.001 - 15.0	<del>\$12,000</del> <b>\$15,600</b>
42 15.001 - 30.0	<del>\$16,800</del> <b>\$21,840</b>

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1	30.001 - 50.0	<del>\$22,800</del> <b>\$29,640</b>
2	50.001 - 100.0	<del>\$28,800</del> <b>\$37,440</b>
3	> 100.0	<del>\$34,800</del> <b>\$45,240</b>

4 SECTION 39. IC 13-18-20-10 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. (a) For storm  
 6 water permits for construction activity, a fee of one hundred **thirty**  
 7 dollars ~~(\$100)~~ **(\$130)** shall be submitted with a notice of intent (NOI).

8 (b) For storm water permits for industrial activity, the annual fee is  
 9 one hundred **thirty** dollars ~~(\$100)~~ **(\$130)**.

10 SECTION 40. IC 13-18-20-11 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. For an  
 12 industrial waste pretreatment permit, the annual fee is ~~three~~ **four**  
 13 hundred ~~fifty~~ **fifty-five** dollars ~~(\$350)~~ **(\$455)**.

14 SECTION 41. IC 13-20-21-3 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. For solid waste  
 16 permits, the application fees are as follows:

	New Permit or Major Modification	
		Fee
19	Sanitary Landfill	<del>\$31,300</del> <b>\$40,690</b>
20	Construction\	
21	Demolition Site	<del>\$20,000</del> <b>\$26,000</b>
22	Restricted Waste Site	
23	Type I	<del>\$31,300</del> <b>\$40,690</b>
24	Type II	<del>\$31,300</del> <b>\$40,690</b>
25	Type III	<del>\$20,000</del> <b>\$26,000</b>
26	Processing Facility	
27	Transfer Station	<del>\$12,150</del> <b>\$15,795</b>
28	Other	<del>\$12,150</del> <b>\$15,795</b>
29	Incinerator	<del>\$28,650</del> <b>\$37,245</b>
30	Waste Tire Storage	
31	Registration	<del>\$500</del> <b>\$650</b>
32	Waste Tire Processing	<del>\$200</del> <b>\$260</b>
33	Waste Tire	
34	Transportation	<del>\$25</del> <b>\$32.50</b>
35		Permit Renewal
36	Sanitary Landfill	<del>\$15,350</del> <b>\$19,955</b>
37	Construction\	
38	Demolition Site	<del>\$7,150</del> <b>\$9,295</b>
39	Restricted Waste Site	
40	Type I	<del>\$15,350</del> <b>\$19,955</b>
41	Type II	<del>\$15,350</del> <b>\$19,955</b>
42	Type III	<del>\$7,150</del> <b>\$9,295</b>

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1	Processing Facility		
2	Transfer Station	<del>\$2,200</del>	<b>\$2,860</b>
3	Other	<del>\$2,200</del>	<b>\$2,860</b>
4	Incinerator	<del>\$5,900</del>	<b>\$7,670</b>
5	Waste Tire Processing	<del>\$200</del>	<b>\$260</b>
6		Minor Modification	
7	Minor Modification	<del>\$2,500</del>	<b>\$3,250</b>
8	SECTION 42. IC 13-20-21-4 IS AMENDED TO READ AS		
9	FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. For solid waste,		
10	the annual operation fees are as follows:		
11		Fee	
12	Sanitary Landfill		
13	> 500 TPD	<del>\$35,000</del>	<b>\$45,500</b>
14	250-499 TPD	<del>\$15,000</del>	<b>\$19,500</b>
15	100-249 TPD	<del>\$7,000</del>	<b>\$9,100</b>
16	<100 TPD	<del>\$2,000</del>	<b>\$2,600</b>
17	Construction\		
18	Demolition Site	<del>\$1,500</del>	<b>\$1,950</b>
19	Restricted Waste Site		
20	Type I	<del>\$35,000</del>	<b>\$45,500</b>
21	Type II	<del>\$25,000</del>	<b>\$32,500</b>
22	Type III	<del>\$10,000</del>	<b>\$13,000</b>
23	Processing Facility		
24	Transfer Station	<del>\$2,000</del>	<b>\$2,600</b>
25	Other	<del>\$2,000</del>	<b>\$2,600</b>
26	Incinerator		
27	>500 TPD	<del>\$35,000</del>	<b>\$45,500</b>
28	250-499 TPD	<del>\$15,000</del>	<b>\$19,500</b>
29	100-249 TPD	<del>\$7,000</del>	<b>\$9,100</b>
30	<100 TPD	<del>\$2,000</del>	<b>\$2,600</b>
31	Infectious Waste		
32	Incinerator (>7 TPD)	<del>\$5,000</del>	<b>\$6,500</b>
33	Waste Tire Storage		
34	Registration	<del>\$500</del>	<b>\$650</b>
35	Waste Tire Transportation		
36	Registration	<del>\$25</del>	<b>\$32.50</b>
37	Groundwater		
38	Compliance		
39	Sampling		
40	(per well)	<del>\$250</del>	<b>\$325</b>
41	SECTION 43. IC 13-20-21-6, AS AMENDED BY P.L.218-2001,		
42	SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE		

