Journal of the House

State of Indiana

115th General Assembly — First Regular Session

Fifty-third Meeting Day — **Sunday Morning** — **April 29, 2007**

The House convened at 11:30 a.m. with Speaker B. Patrick Bauer in the Chair.

The Speaker read a prayer for wisdom and service (printed January 9, 2007).

The Pledge of Allegiance to the Flag was led by Representative John D. Ulmer.

The Speaker ordered the roll of the House to be called:

Austin
Avery
Bardon
Battles
Behning
Bell
Bischoff
Borders
Borror
Bosma
C. Brown
T. Brown
Buck
Buell
Burton
Candelaria Reardon
Cheatham
Cheney
Cherry
Cochran
Crawford
Crooks
Crouch
Davis
Day
Dembowski
Denbo
Dermody
Dickinson
Dobis
Dodge
Duncan
Dvorak
Eberhart
Elrod
Espich
Foley
Friend
Frizzell
Fry
GiaQuinta
Goodin
Grubb
Gutwein
E. Harris
T. Harris
Herrell
Hinkle
Hoy
Kersey
Klinker
Knollman
Koch
Kuzman
L. Lawson
Lehe
Leonard
Lutz
Mays
McClain
Micon ⏏
Moses
Murphy
Neese
Niezgodski
Noe
Orentlicher
Oxley
Pelath
Pflum
Pierce
Pond
Porter
Reske
Richardson
Ripley
Robertson
Ruppel
Saunders
M. Smith
V. Smith
Soliday
Stemler
Stevenson
Stilwell
Stutzman
Summers
Thomas
Thompson
Tincher
Torr
Turner
Tyler
Ulmer
VanHaaften
Walorski
Welch
Whetstone
Wolkins
Mr. Speaker

Roll Call 664: 99 present; 1 excused. The Speaker announced a quorum in attendance. [*NOTE*: ⏏ *indicates those who were excused*.]

MESSAGE FROM THE SENATE

Mr. Speaker: I hereby transmit Senate Enrolled Acts 44, 113, 134, 211, 334, 419, 502, 561, and 568 for signature of the Speaker of the House.

MARY C. MENDEL
Principal Secretary of the Senate

ENROLLED ACTS SIGNED

The Speaker announced that he had signed House Enrolled Acts 1058, 1116, 1266, 1301, 1663, and 1753 and Senate Enrolled Acts 44, 113, 134, 211, 334, 419, 502, 561, and 568 on April 29.

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
ESB 390–1; filed April 29, 2007, at 10:53 a.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 390 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 24-5-15-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) **Except as provided in subsection (d), a** contract between a consumer and a credit services organization concerning the purchase of the services of the credit services organization must be in writing, be dated and signed by both the consumer and the credit services organization, and include all of the following:

(1) A statement in at least 10 point boldface type in immediate proximity to the space reserved for the signature of the buyer that reads:

"You, the buyer, may cancel this contract at any time before midnight of the third business day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.".

(2) The terms and conditions of payment, including the total amount of all payments to be made by the buyer to the credit services organization or to another person.

(3) A complete and detailed description of the services to be performed and the results to be achieved by the credit services organization for or on behalf of the buyer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer's credit report that the credit services organization expects to have modified and the estimated date by which each modification will occur.

(4) The principal business address of the credit services organization and the name and address of the credit services organization's agent in Indiana authorized to receive service of process.

(b) A contract shall be accompanied by two (2) copies of a form captioned "NOTICE OF CANCELLATION" attached to the contract and that contains the following statement in at least 10 point boldface type:

NOTICE OF CANCELLATION

You may cancel this contract, without any penalty or obligation, at any time before midnight of the third business day after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days following receipt by the seller of your cancellation notice, or any other written notice, to

_____
name of seller)

_____
(address of seller) (place of business)

not later than midnight _____
(date)

"I hereby cancel this transaction". _____
(date)

_____
(buyer's signature)

(c) A credit services organization shall give a copy of the completed contract and all other documents required by the credit services organization to the buyer at the time the contract and the documents are signed.

(d) If a contract is subject to this chapter and to IC 24-5.5, IC 24-5.5-4 applies to the contract.

SECTION 2. IC 24-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

ARTICLE 5.5. MORTGAGE RESCUE PROTECTION FRAUD

Chapter 1. Application

Sec. 1. This article does not apply to the following:

(1) A person organized or chartered under the laws of this state, any other state, or the United States that relate to a bank, a trust company, a savings association, a savings bank, a credit union, or an industrial loan and investment company.

(2) The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or a Federal Home Loan Bank.

(3) A department or agency of the United States or of Indiana.

(4) A person that is servicing or enforcing a loan that it owns.

(5) A person that is servicing a loan:

(A) for a person described in subdivisions (1) through (4) of this section; or

(B) insured by the Department of Housing and Urban Development or guaranteed by the Veterans Administration.

(6) An attorney licensed to practice law in Indiana who is representing a mortgagor.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Foreclosure consultant" means a person who, directly or indirectly, makes a solicitation, a representation, or an offer to a homeowner to perform, with or without compensation, any service that the person represents will:

(1) prevent or postpone the initiation of a foreclosure proceeding, or reverse the effect of a foreclosure proceeding;

(2) allow the homeowner to become a lessee or renter in the homeowner's residence during or after a foreclosure proceeding; or

(3) allow the homeowner to have an option to repurchase the homeowner's residence after a foreclosure proceeding.

Sec. 3. "Foreclosure purchaser" means a person who purchases real property in a foreclosure proceeding.

Sec. 4. "Foreclosure reconveyance" means a transaction involving:

(1) the transfer of interest in real property by a homeowner to a person during or incident to a proposed foreclosure proceeding, either by:

(A) transfer of interest from the homeowner to the person; or

(B) creation of a mortgage, trust, or other lien or encumbrance during the foreclosure process;

that allows the person to obtain legal or equitable title to all or part of the real property; and

(2) the subsequent conveyance, or promise of subsequent conveyance, of interest back to the homeowner by the person or the person's agent that allows the homeowner to possess the real property following the completion of the foreclosure proceeding.

Sec. 5. "Formal settlement" means a face-to-face meeting with a homeowner to complete final documents incident to the:

(1) sale or transfer of real property; or

(2) creation of a mortgage or equitable interest in real property;

conducted by a person who is not employed by or an affiliate of the foreclosure purchaser.

Sec. 6. "Homeowner" means a person who holds record title to residential real property as of the date on which:

(1) a contract with a foreclosure consultant; or

(2) a foreclosure reconveyance agreement;

with respect to the residential real property is entered into.

Chapter 3. Notice of Foreclosure

Sec. 1. In addition to any other notice required by law, a mortgagee, or the mortgagee's assignee, that proceeds under IC 32-30-10 to foreclose a mortgage or deed of trust shall, at the time of filing the complaint in the action, provide the following written notice to the mortgagor in a statement printed in at least 14 point boldface type:

"NOTICE REQUIRED BY STATE LAW

Mortgage foreclosure is a complex process. People may approach you about "saving" your home. You should be careful about any such promises. There are government agencies and nonprofit organizations you may contact for helpful information about the foreclosure process. For the name and telephone number of an organization near you, please call the Indiana housing and community development authority.".

Service of the written notice required by this chapter shall be made as provided in the Indiana Rules of Trial Procedure governing service of process upon a person.

