Reprinted
February 22, 2013

HOUSE BILL No. 1334

DIGEST OF HB 1334 (Updated February 21, 2013 5:18 pm - DI 97)

Citations Affected: IC 4-13; IC 6-3; IC 20-28; IC 20-29; IC 20-31.

Synopsis: Various education matters. Provides that a teacher is entitled to an income tax deduction for certain qualified education expenditures. Provides that the amount of the deduction is the lesser of: (1) the amount of the qualified education expenditure; or (2) $1,000. Permits the department of administration to contract for the availability of personal liability insurance for public and nonpublic school teachers in Indiana. Prohibits a school employer from deducting from a teacher's salary any amount that is a contribution or payment for political activities. Repeals a provision requiring a school employer to deduct union dues from a teacher's salary and allows a deduction based on a school employee's authorization that is valid for one-year periods. Provides that a school employee who believes a violation of the dues deduction provisions has occurred may file a complaint with the attorney general. Requires the state board of accounts to include a report concerning a school employer's compliance with the dues deduction provisions as part of its examinations and requires referral to the attorney general for instances of noncompliance. Provides that if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as highly effective, the certificated employee is not subject to the continuing education requirements in order to renew the

(Continued next page)

Effective: January 1, 2013 (retroactive); July 1, 2013.

Thompson

January 17, 2013, read first time and referred to Committee on Education.
February 19, 2013, amended, reported — Do Pass.
February 21, 2013, read second time, amended, ordered engrossed.

C o p y

Digest Continued

certificated employee's teaching license. Provides that if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as effective, the certificated employee is only required to complete either: (1) three (3) hours of college or university course work; or (2) fifty percent (50%) of the professional growth experience growth points; required to renew the certificated employee's teaching license. Provides that a governing body may request the state board to waive any rule adopted by the state board for a school contained in the school corporation if the school has been placed in the two highest categories or designations of school performance.

C o p y

Reprinted
February 22, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

C o p y

HOUSE BILL No. 1334

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

SECTION 1. IC 4-13-1-17, AS AMENDED BY P.L.35-2012, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) A state agency may not purchase insurance to cover loss or damage to property.

(b) This section does not prohibit any of the following:

(1) The purchase of title insurance by a state agency.

(2) The purchase of insurance by a body corporate and politic.

(3) The purchase of insurance to meet requirements for receipt of federal funds by a state agency.

(4) The requiring of contractors to carry insurance.

(5) The purchase of insurance to cover loss or damage to real property owned by the Indiana public retirement system.

(6) The purchase of insurance to cover loss or destruction of money or securities under the control of the treasurer of state.

(7) The purchase of insurance by a state agency to cover loss or damage to exhibits, artifacts, or other materials that are loaned to the agency.

(8) The purchase of casualty and liability insurance for foster parents (as defined in IC 27-1-30-4) on a group basis.

(9) The purchase of personal liability insurance under IC 4-13-20.

SECTION 2. IC 4-13-20 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 20. Teacher Liability Insurance

Sec. 1. As used in this chapter, "personal liability" means liability incurred by a teacher in the performance of the teacher's duties.

Sec. 2. As used in this chapter, "teacher" means a professional person whose:

(1) position in a public or nonpublic school requires certain educational preparation and licensing; and

(2) primary responsibility is the instruction of students who attend kindergarten through grade 12 in a public or nonpublic school.

Sec. 3. The Indiana department of administration may contract with at least one (1) personal liability insurer to allow any teacher to purchase coverage under a personal liability insurance policy issued by the insurer.

Sec. 4. Any teacher in Indiana may, at any time, purchase coverage under a personal liability insurance policy for which the Indiana department of administration has contracted under section 3 of this chapter.

Sec. 5. A teacher purchasing coverage under this chapter shall pay the full premium for the teacher's coverage.

SECTION 3. IC 6-3-2-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: **Sec. 26. (a) This section applies to a taxable year beginning after December 31, 2012.**

(b) The following definitions apply throughout this section:

(1) "Elementary school" has the meaning set forth in IC 20-18-2-4.

(2) "Qualified education expenditure" means books, computer equipment or software, textbooks, workbooks, curricula, supplies, and other written materials used primarily for academic instruction or for academic tutoring, or both, that the teacher uses to provide instruction in a qualified school.