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1 JULY 1, 2002]: Sec. 6. (a) For solid waste, the disposal fees are as  
2 follows:

	Fee
3 Solid waste disposed into a	
4 municipal solid waste landfill per ton	<del>\$0.10</del> <b>\$0.13</b>
5 Solid waste disposed into a	
6 nonmunicipal solid waste landfill per ton	<del>\$0.10</del> <b>\$0.13</b>
7 Solid waste disposed	
8 into an incinerator per ton	<del>\$0.05</del> <b>\$0.065</b>
9 Solid waste disposed into a	
10 construction\demolition waste site per ton	<del>\$0.10</del> <b>\$0.13</b>

11 (b) There is no solid waste disposal fee for solid waste disposed into  
12 a solid waste landfill permitted to accept restricted waste solely  
13 generated by the person to which the permit is issued.

14 SECTION 44. IC 13-22-12-2 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. For hazardous  
16 waste, the application fees are as follows:

New Permit Application		Fee
19 Land Disposal	<del>\$40,600</del>	<b>\$52,780</b>
20 Incinerator (per unit)	<del>\$21,700</del>	<b>\$28,210</b>
21 Storage	<del>\$23,800</del>	<b>\$30,940</b>
22 Treatment	<del>\$23,800</del>	<b>\$30,940</b>
Permit Renewal or		
Class 3 Modification		
26 Land Disposal	<del>\$34,000</del>	<b>\$44,200</b>
27 Incinerator	<del>\$21,700</del>	<b>\$28,210</b>
28 Storage	<del>\$17,200</del>	<b>\$22,360</b>
29 Treatment	<del>\$17,200</del>	<b>\$22,360</b>
Class 2 Modification		
30 Class 2 Modification	<del>\$2,250</del>	<b>\$2,925</b>

31 SECTION 45. IC 13-22-12-3 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. For hazardous  
33 waste, the annual operation fees are as follows:

	Fee
35 Land Disposal	<del>\$37,500</del> <b>\$48,750</b>
36 Incinerator (per unit)	<del>\$10,000</del> <b>\$13,000</b>
37 Storage	<del>\$2,500</del> <b>\$3,250</b>
38 Treatment	<del>\$10,000</del> <b>\$13,000</b>
39 Generator	<del>\$1,565</del> <b>\$2,034.50</b>
40 Postclosure Activity	<del>\$1,500</del> <b>\$1,950</b>
41 Groundwater Compliance	
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- 1 Sampling at active  
2 facilities (per well) ~~\$1,000~~ **\$1,300**
- 3 SECTION 46. IC 20-9.1-4-12 IS ADDED TO THE INDIANA  
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2002]: **Sec. 12. The state police department**  
6 **may adopt rules under IC 4-22-2 concerning inspections conducted**  
7 **under section 5 of this chapter, including the imposition of fees for**  
8 **the inspections.**
- 9 SECTION 47. IC 21-3-1.7-3.1, AS AMENDED BY P.L.291-2001,  
10 SECTION 240, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2002]: Sec. 3.1. (a) As used in this chapter,  
12 "previous year revenue" for calculations with respect to a school  
13 corporation equals:
- 14 (1) the school corporation's tuition support for regular programs,  
15 including basic tuition support, and excluding:
- 16 (A) special education grants;  
17 (B) vocational education grants;  
18 (C) at-risk programs;  
19 (D) the enrollment adjustment grant;  
20 (E) for 1999 and thereafter, the academic honors diploma  
21 award; and  
22 (F) for 2001 and thereafter, the primetime distribution;  
23 for the year that precedes the current year; plus
- 24 (2) the school corporation's tuition support levy for the year that  
25 precedes the current year before the reductions required under  
26 section 5(1), 5(2), and 5(3) of this chapter; plus
- 27 (3) distributions received by the school corporation under  
28 IC 6-1.1-21.6 for the year that precedes the current year; plus
- 29 (4) the school corporation's excise tax revenue for the year that  
30 precedes the current year by two (2) years; minus
- 31 (5) an amount equal to the reduction in the school corporation's  
32 tuition support under subsection (b) or IC 20-10.1-2-1, or both;  
33 **plus**
- 34 **(6) in calendar year 2003, the amount determined for**  
35 **calendar year 2002 under section 8 of this chapter, STEP**  
36 **TWO (C).**
- 37 (b) A school corporation's previous year revenue shall be reduced  
38 if:
- 39 (1) the school corporation's state tuition support for special or  
40 vocational education was reduced as a result of a complaint being  
41 filed with the department of education after December 31, 1988,  
42 because the school program overstated the number of children