Chapter 4. Rescission of Contracts With Foreclosure Consultants and Foreclosure Reconveyance Agreements

Sec. 1. In addition to any other right under law to cancel or rescind a contract, a homeowner may rescind a:

(1) contract with a foreclosure consultant at any time before midnight of the seventh business day after the date the contract is signed; and

(2) foreclosure reconveyance agreement at any time before midnight of the seventh business day after the homeowner's transfer of the interest in the real property that is the subject of the agreement, as described in IC 24-5.5-2-4(1).

Sec. 2. A homeowner effectively rescinds a contract with a foreclosure consultant if the homeowner gives written notice of a rescission to the foreclosure consultant by one (1)

of the following:

(1) Mailing the rescission to the address specified in the contract.

(2) Sending the rescission through any facsimile or electronic mail address identified in the contract or other material provided to the homeowner by the foreclosure consultant.

Sec. 3. (a) If a notice of rescission under this chapter is sent by mail, the rescission is effective three (3) days after the notice is deposited in the U.S. mail, properly addressed, with postage prepaid.

(b) A homeowner is not required to give notice of rescission in the form required under the contract if the form under the contract is inconsistent with the requirements under this chapter.

Sec. 4. (a) If a homeowner rescinds a contract with a foreclosure consultant or a foreclosure reconveyance agreement, the homeowner shall, not later than thirty (30) days after the date of rescission, repay any amounts paid or advanced by:

(1) the foreclosure consultant or the foreclosure consultant's agent under the terms of the foreclosure consulting contract; or

(2) a person under a foreclosure reconveyance agreement.

(b) A rescission by a homeowner under this chapter is void if the payments required under this section are not made within the time set forth in subsection (a).

Sec. 5. If a homeowner rescinds a contract with a foreclosure consultant, not less than ten (10) days following the effective date of the rescission, the consultant shall return to the homeowner any payments made by the homeowner, less any amounts for actual services rendered.

Chapter 5. Limitations on Foreclosure Consultants and Foreclosure Reconveyances

Sec. 1. For purposes of this chapter, there is a rebuttable presumption that:

(1) a homeowner has a reasonable ability to pay for a subsequent reconveyance of real property if the homeowner's payments for primary housing expenses and regular principal and interest payments on other personal debt, on a monthly basis, do not exceed sixty percent (60%) of the homeowner's monthly gross income; and

(2) the foreclosure purchaser has not verified reasonable payment ability if the foreclosure purchaser has not obtained documents other than a statement by the homeowner of assets, liability, and income.

Sec. 2. In addition to any prohibitions that apply under IC 24-5-15-1 through IC 24-5-15-8, a foreclosure consultant may not:

(1) enter into or attempt to enter into a foreclosure consultant contract with a homeowner unless the foreclosure consultant first provides the homeowner written notice of the homeowner's rights under this article;

(2) demand or receive compensation until after the foreclosure consultant has fully performed all services the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform, unless the foreclosure consultant complies with the security requirements under IC 24-5-15-8;

(3) demand or receive a fee, interest, or any other compensation that exceeds eight percent (8%) per year of the amount of any loan that the foreclosure consultant makes to the homeowner;

(4) take a wage assignment, a lien of any type on real or personal property, or any other security to secure the payment of compensation;

(5) receive consideration from a third party in connection with foreclosure consulting services provided to a homeowner unless the consideration is first fully disclosed in writing to the homeowner;

(6) acquire any interest, directly or indirectly, in residential real property in foreclosure from a homeowner with whom the foreclosure consultant has contracted; or

(7) except to inspect documents as provided by law, take any power of attorney from a homeowner for any purpose.

Sec. 3. A foreclosure purchaser may not enter into or attempt to enter into a foreclosure reconveyance agreement with a homeowner unless the:

(1) foreclosure purchaser verifies and demonstrates that the homeowner has or will have a reasonable ability to:

(A) pay for the subsequent reconveyance of the property back to the homeowner on completion of the terms of the foreclosure conveyance; or

(B) if the foreclosure conveyance provides for a lease with an option to repurchase the real property, make the lease payment and repurchase the real property within the period of the option to repurchase;

(2) foreclosure purchaser provides the homeowner written notice of the homeowner's rights under this article;

(3) foreclosure purchaser and the homeowner complete a formal settlement before any transfer of interest in the affected property; and

(4) foreclosure purchaser complies with the security requirements under IC 24-5-15-8.

Sec. 4. A foreclosure purchaser shall:

(1) ensure that title to real property has been reconveyed to the homeowner in a timely manner if the terms of a foreclosure reconveyance agreement require a reconveyance; or

(2) if the real property subject to a foreclosure reconveyance agreement is sold within eighteen (18) months after entering into the foreclosure reconveyance agreement, make payment to the homeowner not later than ninety (90) days after the resale of the real property in an amount equal to at least sixty-six percent (66%) of the net proceeds from the resale of the property.

Sec. 5. A foreclosure purchaser may not:

(1) enter into repurchase or lease terms as part of the foreclosure reconveyance that are unfair or commercially unreasonable or engage in any other unfair conduct;

(2) represent, directly or indirectly, that the:

(A) foreclosure purchaser is acting:

(i) as an adviser or a consultant; or

(ii) in any other manner on behalf of the homeowner;

(B) foreclosure purchaser is assisting the homeowner to save the residence; or

(C) foreclosure purchaser is assisting the homeowner in preventing a foreclosure if the result of the transaction is that the homeowner will not complete a redemption of the property; or

(3) until the homeowner's right to rescind or cancel the foreclosure reconveyance agreement has expired:

(A) record any document, including an instrument or conveyance, signed by the homeowner; or

(B) transfer to a third party or encumber, or purport to transfer to a third party or encumber, any interest in the residential real property in foreclosure.

Sec. 6. A foreclosure purchaser shall make a detailed accounting of the basis for the amount of payment made to a homeowner of real property resold within eighteen (18)

months after entering into a foreclosure reconveyance agreement on a form prescribed by the attorney general.

Chapter 6. Enforcement

Sec. 1. A person who violates this article commits a deceptive act that is actionable by the attorney general under IC 24-5-0.5-4 and is subject to the penalties and remedies available to the attorney general under IC 24-5-0.5.

Sec. 2. (a) A homeowner may bring an action against a person for damages incurred as a result of a violation of this article.

(b) A homeowner who:

(1) brings an action under this section; and

(2) is awarded damages;

may seek reasonable attorney's fees.

Sec. 3. (a) A court may award attorney's fees under section 2(b) of this chapter.

(b) If the court finds that a person willfully or knowingly violated this article, the court may award damages equal to three (3) times the amount of actual damages.

Sec. 4. (a) The Indiana housing and community development authority shall maintain a list of nonprofit organizations that:

(1) offer counseling or advice to homeowners in foreclosure or loan defaults; and

(2) do not contract for services with for-profit lenders or foreclosure purchasers.

(b) The Indiana housing and community development authority shall provide names and telephone numbers of the organizations described in subsection (a) to a homeowner upon request.

Sec. 5. The attorney general may adopt rules under IC 4-22-2 necessary to implement this article.

Sec. 6. Except as provided in IC 24-5-15-7(d), this article may not be construed to preempt the provisions of IC 24-5-15-1 through IC 24-5-15-11.

SECTION 3. IC 25-1-11-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. **(a)** The board may summarily suspend a practitioner's license for ninety (90) days before a final adjudication or during the appeals process if the board finds that a practitioner represents a clear and immediate danger to the public's health, safety, or property if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for not more than ninety (90) days.