(3) "Qualified school" means an elementary or secondary school that is:

C o p y

(A) a public school, including a charter school; or
(B) an accredited nonpublic school (as defined in IC 21-7-13-4).
(4) "Secondary school" has the meaning set forth in IC 20-18-2-18.
(5) "Teacher" means a taxpayer whose position in a school requires certain educational preparation and licensing and whose primary responsibility is the instruction of students. The term includes the following:
(A) A teacher or instructor.
(B) A principal.
(C) A librarian.
(D) A counselor.

(c) A teacher who makes an unreimbursed education expenditure during the taxpayer's taxable year is entitled to a deduction against the teacher's adjusted gross income in the taxable year.

(d) The amount of the deduction is the lesser of:
(1) The amount of the qualified education expenditure made by the teacher; or
(2) one thousand dollars ($1,000).

(e) To receive the deduction provided by this section, a taxpayer must claim the deduction on the taxpayer's annual state tax return in the manner prescribed by the department.

SECTION 4. IC 20-28-11.5-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as highly effective, the certificated employee is not subject to the continuing education requirements provided in 515 IAC 1-7-14 in order to renew the certificated employee's teaching license.**

(b) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as effective, the certificated employee is only required to complete either:
(1) three (3) hours of college or university course work; or
(2) fifty percent (50%) of the professional growth experience growth points necessary under 515 IAC 1-7-14;
required to renew the certificated employee's teaching license.

C o p y

SECTION 5. IC 20-29-5-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6. (a) The school employer shall, on receipt of the written authorization of a school employee:~~

~~(1) deduct from the pay of the employee any dues designated or certified by the appropriate officer of a school employee organization that is an exclusive representative of any employees of the school employer; and~~

~~(2) remit the dues described in subdivision (1) to the school employee organization.~~

~~(b) Deductions under this section must be consistent with:~~

~~(1) IC 22-2-6;~~

~~(2) IC 22-2-7; and~~

~~(3) IC 20-28-9-18.~~

SECTION 6. IC 20-29-5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. (a) Except as provided in subsection (b), a school employer may deduct dues to a school employee organization from the pay of a school employee who authorizes the deduction in accordance with subsection (c).**

(b) A school employer may not deduct under subsection (a) any amount that is a contribution or payment to be used for political activities.

(c) A deduction under this section must comply with IC 22-2-6 and IC 22-2-7. A school employee's authorization under this section:

(1) is valid for one (1) year from the date the school employee signs the authorization; and

(2) may be renewed for successive one (1) year periods if the school employee signs a new authorization each year.

(d) A school employee who believes that a violation of this section has occurred may file a complaint with the attorney general. Upon receiving a complaint under this subsection, the attorney general may:

(1) investigate the complaint; and

(2) enforce compliance if a violation of this section is found.

(e) The state board of accounts shall:

(1) include in its examination under IC 5-11-1 a report concerning a school employer's compliance with this section; and

(2) if a school employer has failed to comply with this section, provide a copy of the report documenting the failure to the attorney general, who may:

C o p y

(A) investigate the matter; and

(B) enforce compliance with this section.

SECTION 7. IC 20-31-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 10.5. High Performing Schools

Sec. 1. As used in this chapter, "high performing school" means a school that for at least two (2) consecutive school years has been placed in the two (2) highest categories or designations of school performance.

Sec. 2. A governing body may request the state board to waive any rule adopted by the state board for any high performing school contained in the school corporation.

Sec 3. Upon receiving a governing body's request under section 2 of this chapter, the state board shall review the governing body's request.

Sec. 4. Within ninety (90) days after receiving a request under section 3 of this chapter, the state board shall either approve or deny, in whole or in part, the governing body's request for a waiver.

Sec. 5. Except as otherwise provided in this section, the state board shall determine how long the waiver shall remain in effect. However, the waiver may only remain in effect for as long as the high performing school continues to be placed in the two (2) highest categories or designations of school performance.

SECTION 8. **An emergency is declared for this act.**

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1334, 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 2, after line 28, begin a new paragraph and insert:

"SECTION 3. IC 6-3-2-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: **Sec. 26. (a) This section applies to a taxable year beginning after December 31, 2012.**

(b) The following definitions apply throughout this section:

(1) "Elementary school" has the meaning set forth in IC 20-18-2-4.

(2) "Qualified education expenditure" means books, computer equipment or software, textbooks, workbooks, curricula, supplies, and other written materials used primarily for academic instruction or for academic tutoring, or both, that the teacher uses to provide instruction in a qualified school.