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1 enrolled in special or vocational education programs; and  
 2 (2) the school corporation's previous year revenue has not been  
 3 reduced under this subsection more than one (1) time because of  
 4 a given overstatement.

5 The amount of the reduction equals the amount the school corporation  
 6 would have received in tuition support for special and vocational  
 7 education because of the overstatement.

8 SECTION 48. IC 21-3-1.7-8, AS AMENDED BY P.L.291-2001,  
 9 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2002]: Sec. 8. Notwithstanding IC 21-3-1.6 and subject to  
 11 section 9 of this chapter, the state distribution for a calendar year for  
 12 tuition support for basic programs for each school corporation equals  
 13 the result determined using the following formula:

14 STEP ONE:

15 (A) For a school corporation not described in clause (B),  
 16 determine the school corporation's result under STEP FIVE of  
 17 section 6.7(b) of this chapter for the calendar year.

18 (B) For a school corporation that has target revenue per  
 19 adjusted ADM for a calendar year that is equal to the amount  
 20 under STEP ONE (A) of section 6.7(b) of this chapter,  
 21 determine the sum of:

22 (i) the school corporation's result under STEP ONE of  
 23 section 6.7(b) of this chapter for the calendar year; plus

24 (ii) the amount of the annual decrease in federal aid to  
 25 impacted areas from the year preceding the ensuing calendar  
 26 year by three (3) years to the year preceding the ensuing  
 27 calendar year by two (2) years; plus

28 (iii) the original amount of an excessive tax levy the school  
 29 corporation imposed as a result of the passage, during the  
 30 preceding year, of a referendum under IC 6-1.1-19-4.5(c) for  
 31 taxes first due and payable during the year; plus

32 (iv) the part of the maximum general fund levy for the year  
 33 that equals the original amount of the levy imposed by the  
 34 school corporation to cover the costs of opening a new  
 35 school facility during the preceding year.

36 STEP TWO: Determine the remainder of:

37 (A) the STEP ONE amount; minus

38 (B) the sum of:

39 (i) the school corporation's tuition support levy; plus

40 (ii) the school corporation's excise tax revenue for the year  
 41 that precedes the current year by one (1) year; **minus**

42 **(C) for the last six (6) months of calendar year 2002 and**

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1           **the first six (6) months of calendar year 2003, the product**  
 2           **of:**

- 3           **(i) the school corporation's assessed valuation for**  
 4           **calendar year 2002 divided by one hundred (100); and**  
 5           **(ii) the lesser of three hundred twenty-eight**  
 6           **ten-thousandths (0.0328) or the school corporation's**  
 7           **capital projects fund tax rate for calendar year 2002**  
 8           **multiplied by five-tenths (0.5).**

9           If the state tuition support determined for a school corporation under  
 10           this section is negative, the school corporation is not entitled to any  
 11           state tuition support. In addition, the school corporation's maximum  
 12           general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount  
 13           of the negative result.

14           SECTION 49. IC 21-3-1.7-9, AS AMENDED BY P.L.291-2001,  
 15           SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16           JULY 1, 2002]: Sec. 9. (a) Subject to the amount appropriated by the  
 17           general assembly for tuition support, the amount that a school  
 18           corporation is entitled to receive in tuition support for a year is the  
 19           amount determined in section 8 of this chapter.