(b) The board may summarily suspend the license of a real estate appraiser for ninety (90) days before a final adjudication or during the appeals process if the board finds that the licensed real estate license appraiser has engaged in material and intentional misrepresentations or omissions in the preparation of three (3) or more written appraisal reports that were submitted by a person to obtain a loan. The summary suspension may be renewed after a hearing before the board. Each renewal may be for not more than ninety (90) days.

(c) Before the board may summarily suspend a license under this section, the consumer protection division of the office of the attorney general must make a reasonable attempt to notify a practitioner of:

(1) a hearing by the board to suspend a practitioner's license; and

(2) information regarding the allegation against the practitioner.

The consumer protection division of the office of the attorney general must also notify the practitioner that the practitioner may provide a written or an oral statement to the board on the practitioner's behalf before the board issues an order for summary suspension. A reasonable attempt to reach the practitioner is made if the consumer protection division of the office of the attorney general attempts to reach the practitioner by telephone or facsimile at the last telephone number of the practitioner on file with the board.

(Reference is to ESB 390 as printed April 6, 2007.)

DROZDA	BARDON
BRODEN	KOCH
Senate Conferees	House Conferees

The conference committee report was filed and read a first time.

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bills 105–1 and 287–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bills 105–1 and 287–1.

PELATH, Chair

Motion prevailed.

Engrossed Senate Bill 287–1

The conference committee report was reread. Roll Call 665: yeas 99, nays 0. Report adopted.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1647 because it conflicts with HEA 1266-2007 without properly recognizing the existence of HEA 1266-2007, has had Engrossed House Bill 1647 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1647 be corrected as follows:

Page 7, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 16. IC 21-12-6-5, AS AMENDED BY HEA 1266-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) To qualify to participate in the program, a student must meet the following requirements:

(1) Be a resident of Indiana.

(2) Be:

(A) enrolled in grade **7 or** 8, **for the 2007-2008 school year, and grade 6, 7, or 8, for the 2008-2009 school year and for subsequent school years,** at a:

(i) public school; or

(ii) nonpublic school that is accredited either by the state board of education or by a national or regional accrediting agency whose accreditation is accepted as a school improvement plan under IC 20-31-4-2; or

(B) otherwise qualified under the rules of the commission that are adopted under IC 21-11-9-4 to include students who are in grades other than grade 8 as eligible students.

(3) Be eligible for free or reduced priced lunches under the

national school lunch program.

(4) Agree, in writing, together with the student's custodial parents or guardian, that the student will:

(A) graduate from a secondary school located in Indiana that meets the admission criteria of an eligible institution;

(B) not illegally use controlled substances (as defined in IC 35-48-1-9);

(C) not commit a crime or an infraction described in IC 9-30-5;

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(E) timely apply, when the eligible student is a senior in high school:

(i) for admission to an eligible institution; and

(ii) for any federal and state student financial assistance available to the eligible student to attend an eligible institution; and

(F) achieve a cumulative grade point average upon graduation of at least 2.0 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12.

(b) The term includes a student who:

(1) before or during grade 7 or grade 8, is placed by or with the consent of the department of child services, by a court order, or by a child placing agency in:

(A) a foster family home;

(B) the home of a relative or other unlicensed caretaker;

(C) a child caring institution; or

(D) a group home;

(2) agrees in writing, together with the student's caseworker (as defined in IC 31-9-2-11), to the conditions set forth in subsection (a)(4); and

(3) except as provided in subdivision (2), otherwise meets the requirements of subsection (a).".

Page 8, delete lines 1 through 23.

(Reference is to EHB 1647 as reprinted April 10, 2007.)

PELATH, Chair
WHETSTONE, R.M.M.
PORTER, Author

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1774 because it conflicts with SEA 526-2007 without properly recognizing the existence of SEA 526-2007, has had Engrossed House Bill 1774 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1774 be corrected as follows:

Page 1, line 1, after "IC 5-1.1-1-8" insert ", AS AMENDED BY SEA 526-2007, SECTION 70,".

Page 1, line 2, delete "UPON PASSAGE]" and insert "JULY 1, 2007]".

Page 1, line 5, after "institution" insert ";".

Page 1, line 5, delete "(as defined in".

Page 1, delete line 6.

Page 2, line 8, reset in roman "(before its".

Page 2, line 9, delete "repeal)" and insert "repeal) or IC 20-24".

Page 30, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding IC 5-1.5-1-8, "qualified entity", for purposes of IC 5-1.5, means:**

(1) a political subdivision (as defined in IC 36-1-2-13);

(2) a state educational institution (as defined in IC 20-12-0.5-1);

(3) a leasing body (as defined in IC 5-1-1-1(a));

(4) a not-for-profit utility (as defined in IC 8-1-2-125);

(5) any rural electric membership corporation organized under IC 8-1-13;

(6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the eneration and transmission of electric energy;

(7) any telephone cooperative corporation formed under IC 8-1-17;

(8) any commission, authority, or authorized body of any qualified entity;

(9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;

(10) any commission, authority, or instrumentality of the state;

(11) any other participant (as defined in IC 13-11-2-151.1);

(12) a charter school established under IC 20-5.5 (before its repeal) that is not a qualified entity under IC 5-1.4-1-10;

(13) a volunteer fire department (as defined in IC 36-8-12-2); or

(14) a development authority (as defined in IC 36-7.6-1-8).

(b) This SECTION expires June 30, 2007.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1774 as printed March 27, 2007.)

PELATH, Chair
WHETSTONE, R.M.M.
VAN HAAFTEN, Author

Report adopted.

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
EHB 1379–2; filed April 29, 2007, at 12:02 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1379 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-14-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) For the purposes of this section, "state agency" has the meaning set forth in IC 4-13-1-1.

(b) Except as provided in this section, a public agency may not charge any fee under this chapter:

(1) to inspect a public record; or

(2) to search for, examine, or review a record to determine whether the record may be disclosed.

(c) The Indiana department of administration shall establish a uniform copying fee for the copying of one (1) page of a standard-sized document by state agencies. The fee may not exceed the average cost of copying records by state agencies or ten cents ($0.10) per page, whichever is greater. A state agency may not collect more than the uniform copying fee for providing a copy of a public record. However, a state agency shall establish and collect a reasonable fee for copying nonstandard-sized documents.

(d) This subsection applies to a public agency that is not a

state agency. The fiscal body (as defined in IC 36-1-2-6) of the public agency, or the governing body, if there is no fiscal body, shall establish a fee schedule for the certification **or** copying ~~or facsimile machine transmission~~ of documents. The fee **for certification of documents may not exceed five dollars ($5) per document. The fee for copying documents** may not exceed ~~the actual cost of certifying, copying, or facsimile transmission of the document by the agency and the fee must be uniform throughout the public agency and uniform to all purchasers. As used in this subsection, "actual cost" means the cost of paper and the per-page cost for use of copying or facsimile equipment and does not include labor costs or overhead costs.~~ **the greater of:**

(1) ten cents ($0.10) per page for copies that are not color copies or twenty-five cents ($0.25) per page for color copies; or

(2) the actual cost to the agency of copying the document.

A fee established under this subsection must be uniform throughout the public agency and uniform to all purchasers.

(e) If:

(1) a person is entitled to a copy of a public record under this chapter; and

(2) the public agency which is in possession of the record has reasonable access to a machine capable of reproducing the public record;

the public agency must provide at least one (1) copy of the public record to the person. However, if a public agency does not have reasonable access to a machine capable of reproducing the record or if the person cannot reproduce the record by use of enhanced access under section 3.5 of this chapter, the person is only entitled to inspect and manually transcribe the record. A public agency may require that the payment for copying costs be made in advance.