(3) "Qualified school" means an elementary or secondary school that is:

(A) a public school, including a charter school; or

(B) an accredited nonpublic school (as defined in IC 21-7-13-4).

(4) "Secondary school" has the meaning set forth in IC 20-18-2-18.

(5) "Teacher" means a taxpayer whose position in a school requires certain educational preparation and licensing and whose primary responsibility is the instruction of students. The term includes the following:

(A) A teacher or instructor.

(B) A principal.

(C) A librarian.

(D) A counselor.

(c) A teacher who makes an unreimbursed education expenditure during the taxpayer's taxable year is entitled to a deduction against the teacher's adjusted gross income in the taxable year.

(d) The amount of the deduction is the lesser of:

(1) The amount of the qualified education expenditure made by the teacher; or

(2) one thousand dollars ($1,000).

(e) To receive the deduction provided by this section, a taxpayer

C o p y

must claim the deduction on the taxpayer's annual state tax return in the manner prescribed by the department.

SECTION 4. IC 20-28-11.5-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as highly effective, the certificated employee is not subject to the continuing education requirements provided in 515 IAC 1-7-14 in order to renew the certificated employee's teaching license.**

(b) Notwithstanding any other law or rule, if a certificated employee is required to renew the certificated employee's license in the same year the certificated employee receives a designation as effective, the certificated employee is only required to complete either:

(1) three (3) hours of college or university course work; or

(2) fifty percent (50%) of the professional growth experience growth points necessary under 515 IAC 1-7-14;

required to renew the certificated employee's teaching license.

SECTION 5. IC 20-29-5-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6. (a) The school employer shall, on receipt of the written authorization of a school employee:~~

~~(1) deduct from the pay of the employee any dues designated or certified by the appropriate officer of a school employee organization that is an exclusive representative of any employees of the school employer; and~~

~~(2) remit the dues described in subdivision (1) to the school employee organization.~~

~~(b) Deductions under this section must be consistent with:~~

~~(1) IC 22-2-6;~~

~~(2) IC 22-2-7; and~~

~~(3) IC 20-28-9-18.~~

SECTION 6. IC 20-29-5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. A school employer may not deduct from the pay of a school employee any dues payable to a school employee organization.**

SECTION 7. IC 20-31-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 10.5. High Performing Schools

C o p y

Sec. 1. As used in this chapter, "high performing school" means a school that for at least two (2) consecutive school years has been placed in the two (2) highest categories or designations of school performance.

Sec. 2. A governing body may request the state board to waive any rule adopted by the state board for any high performing school contained in the school corporation.

Sec 3. Upon receiving a governing body's request under section 2 of this chapter, the state board shall review the governing body's request.

Sec. 4. Within ninety (90) days after receiving a request under section 3 of this chapter, the state board shall either approve or deny, in whole or in part, the governing body's request for a waiver.

Sec. 5. Except as otherwise provided in this section, the state board shall determine how long the waiver shall remain in effect. However, the waiver may only remain in effect for as long as the high performing school continues to be placed in the two (2) highest categories or designations of school performance.

SECTION 8. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1334 as introduced.)

BEHNING, Chair

Committee Vote: yeas 7, nays 3.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1334 be amended to read as follows:

Page 4, delete lines 14 through 18, begin a new paragraph and insert:

"SECTION 6. IC 20-29-5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. (a) Except as provided in subsection (b), a school employer may deduct dues to a school employee organization from the pay of a school employee who authorizes the deduction in accordance with subsection (c).**

(b) A school employer may not deduct under subsection (a) any

C o p y

amount that is a contribution or payment to be used for political activities.

(c) A deduction under this section must comply with IC 22-2-6 and IC 22-2-7. A school employee's authorization under this section:

(1) is valid for one (1) year from the date the school employee signs the authorization; and

(2) may be renewed for successive one (1) year periods if the school employee signs a new authorization each year.

(d) A school employee who believes that a violation of this section has occurred may file a complaint with the attorney general. Upon receiving a complaint under this subsection, the attorney general may:

(1) investigate the complaint; and

(2) enforce compliance if a violation of this section is found.

(e) The state board of accounts shall:

(1) include in its examination under IC 5-11-1 a report concerning a school employer's compliance with this section; and

(2) if a school employer has failed to comply with this section, provide a copy of the report documenting the failure to the attorney general, who may:

(A) investigate the matter; and

(B) enforce compliance with this section.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1334 as printed February 19, 2013.)

BURTON

C o p y