20           (b) If the total amount to be distributed as tuition support under this  
 21           chapter, for enrollment adjustment grants under section 9.5 of this  
 22           chapter, for at-risk programs under section 9.7 of this chapter, for  
 23           academic honors diploma awards under section 9.8 of this chapter, **and**  
 24           for primetime distributions under IC 21-1-30 and as special and  
 25           vocational education grants ~~under IC 21-3-1.8-3 or IC 21-3-10~~ for a  
 26           particular year, exceeds:

- 27           (1) three billion three hundred sixty-three million four hundred  
 28           thousand dollars (\$3,363,400,000) in 2001;  
 29           (2) ~~three billion four hundred seventy-one million one hundred~~  
 30           ~~thousand dollars (\$3,471,100,000)~~ **three billion four hundred**  
 31           **thirteen million four hundred thousand dollars**  
 32           **(\$3,413,400,000)** in 2002; and  
 33           (3) ~~three billion five hundred ninety-four million two hundred~~  
 34           ~~thousand dollars (\$3,594,200,000)~~ **three billion five hundred**  
 35           **thirty-six million, five hundred thousand dollars**  
 36           **(\$3,536,500,000)** in 2003;

37           the amount to be distributed for tuition support under this chapter to  
 38           each school corporation during each of the last six (6) months of the  
 39           year shall be reduced by the same dollar amount per ADM (as adjusted  
 40           by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the  
 41           excess.

42           SECTION 50. [EFFECTIVE JULY 1, 2002] (a) **This subsection**



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1 applies to the last six (6) months of calendar year 2002. A school  
2 corporation may transfer from the school corporation's capital  
3 projects fund to the school corporation's general fund an amount  
4 not to exceed the product of:

5 (A) the school corporation's assessed valuation for calendar  
6 year 2002 divided by one hundred (100); and

7 (B) the lesser of:

8 (i) three hundred twenty-eight ten-thousandths (0.0328); or

9 (ii) the school corporation's capital projects fund tax rate  
10 for calendar year 2002 multiplied by five-tenths (0.5).

11 (b) This subsection applies to the first six (6) months of calendar  
12 year 2003. A school corporation may transfer from the school  
13 corporation's capital projects fund to the school corporation's  
14 general fund an amount not to exceed the product of:

15 (A) the school corporation's assessed valuation for calendar  
16 year 2002 divided by one hundred (100); and

17 (B) the lesser of:

18 (i) three hundred twenty-eight ten-thousandths (0.0328); or

19 (ii) the school corporation's capital projects fund tax rate  
20 for calendar year 2002 multiplied by five-tenths (0.5).

21 SECTION 51. [EFFECTIVE JULY 1, 2002] Revenue stamps paid  
22 for before July 1, 2003, may be used after June 30, 2003, only if the  
23 full amount of the tax imposed by IC 6-7-1-12, as amended by this  
24 act, is remitted to the department of state revenue under the  
25 procedures prescribed by the department.

26 SECTION 52. [EFFECTIVE JULY 1, 2002] IC 4-33-12-1 and  
27 IC 4-33-12-6, both as amended by this act, apply to riverboat  
28 admissions taxes collected after June 30, 2002.

29 SECTION 53. [EFFECTIVE UPON PASSAGE] (a)  
30 Notwithstanding IC 4-12-1-14.3 or any other law, the treasurer of  
31 state, as directed by the budget director, shall transfer \$50,000,000  
32 from the Indiana tobacco master settlement agreement fund to the  
33 state general fund before May 1, 2002, and credit this amount to a  
34 special account to be used for health care expenses.

35 (b) Notwithstanding IC 4-12-1-14.3 or any other law, the  
36 treasurer of state, as directed by the budget director, shall transfer  
37 \$90,000,000 from the Indiana tobacco master settlement agreement  
38 fund to the state general fund after June 30, 2002, and before July  
39 1, 2003, and credit this amount to a special account to be used for  
40 health care purposes.

41 SECTION 54. [EFFECTIVE UPON PASSAGE] The office of  
42 Medicaid policy and planning shall implement measures to reduce

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1 state general fund Medicaid expenditures by \$250,000,000 during  
 2 the period beginning July 1, 2001, and ending June 30, 2003.  
 3 Program savings are to be accomplished in areas including, but not  
 4 limited to, long term care, pharmacy, acute care, and managed  
 5 care.