(f) Notwithstanding subsection (b), (c), (d), (g), (h), or (i), a public agency shall collect any certification, copying, facsimile machine transmission, or search fee that is specified by statute or is ordered by a court.

(g) Except as provided by subsection (h), for providing a duplicate of a computer tape, computer disc, microfilm, or similar or analogous record system containing information owned by the public agency or entrusted to it, a public agency may charge a fee, uniform to all purchasers, that does not exceed the sum of the following:

(1) The agency's direct cost of supplying the information in that form.

(2) The standard cost for selling the same information to the public in the form of a publication if the agency has published the information and made the publication available for sale.

(3) In the case of the legislative services agency, a reasonable percentage of the agency's direct cost of maintaining the system in which the information is stored. However, the amount charged by the legislative services agency under this subdivision may not exceed the sum of the amounts it may charge under subdivisions (1) and (2).

(h) This subsection applies to the fee charged by a public agency for providing enhanced access to a public record. A public agency may charge any reasonable fee agreed on in the contract under section 3.5 of this chapter for providing enhanced access to public records.

(i) This subsection applies to the fee charged by a public agency for permitting a governmental entity to inspect public records by means of an electronic device. A public agency may charge any reasonable fee for the inspection of public records under this subsection, or the public agency may waive any fee for the inspection.

(j) Except as provided in subsection (k), a public agency may charge a fee, uniform to all purchasers, for providing an electronic map that is based upon a reasonable percentage of the agency's direct cost of maintaining, upgrading, and enhancing the electronic map and for the direct cost of supplying the electronic map in the form requested by the purchaser. If the public agency is within a political subdivision having a fiscal body, the fee is subject to the approval of the fiscal body of the political subdivision.

(k) The fee charged by a public agency under subsection (j) to cover costs for maintaining, upgrading, and enhancing an electronic map may be waived by the public agency if the electronic map for which the fee is charged will be used for a noncommercial purpose, including the following:

(1) Public agency program support.

(2) Nonprofit activities.

(3) Journalism.

(4) Academic research.

SECTION 2. IC 16-22-8-34, AS AMENDED BY P.L.88-2006, SECTION 5, AND AS AMENDED BY P.L.145-2006, SECTION 133, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 34. (a) The board or corporation may do all acts necessary or reasonably incident to carrying out the purposes of this chapter, including the following:

(1) As a municipal corporation, sue and be sued in any court with jurisdiction.

(2) To serve as the exclusive local board of health and local department of health within the county with the powers and duties conferred by law upon local boards of health and local departments of health.

(3) To adopt and enforce ordinances consistent with Indiana law and administrative rules for the following purposes:

(A) To protect property owned or managed by the corporation.

(B) To determine, prevent, and abate public health nuisances.

(C) To establish quarantine regulations, impose restrictions on persons having infectious or contagious diseases and contacts of the persons, and regulate the disinfection of premises.

(D) To license, regulate, and establish minimum sanitary standards for the operation of a business handling, producing, processing, preparing, manufacturing, packing, storing, selling, distributing, or transporting articles used for food, drink, confectionery, or condiment in the interest of the public health.

(E) To control:

(i) rodents, mosquitos, and other animals, including insects, capable of transmitting microorganisms and disease to humans and other animals; and

(ii) the ~~animal's~~ **animals'** breeding places.

(F) To require persons to connect to available sewer systems and to regulate the disposal of domestic or sanitary sewage by private methods. However, the board and corporation have no jurisdiction over publicly owned or financed sewer systems or sanitation and disposal plants.

(G) To control rabies.

(H) For the sanitary regulation of water supplies for domestic use.

(I) To protect, promote, or improve public health. For public health activities and to enforce public health laws, the state health data center described in IC 16-19-10 shall provide health data, medical information, and epidemiological information to the corporation.

(J) To detect, report, prevent, and control disease affecting public health.

(K) To investigate and diagnose health problems and health hazards.

(L) To regulate the sanitary and structural conditions of

residential and nonresidential buildings and unsafe premises.

(M) To license and regulate the design, construction, and operation of public pools, spas, and beaches.

(N) To regulate the storage, containment, handling, use, and disposal of hazardous materials.

(O) To license and regulate tattoo parlors and body piercing facilities.

(4) To manage the corporation's hospitals, medical facilities, and mental health facilities.

(5) To furnish health and nursing services to elementary and secondary schools within the county.

(6) To furnish medical care to the indigent within the county unless medical care is furnished to the indigent by the division of family ~~*and children.*~~ *resources.*

(7) To determine the public health policies and programs to be carried out and administered by the corporation.

(8) To adopt an annual budget ordinance and levy taxes.

(9) To incur indebtedness in the name of the corporation.

(10) To organize the personnel and functions of the corporation into divisions and subdivisions to carry out the corporation's powers and duties and to consolidate, divide, or abolish the divisions and subdivisions.

(11) To acquire and dispose of property.

(12) To receive *charitable contributions* and ~~*make*~~ gifts *as provided in 26 U.S.C. 170.*

(13) To make charitable contributions and gifts.

(14) To establish a charitable foundation as provided in 26 U.S.C. 501.

~~*(13)*~~ *(15)* To receive and distribute federal, state, local, or private grants.

(16) To receive and distribute grants from charitable foundations.

(17) To establish nonprofit corporations to carry out the purposes of the corporation.

~~*(14)*~~ *(18)* To erect buildings or structures or improvements to existing buildings or structures.

~~*(15)*~~ *(19)* To determine matters of policy regarding internal organization and operating procedures.

~~*(16)*~~ *(20)* To do the following:

(A) Adopt a schedule of reasonable charges for nonresidents of the county for medical and mental health services.

(B) Collect the charges from the patient or from the governmental unit where the patient resided at the time of the service.

(C) Require security for the payment of the charges.

~~*(17)*~~ *(21)* To adopt a schedule of and to collect reasonable charges for patients able to pay in full or in part.

~~*(18)*~~ *(22)* To enforce Indiana laws, administrative rules, and the code of the health and hospital corporation of the county.

~~*(19)*~~ *(23)* To purchase supplies, materials, and equipment for the corporation.

~~*(20)*~~ *(24)* To employ personnel and establish personnel policies to carry out the duties, functions, and powers of the corporation.

~~*(21)*~~ *(25)* To employ attorneys admitted to practice law in Indiana.

~~*(22)*~~ *(26)* To acquire, erect, equip, and operate the corporation's hospitals, medical facilities, and mental health facilities.

~~*(23)*~~ *(27)* To dispose of surplus property in accordance with a policy by the board.

~~*(24)*~~ *(28)* To determine the duties of officers and division directors.

~~*(25)*~~ *(29)* To fix the compensation of the officers and division directors.

~~*(26)*~~ *(30)* To carry out the purposes and object of the corporation.

~~*(27)*~~ *(31)* To obtain loans for hospital expenses in amounts and upon terms agreeable to the board. The board may secure the loans by pledging accounts receivable or other security in hospital funds.

~~*(28)*~~ *(32)* To establish fees for licenses, services, and records. The corporation may accept payment by credit card for fees. **IC 5-14-3-8(d) does not apply to fees established under this subdivision for certificates of birth, death, or stillbirth registration.**

(b) The board shall exercise the board's powers and duties in a manner consistent with Indiana law, administrative rules, and the code of the health and hospital corporation of the county.

