



April 8, 2011

**ENGROSSED
HOUSE BILL No. 1275**

DIGEST OF HB 1275 (Updated April 6, 2011 5:00 pm - DI 87)

Citations Affected: IC 6-3.5; IC 36-1.

Synopsis: Local transfers between funds. Authorizes a county, city, or town to transfer money from its economic development income tax fund or rainy day fund to its general fund or any appropriated funds of the county, city, or town. Requires a county, city, or town to make the transfer by adopting an ordinance or resolution.

Effective: July 1, 2011.

Saunders

(SENATE SPONSORS — LAWSON C, SIMPSON)

January 12, 2011, read first time and referred to Committee on Local Government.
February 17, 2011, amended, reported — Do Pass.
February 21, 2011, read second time, ordered engrossed. Engrossed.
March 28, 2011, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

March 29, 2011, read first time and referred to Committee on Local Government.
April 7, 2011, reported favorably — Do Pass.

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April 8, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1275

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 6-3.5-7-12.7 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2011]: **Sec. 12.7. A county, city, or town may**
4 **at any time, by ordinance or resolution, transfer to:**

- 5 (1) **its general fund; or**
6 (2) **any other appropriated funds of the county, city, or town;**
7 **money that has been deposited in the economic development**
8 **income tax fund established by the county, city, or town under**
9 **section 13.1 of this chapter.**

10 SECTION 2. IC 36-1-8-5.1 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5.1. (a) A political
12 subdivision may establish a rainy day fund by the adoption of:

- 13 (1) an ordinance, in the case of a county, city, or town; or
14 (2) a resolution, in the case of any other political subdivision.
15 (b) An ordinance or a resolution adopted under this section must
16 specify the following:
17 (1) The purposes of the rainy day fund.

EH 1275—LS 6643/DI 92+



- 1 (2) The sources of funding for the rainy day fund, which may
- 2 include the following:
- 3 (A) Unused and unencumbered funds under:
- 4 (i) section 5 of this chapter;
- 5 (ii) IC 6-3.5-1.1-21.1;
- 6 (iii) IC 6-3.5-6-17.3; or
- 7 (iv) IC 6-3.5-7-17.3.
- 8 (B) Any other funding source:
- 9 (i) specified in the ordinance or resolution adopted under
- 10 this section; and
- 11 (ii) not otherwise prohibited by law.
- 12 (c) The rainy day fund is subject to the same appropriation process
- 13 as other funds that receive tax money.
- 14 (d) In any fiscal year, a political subdivision may transfer under
- 15 section 5 of this chapter not more than ten percent (10%) of the
- 16 political subdivision's total annual budget for that fiscal year, adopted
- 17 under IC 6-1.1-17, to the rainy day fund.
- 18 (e) A political subdivision may use only the funding sources
- 19 specified in subsection (b)(2)(A) or in the ordinance or resolution
- 20 establishing the rainy day fund. The political subdivision may adopt a
- 21 subsequent ordinance or resolution authorizing the use of another
- 22 funding source.
- 23 (f) The department of local government finance may not reduce the
- 24 actual or maximum permissible levy of a political subdivision as a
- 25 result of a balance in the rainy day fund of the political subdivision.
- 26 (g) **A county, city, or town may at any time, by ordinance or**
- 27 **resolution, transfer to:**
- 28 (1) **its general fund; or**
- 29 (2) **any other appropriated funds of the county, city, or town;**
- 30 **money that has been deposited in the rainy day fund of the county,**
- 31 **city, or town.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1275, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "fund or account" and insert "**appropriated funds**".

Page 2, line 29, delete "fund or account" and insert "**appropriated funds**".

and when so amended that said bill do pass.

(Reference is to HB 1275 as introduced.)

NEESE, Chair

Committee Vote: yeas 9, nays 0.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1275, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1275 as printed February 18, 2011.)

LAWSON C, Chairperson

Committee Vote: Yeas 8, Nays 0.

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