6 SECTION 55. [EFFECTIVE UPON PASSAGE] Before July 1,  
 7 2002, the budget agency shall develop and submit for review by the  
 8 budget committee a plan for the permanent reduction of FY  
 9 2002-2003 appropriations by \$109,000,000. However, the plan may  
 10 not include reductions of operating appropriations for elementary  
 11 and secondary education or higher education.

12 SECTION 56. [EFFECTIVE UPON PASSAGE] Before July 1,  
 13 2002, the budget agency shall develop and submit for review by the  
 14 budget committee a plan for the permanent reduction of FY  
 15 2002-2003 appropriations for operating expenses for higher  
 16 education by \$29,000,000. However, the plan may not include  
 17 reductions of operating appropriations for the state student  
 18 assistance commission.

19 SECTION 57. P.L.291-2001, SECTION 219, IS AMENDED TO  
 20 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION  
 21 219. (a) Notwithstanding the provisions of IC 6-1.1-21-10(c), the  
 22 schedule to be used ~~in~~ after calendar year 2001 in making property tax  
 23 replacement credit distributions to county treasurers is as follows:

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

36 (b) The property tax replacement fund board may adjust the  
 37 schedule in subsection (a).

38 SECTION 58. [EFFECTIVE UPON PASSAGE] (a)  
 39 Notwithstanding P.L.291-2001, SECTION 4, the FY 2001-2002  
 40 appropriation FOR THE INDIANA STATE TEACHER'S  
 41 RETIREMENT FUND POSTRETIREMENT PENSION  
 42 INCREASES is \$34,000,000 and not \$50,300,000.



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1 (b) Notwithstanding P.L.291-2001, SECTION 4, the FY  
2 2002-2003 appropriation FOR THE INDIANA STATE  
3 TEACHER'S RETIREMENT FUND POSTRETIREMENT  
4 PENSION INCREASES is \$33,000,000 and not \$47,900,000.

5 SECTION 59. [EFFECTIVE UPON PASSAGE] (a)  
6 Notwithstanding P.L.291-2001, SECTION 37, the total amount  
7 appropriated for "State General Fund - Construction" for the  
8 2001-2003 biennium is \$196,013,036 and not \$228,013,036. Not  
9 later than June 30, 2002, the budget agency, after review by the  
10 budget committee, shall identify \$32,000,000 in spending  
11 reductions for projects listed in P.L.291-2001, SECTION 37.  
12 Adjustments made to HIGHER EDUCATION for General Repair  
13 and Rehab in SECTION 57 of this act may not be included in the  
14 plan.

15 (b) Notwithstanding P.L.291-2001, SECTION 37, the TOTAL  
16 amount appropriated for the 2001-2003 biennium for all  
17 construction is \$449,628,604 and not \$481,628,604.

18 SECTION 60. [EFFECTIVE UPON PASSAGE] Notwithstanding  
19 P.L.291-2001, SECTION 37, the HIGHER EDUCATION  
20 appropriations for FY 2001-2002 for General Repair and Rehab  
21 for universities shall be reduced by the equivalent of fifty percent  
22 (50%) of one (1) year of the appropriations, which is equal to  
23 \$16,333,091 of the amount appropriated in P.L.291-2001,  
24 SECTION 37. The total biennial appropriations are reduced by  
25 twenty-five percent (25%) to achieve this one (1) year reduction.  
26 The appropriations are as follows:

	Biennial Appropriation
<b>HIGHER EDUCATION</b>	
<b>INDIANA UNIVERSITY - TOTAL SYSTEM</b>	
General Repair and Rehab	19,510,183
<b>PURDUE UNIVERSITY - TOTAL SYSTEM</b>	
General Repair and Rehab	15,283,411
<b>INDIANA STATE UNIVERSITY</b>	
General Repair and Rehab	4,234,647
<b>UNIVERSITY OF SOUTHERN INDIANA</b>	
General Repair and Rehab	651,282
<b>BALL STATE UNIVERSITY</b>	
General Repair and Rehab	5,670,222
<b>VINCENNES UNIVERSITY</b>	
General Repair and Rehab	1,941,622
<b>IVY TECH STATE COLLEGE</b>	



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1                   **General Repair and Rehab**                   **1,707,906**  
2                   SECTION 61. P.L.291-2001, SECTION 124, IS REPEALED  
3                   [EFFECTIVE JANUARY 1, 2003].  
4                   SECTION 62. **An emergency is declared for this act.**

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