SECTION 3. IC 16-37-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A local health department may make a charge under IC 16-20-1-27 for each certificate of birth, death, or stillbirth registration. **IC 5-14-3-8(d) does not apply to the health department making a charge for a certificate of birth, death, or stillbirth registration under IC 16-20-1-27.**

(b) If the local department of health makes a charge for a certificate of death under subsection (a), a one dollar ($1) coroners continuing education fee must be added to the rate established under IC 16-20-1-27. The local department of health shall deposit any coroners continuing education fees with the county auditor within thirty (30) days after collection. The county auditor shall transfer semiannually any coroners continuing education fees to the treasurer of state.

(c) Notwithstanding IC 16-20-1-27, a charge may not be made for furnishing a certificate of birth, death, or stillbirth registration to a person or to a member of the family of a person who needs the certificate for one (1) of the following purposes:

(1) To establish the person's age or the dependency of a member of the person's family in connection with:

(A) the person's service in the armed forces of the United States; or

(B) a death pension or disability pension of a person who is serving or has served in the armed forces of the United States.

(2) To establish or to verify the age of a child in school who desires to secure a work permit.

SECTION 4. IC 36-2-7-10, AS AMENDED BY SEA 526-2007, SECTION 384, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) The county recorder shall tax and collect the fees prescribed by this section for recording, filing, copying, and other services the recorder renders, and shall pay them into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other recording fees required by law to be charged for services rendered by the county recorder.

(b) The county recorder shall charge the following:

(1) Six dollars ($6) for the first page and two dollars ($2) for each additional page of any document the recorder records if the pages are not larger than eight and one-half (8 ½) inches by fourteen (14) inches.

(2) Fifteen dollars ($15) for the first page and five dollars ($5) for each additional page of any document the recorder records, if the pages are larger than eight and one-half (8 ½) inches by fourteen (14) inches.

(3) For attesting to the release, partial release, or assignment of any mortgage, judgment, lien, or oil and gas lease contained on a multiple transaction document, the fee for each transaction after the first is the amount provided in subdivision (1) plus the amount provided in subdivision (4) and one dollar ($1) for marginal mortgage assignments or marginal mortgage releases.

(4) One dollar ($1) for each cross-reference of a recorded document.

(5) One dollar ($1) per page not larger than eight and one-half (8 ½) inches by fourteen (14) inches for furnishing copies of records and two dollars ($2) per page that is larger than eight and one-half (8 ½) inches by fourteen (14) inches.

(6) Five dollars ($5) for acknowledging or certifying to a document.

(7) Five dollars ($5) for each deed the recorder records, in addition to other fees for deeds, for the county surveyor's corner perpetuation fund for use as provided in IC 21-47-3-3 or IC 36-2-12-11(e).

(8) A fee in an amount authorized under IC 5-14-3-8 for transmitting a copy of a document by facsimile machine.

(9) A fee in an amount authorized by an ordinance adopted by the county legislative body for duplicating a computer tape, a computer disk, an optical disk, microfilm, or similar media. This fee may not cover making a handwritten copy or a photocopy or using xerography or a duplicating machine.

(10) A supplemental fee of three dollars ($3) for recording a document that is paid at the time of recording. The fee under this subdivision is in addition to other fees provided by law for recording a document.

(11) Three dollars ($3) for each mortgage on real estate recorded, in addition to other fees required by this section, distributed as follows:

(A) Fifty cents ($0.50) is to be deposited in the recorder's record perpetuation fund.

(B) Two dollars and fifty cents ($2.50) is to be distributed to the auditor of state on or before June 20 and December 20 of each year as provided in IC 24-9-9-3.

(c) The county recorder shall charge a two dollar ($2) county identification security protection fee for recording or filing a document. This fee shall be deposited under IC 36-2-7.5-6.

(d) The county treasurer shall establish a recorder's records perpetuation fund. All revenue received under **section 10.1 of this chapter and** subsection (b)(5), (b)(8), (b)(9), and (b)(10), and fifty cents ($0.50) from revenue received under subsection (b)(11), shall be deposited in this fund. The county recorder may use any money in this fund without appropriation for the preservation of records and the improvement of record keeping systems and equipment. **Money from the fund may not be deposited or transferred into the county general fund and does not revert to the county general fund at the end of a fiscal year.**

(e) As used in this section, "record" or "recording" includes the functions of recording, filing, and filing for record.

(f) The county recorder shall post the fees set forth in subsection (b) in a prominent place within the county recorder's office where the fee schedule will be readily accessible to the public.

(g) The county recorder may not tax or collect any fee for:

(1) recording an official bond of a public officer, a deputy, an appointee, or an employee; or

(2) performing any service under any of the following:

(A) IC 6-1.1-22-2(c).

(B) IC 8-23-7.

(C) IC 8-23-23.

(D) IC 10-17-2-3.

(E) IC 10-17-3-2.

(F) IC 12-14-13.

(G) IC 12-14-16.

(h) The state and its agencies and instrumentalities are required to pay the recording fees and charges that this section prescribes.

SECTION 5. IC 36-2-7-10.1, AS AMENDED BY SEA 412-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10.1. (a) As used in this section, "bulk form" means:

(1) a copy of all recorded documents received by the county recorder for recording in a calendar day, week, month, or year;

(2) the indices for finding, retrieving, and viewing all recorded documents received by the county recorder for recording in a calendar day, week, month, or year; or

(3) both subdivisions (1) and (2).

(b) As used in this section, "bulk user" means an individual, a corporation, a partnership, a limited liability company, or an unincorporated association that purchases bulk form copies. However, "bulk user" does not include an individual, a corporation, a partnership, a limited liability company, or an unincorporated association whose primary purpose is to resell public records.

(c) As used in this section, "copy" means:

(1) duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage; or

(2) reproducing on microfilm.

(d) As used in this section, "indices" means all of the indexing information used by the county recorder for finding, retrieving, and viewing a recorded document.

(e) As used in this section, "recorded document" means a writing, a paper, a document, a plat, a map, a survey, or anything else received at any time for recording or filing in the public records maintained by the county recorder.

(f) The county recorder shall collect the fees prescribed by this section for the sale of recorded documents in bulk form copies to bulk users of public records. The county recorder shall pay the fees into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other fees for bulk form copies required by law to be charged for services rendered by the county recorder to bulk users.

(g) Except as provided by subsection (h), the county recorder shall charge bulk users the following for bulk form copies:

(1) ~~Five~~ **Seven** cents ~~($0.05)~~ **($0.07)** per page for a recorded document, including the index of the instrument number or book and page, or both, for retrieving the recorded document.

(2) ~~Five~~ **Seven** cents ~~($0.05)~~ **($0.07)** per recorded document for a copy of the other indices used by the county recorder for finding, retrieving, and viewing a recorded document.

(h) As used in this subsection, "actual cost" does not include labor costs or overhead costs. The county recorder may charge a fee that exceeds the amount established by subsection (g) if the actual cost of providing the bulk form copies exceeds the amount established by subsection (g). However, the total amount charged for the bulk form copies may not exceed the actual cost plus one cent ($0.01) of providing the bulk form copies.

(i) The county recorder shall provide bulk users with bulk form copies in the format or medium in which the county recorder maintains the recorded documents and indices. If the county recorder maintains the recorded documents and indices in more than one (1) format or medium, the bulk user may select the format or medium in which the bulk user shall receive the bulk form copies. If the county recorder maintains the recorded documents and indices for finding, retrieving, and viewing the recorded documents in an electronic or a digitized format, a reasonable effort shall be made to provide the bulk user with bulk form copies in a standard, generally acceptable, readable format. Upon request of the bulk user, the county recorder shall provide the bulk form copies to the bulk user within a reasonable time after the recorder's archival process is completed and bulk form copies become available in the office of the county recorder.

(j) Bulk form copies under this section may be used:

(1) in the ordinary course of the business of the bulk user; and

(2) by customers of the bulk user.

(k) The bulk user may charge its customers a fee for using the bulk form copies obtained by the bulk user. However, bulk form copies obtained by a bulk user under this section may not be resold**.**

~~(k)~~ **(l)** All revenue generated by the county recorder under this section shall be deposited in the recorder's record perpetuation fund and used by the recorder in accordance with section 10(d) of this chapter.

~~(l)~~ **(m)** This section does not apply to enhanced access under IC 5-14-3-3.

(Reference is to EHB 1379 as reprinted April 4, 2007.)

HOY	C. LAWSON
FRIEND	DEIG
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT
EHB 1386–1; filed April 29, 2007, at 12:28 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1386 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-2-6-3, AS AMENDED BY P.L.173-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The institute is established to do the following:

(1) Evaluate state and local programs associated with:
(A) the prevention, detection, and solution of criminal offenses;
(B) law enforcement; and
(C) the administration of criminal and juvenile justice.
(2) Improve and coordinate all aspects of law enforcement, juvenile justice, and criminal justice in this state.
(3) Stimulate criminal and juvenile justice research.
(4) Develop new methods for the prevention and reduction of crime.
(5) Prepare applications for funds under the Omnibus Act and the Juvenile Justice Act.
(6) Administer victim and witness assistance funds.
(7) Administer the traffic safety functions assigned to the institute under IC 9-27-2.
(8) Compile and analyze information and disseminate the information to persons who make criminal justice decisions in this state.
(9) Serve as the criminal justice statistical analysis center for this state.
(10) Identify grants and other funds that can be used by the department of correction to carry out its responsibilities concerning sex **or violent** offender registration under IC 11-8-8.
(11) Administer the application and approval process for designating an area of a consolidated or second class city as a public safety improvement area under IC 36-8-19.5.
(12) Develop and maintain a meth watch program to inform retailers and the public about illicit methamphetamine production, distribution, and use in Indiana.

SECTION 2. IC 5-2-6-14, AS AMENDED BY P.L.173-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) The victim and witness assistance fund is established. The institute shall administer the fund. Except as provided in subsection (e), expenditures from the fund may be made only in accordance with appropriations made by the general assembly.

(b) The source of the victim and witness assistance fund is the family violence and victim assistance fund established by IC 12-18-5-2.

(c) The institute may use money from the victim and witness assistance fund when awarding a grant or entering into a contract under this chapter, if the money is used for the support of a program in the office of a prosecuting attorney or in a state or local law enforcement agency designed to:

(1) help evaluate the physical, emotional, and personal needs of a victim resulting from a crime, and counsel or refer the victim to those agencies or persons in the community that can provide the services needed;
(2) provide transportation for victims and witnesses of crime to attend proceedings in the case when necessary; or
(3) provide other services to victims or witnesses of crime when necessary to enable them to participate in criminal proceedings without undue hardship or trauma.

(d) Money in the victim and witness assistance fund at the end of a particular fiscal year does not revert to the general fund.

(e) The institute may use money in the fund to:

(1) pay the costs of administering the fund, including expenditures for personnel and data;
(2) support the **registration of sex or violent offenders under IC 11-8-8 and the** Indiana sex **and violent** offender registry **established** under ~~IC 11-8-8,~~ **IC 36-2-13-5.5;**
(3) provide training for persons to assist victims; and
(4) establish and maintain a victim notification system under IC 11-8-7 if the department of correction establishes the system.

SECTION 3. IC 10-13-3-5, AS AMENDED BY P.L.20-2006, SECTION 1, AND AS AMENDED BY P.L.140-2006, SECTION 4 AND P.L.173-2006, SECTION 4, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this chapter, "criminal history data" means information collected by criminal justice agencies, the United States Department of Justice for the department's information system, or individuals.

(b) The term consists of the following:

(1) Identifiable descriptions and notations of arrests, indictments, informations, or other formal criminal charges.
(2) Information, *including a photograph,* regarding a sex ~~*and*~~ **or** *violent* offender (as defined in ~~*IC 5-2-12-4)*~~ *IC 11-8-8-5)* obtained through sex ~~*and*~~ **or** *violent* offender registration under ~~*IC 5-2-12.*~~ *IC 11-8-8.*
(3) Any disposition, including sentencing, and correctional system intake, transfer, and release.
(4) A photograph of the person who is the subject of the information described in subdivisions (1) through (3).

(c) The term includes fingerprint information described in section 24(f) of this chapter.

SECTION 4. IC 10-13-3-24, AS AMENDED BY P.L.20-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 24. (a) The department shall act as the official state central repository for criminal history data.

(b) A sheriff, police department, or criminal justice agency in Indiana shall report to the department, on forms provided by the department, all arrests for reportable offenses.

(c) Except as provided in subsection (e), at the time a sheriff, police department, or criminal justice agency makes the report described in subsection (b), the sheriff, police department, or criminal justice agency shall transmit a photograph of the person who is the subject of the report to the department.

(d) The department may adopt guidelines concerning the:

(1) form; and

(2) manner of transmission (including electronic transmission);

of a photograph described in subsection (c). If the department adopts guidelines under this subsection, the sheriff, police department, or criminal justice agency required to transmit a photograph under subsection (c) shall transmit the photograph in accordance with the guidelines adopted by the department.

(e) Notwithstanding subsections (c) and (d):

(1) the department is not required to process; and

(2) a sheriff, police department, or criminal justice agency is not required to submit;

a photograph under this section unless the department has sufficient funding available to process photographs submitted under this section.

(f) The department of correction may report to the department:

(1) fingerprints recorded by the department of correction in any reliable manner, including the use of a digital fingerprinting device, when a person convicted of an offense is received by the department of correction; and

(2) an abstract of judgment received by the department of correction that relates to the fingerprints described in subdivision (1).

SECTION 5. IC 10-13-3-27, AS AMENDED BY P.L.1-2006, SECTION 171, AND AS AMENDED BY P.L.140-2006, SECTION 5 AND P.L.173-2006, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. (a) Except as provided in subsection (b), on request, a law enforcement agency shall release a limited criminal history to or allow inspection of a limited criminal history by noncriminal justice organizations or individuals only if the subject of the request:

(1) has applied for employment with a noncriminal justice organization or individual;

(2) has applied for a license and *has provided* criminal history data ~~is~~ *as* required by law to be provided in connection with the license;

(3) is a candidate for public office or a public official;

(4) is in the process of being apprehended by a law enforcement agency;

(5) is placed under arrest for the alleged commission of a crime;

(6) has charged that the subject's rights have been abused repeatedly by criminal justice agencies;

(7) is the subject of a judicial decision or determination with respect to the setting of bond, plea bargaining, sentencing, or probation;

(8) has volunteered services that involve contact with, care of, or supervision over a child who is being placed, matched, or monitored by a social services agency or a nonprofit corporation;

(9) is currently residing in a location designated by the department of child services (established by ~~IC 31-33-1.5-2)~~ *IC 31-25-1-1)* or by a juvenile court as the out-of-home placement for a child at the time the child will reside in the location;

(10) has volunteered services at a public school (as defined in IC 20-18-2-15) or nonpublic school (as defined in IC 20-18-2-12) that involve contact with, care of, or supervision over a student enrolled in the school;

(11) is being investigated for welfare fraud by an investigator of the division of family resources or a county office of family and children;

(12) is being sought by the parent locator service of the child support bureau of the ~~division~~ *department* of ~~family and children;~~ *child services;*

(13) is or was required to register as a sex ~~and~~ **or** *violent* offender under ~~IC 5-2-12;~~ *IC 11-8-8;* or

(14) has been convicted of any of the following:

(A) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.

(B) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.

(C) Child molesting (IC 35-42-4-3).

(D) Child exploitation (IC 35-42-4-4(b)).

(E) Possession of child pornography (IC 35-42-4-4(c)).

(F) Vicarious sexual gratification (IC 35-42-4-5).

(G) Child solicitation (IC 35-42-4-6).

(H) Child seduction (IC 35-42-4-7).

(I) Sexual misconduct with a minor as a felony (IC 35-42-4-9).

(J) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

However, limited criminal history information obtained from the National Crime Information Center may not be released under this section except to the extent permitted by the Attorney General of the United States.

(b) A law enforcement agency shall allow inspection of a limited criminal history by and release a limited criminal history to the following noncriminal justice organizations:

(1) Federally chartered or insured banking institutions.

(2) Officials of state and local government for any of the following purposes:

(A) Employment with a state or local governmental entity.

(B) Licensing.

(3) Segments of the securities industry identified under 15 U.S.C. 78q(f)(2).

(c) Any person who **knowingly or intentionally** uses limited criminal history for any purpose not specified under this section commits a Class A misdemeanor.

SECTION 6. IC 10-13-3-30, AS AMENDED BY P.L.173-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 30. (a) Except as provided in subsection (c), on request for release or inspection of a limited criminal history, law enforcement agencies may, if the agency has complied with the reporting requirements in section 24 of this chapter, and the department shall do the following:

(1) Require a form, provided by law enforcement agencies and the department, to be completed. The form shall be maintained for two (2) years and shall be available to the record subject upon request.

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

(3) Collect a seven dollar ($7) fee to defray the cost of processing a request for release. However, law enforcement agencies and the department may not charge the fee for requests received from the parent locator service of the child support bureau of the department of child services.

(b) Law enforcement agencies and the department shall edit information so that the only information released or inspected is information that:

(1) has been requested; and

(2) is limited criminal history information.

(c) The fee required under subsection (a) shall be waived if the request relates to the **registration of sex or violent offenders under IC 11-8-8 or the** Indiana sex **and violent** offender registry under ~~IC 11-8-8~~ **IC 36-2-13-5.5** or concerns a person required to register as a sex **or violent** offender under IC 11-8-8.

SECTION 7. IC 10-13-4-4, AS AMENDED BY P.L.173-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "juvenile history data" means information collected by criminal or juvenile justice agencies or individuals about a child who is alleged to have committed a reportable act and consists of the following:

(1) Descriptions and notations of events leading to the taking of the child into custody by a juvenile justice agency for a reportable act allegedly committed by the child.
(2) A petition alleging that the child is a delinquent child.
(3) Dispositional decrees concerning the child that are entered under IC 31-37-19 (or IC 31-6-4-15.9 before its repeal).
(4) The findings of a court determined after a hearing is held under IC 31-37-20-2 or IC 31-37-20-3 (or IC 31-6-4-19(h) or IC 31-6-4-19(i) before their repeal) concerning the child.
(5) Information:
(A) regarding a child who has been adjudicated a delinquent child for committing an act that would be an offense described in IC 11-8-8-5 if committed by an adult; and
(B) that is obtained through sex **or violent** offender registration under IC 11-8-8.

SECTION 8. IC 11-8-2-12.4, AS ADDED BY P.L.173-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.4. The department shall do the following:
(1) Maintain the Indiana sex **and violent** offender registry established under IC 36-2-13-5.5. **The department shall ensure that a sex offender's Social Security number remains unavailable to the public.**
(2) Prescribe and approve a format for sex **or violent** offender registration as required by IC 11-8-8.
(3) Provide:
(A) judges;
(B) law enforcement officials;
(C) prosecuting attorneys;
(D) parole officers;
(E) probation officers; and
(F) community corrections officials;
with information and training concerning the requirements of IC 11-8-8 and the use of the Indiana sex **and violent** offender registry.
(4) Upon request of a neighborhood association:
(A) transmit to the neighborhood association information concerning sex **or violent** offenders who reside near the location of the neighborhood association; or
(B) provide instructional materials concerning the use of the Indiana sex **and violent** offender registry to the neighborhood association.
(5) Maintain records on every sex or violent offender who:
(A) is incarcerated;
(B) has relocated out of state; and
(C) is no longer required to register due to the expiration of the sex or violent offender's registration period.

SECTION 9. IC 11-8-2-13, AS ADDED BY P.L.173-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) The Indiana sex **and violent** offender registry established under IC 36-2-13-5.5 and maintained by the department under section 12.4 of this chapter must include the names of each offender who is or has been required to register under IC 11-8-8.
(b) The department shall do the following:
(1) Ensure that the Indiana sex **and violent** offender registry is updated at least once per day with information provided by a local law enforcement authority (as defined in IC 11-8-8-2).
(2) Publish the Indiana sex **and violent** offender registry on the Internet through the computer gateway administered by the office of technology established by IC 4-13.1-2-1, and ensure that the Indiana sex **and violent** offender registry displays the following or similar words:
"Based on information submitted to law enforcement, a person whose name appears in this registry has been convicted of a sex **or violent** offense or has been adjudicated a delinquent child for an act that would be a sex **or violent** offense if committed by an adult.".

SECTION 10. IC 11-8-8-3, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "principal residence" means the residence where a sex **or violent** offender spends the most time. The term includes a residence owned or leased by another person if the sex **or violent** offender:
(1) does not own or lease a residence; or
(2) spends more time at the residence owned or leased by the other person than at the residence owned or leased by the sex **or violent** offender.

SECTION 11. IC 11-8-8-4, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "register" means to ~~provide~~ **report in person to** a local law enforcement authority ~~with~~ **and provide** the information required under section 8 of this chapter.

SECTION 12. IC 11-8-8-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4.5. (a) Except as provided in section 22 of this chapter, as used in this chapter, "sex offender" means a person convicted of any of the following offenses:**
(1) Rape (IC 35-42-4-1).
(2) Criminal deviate conduct (IC 35-42-4-2).
(3) Child molesting (IC 35-42-4-3).
(4) Child exploitation (IC 35-42-4-4(b)).
(5) Vicarious sexual gratification (including performing sexual conduct in the presence of a minor) (IC 35-42-4-5).
(6) Child solicitation (IC 35-42-4-6).
(7) Child seduction (IC 35-42-4-7).
(8) Sexual misconduct with a minor as a Class A, Class B, or Class C felony (IC 35-42-4-9), unless:
(A) the person is convicted of sexual misconduct with a minor as a Class C felony;
(B) the person is not more than:
(i) four (4) years older than the victim if the offense was committed after June 30, 2007; or
(ii) five (5) years older than the victim if the offense was committed before July 1, 2007; and
(C) the sentencing court finds that the person should not be required to register as a sex offender.
(9) Incest (IC 35-46-1-3).
(10) Sexual battery (IC 35-42-4-8).
(11) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age, and the person who kidnapped the victim is not the victim's parent or guardian.
(12) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age, and the person who confined or removed the victim is not the victim's parent or guardian.
(13) Possession of child pornography (IC 35-42-4-4(c)).
(14) Promoting prostitution (IC 35-45-4-4) as a Class B felony.
(15) Promotion of human trafficking (IC 35-42-3.5-1(a)(2)) if the victim is less than eighteen (18) years of age.
(16) Sexual trafficking of a minor (IC 35-42-3.5-1(b)).
(17) Human trafficking (IC 35-42-3.5-1(c)(3)) if the victim is less than eighteen (18) years of age.
(18) An attempt or conspiracy to commit a crime listed in subdivisions (1) through (17).
(19) A crime under the laws of another jurisdiction,

including a military court, that is substantially equivalent to any of the offenses listed in subdivisions (1) through (18).

(b) The term includes:

(1) a person who is required to register as a sex offender in any jurisdiction; and

(2) a child who has committed a delinquent act and who:

(A) is at least fourteen (14) years of age;

(B) is on probation, is on parole, is discharged from a facility by the department of correction, is discharged from a secure private facility (as defined in IC 31-9-2-115), or is discharged from a juvenile detention facility as a result of an adjudication as a delinquent child for an act that would be an offense described in subsection (a) if committed by an adult; and

(C) is found by a court by clear and convincing evidence to be likely to repeat an act that would be an offense described in subsection (a) if committed by an adult.

(c) In making a determination under subsection (b)(2)(C), the court shall consider expert testimony concerning whether a child is likely to repeat an act that would be an offense described in subsection (a) if committed by an adult.

SECTION 13. IC 11-8-8-5, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) **Except as provided in section 22 of this chapter,** as used in this chapter, "sex **or violent** offender" means a person convicted of any of the following offenses:

(1) Rape (IC 35-42-4-1).

(2) Criminal deviate conduct (IC 35-42-4-2).

(3) Child molesting (IC 35-42-4-3).

(4) Child exploitation (IC 35-42-4-4(b)).

(5) Vicarious sexual gratification **(including performing sexual conduct in the presence of a minor)** (IC 35-42-4-5).

(6) Child solicitation (IC 35-42-4-6).

(7) Child seduction (IC 35-42-4-7).

(8) Sexual misconduct with a minor as a Class A, Class B, or Class C felony (IC 35-42-4-9), **unless:**

(A) the person is convicted of sexual misconduct with a minor as a Class C felony;

(B) the person is not more than:

(i) four (4) years older than the victim if the offense was committed after June 30, 2007; or

(ii) five (5) years older than the victim if the offense was committed before July 1, 2007; and

(C) the sentencing court finds that the person should not be required to register as a sex offender.

(9) Incest (IC 35-46-1-3).

(10) Sexual battery (IC 35-42-4-8).

(11) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age, **and the person who kidnapped the victim is not the victim's parent or guardian.**

(12) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age, **and the person who confined or removed the victim is not the victim's parent or guardian.**

(13) Possession of child pornography (IC 35-42-4-4(c)). ~~if the person has a prior unrelated conviction for possession of child pornography (IC 35-42-4-4(c)).~~

(14) Promoting prostitution (IC 35-45-4-4) as a Class B felony.

(15) Promotion of human trafficking (IC 35-42-3.5-1(a)(2)) if the victim is less than eighteen (18) years of age.

(16) Sexual trafficking of a minor (IC 35-42-3.5-1(b)).

(17) Human trafficking (IC 35-42-3.5-1(c)(3)) if the victim is less than eighteen (18) years of age.

(18) Murder (IC 35-42-1-1).

(19) Voluntary manslaughter (IC 35-42-1-3).

~~(14)~~ **(20)** An attempt or conspiracy to commit a crime listed in subdivisions (1) through ~~(13).~~ **(19).**

~~(15)~~ **(21)** A crime under the laws of another jurisdiction, including a military court, that is substantially equivalent to any of the offenses listed in subdivisions (1) through ~~(14).~~ **(20).**

(b) The term includes:

(1) a person who is required to register as a sex **or violent** offender in any jurisdiction; and

(2) a child who has committed a delinquent act and who:

(A) is at least fourteen (14) years of age;

(B) is on probation, is on parole, is discharged from a facility by the department of correction, is discharged from a secure private facility (as defined in IC 31-9-2-115), or is discharged from a juvenile detention facility as a result of an adjudication as a delinquent child for an act that would be an offense described in subsection (a) if committed by an adult; and

(C) is found by a court by clear and convincing evidence to be likely to repeat an act that would be an offense described in subsection (a) if committed by an adult.

(c) In making a determination under subsection (b)(2)(C), the court shall consider expert testimony concerning whether a child is likely to repeat an act that would be an offense described in subsection (a) if committed by an adult.

SECTION 14. IC 11-8-8-5.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.2. As used in this chapter, "sex offense" means an offense listed in section 4.5(a) of this chapter.**

SECTION 15. IC 11-8-8-7, AS AMENDED BY SEA 562-2007, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) Subject to section 19 of this chapter, the following persons must register under this chapter:

(1) A sex **or violent** offender who resides in Indiana. A sex **or violent** offender resides in Indiana if either of the following applies:

(A) The sex **or violent** offender spends or intends to spend at least seven (7) days (including part of a day) in Indiana during a one hundred eighty (180) day period.

(B) The sex **or violent** offender owns real property in Indiana and returns to Indiana at any time.

(2) A sex **or violent** offender who works or carries on a vocation or intends to work or carry on a vocation full-time or part-time for a period:

(A) exceeding ~~fourteen (14)~~ **seven (7)** consecutive days; or

(B) for a total period exceeding ~~thirty (30)~~ **fourteen (14)** days;

during any calendar year in Indiana **regardless of** whether the sex **or violent** offender is financially compensated, volunteered, or is acting for the purpose of government or educational benefit.

(3) A sex **or violent** offender who is enrolled or intends to be enrolled on a full-time or part-time basis in any public or private educational institution, including any secondary school, trade, or professional institution, or postsecondary educational institution.

(b) Except as provided in subsection (e), a sex **or violent** offender who resides in Indiana shall register with the local law enforcement authority in the county where the sex **or violent** offender resides. If a sex **or violent** offender resides in more than one (1) county, the sex **or violent** offender shall register with the local law enforcement authority in each county in which the sex

or violent offender resides. If the sex **or violent** offender is also required to register under subsection (a)(2) or (a)(3), the sex **or violent** offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (c) or (d).

(c) A sex **or violent** offender described in subsection (a)(2) shall register with the local law enforcement authority in the county where the sex **or violent** offender is or intends to be employed or carry on a vocation. If a sex **or violent** offender is or intends to be employed or carry on a vocation in more than one (1) county, the sex **or violent** offender shall register with the local law enforcement authority in each county. If the sex **or violent** offender is also required to register under subsection (a)(1) or (a)(3), the sex **or violent** offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (d).

(d) A sex **or violent** offender described in subsection (a)(3) shall register with the local law enforcement authority in the county where the sex **or violent** offender is enrolled or intends to be enrolled as a student. If the sex **or violent** offender is also required to register under subsection (a)(1) or (a)(2), the sex **or violent** offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (c).

(e) A sex **or violent** offender described in subsection (a)(1)(B) shall register with the local law enforcement authority in the county in which the real property is located. If the sex **or violent** offender is also required to register under subsection (a)(1)(A), (a)(2), or (a)(3), the sex **or violent** offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b), (c), or (d).

(f) A sex **or violent** offender committed to the department shall register with the department before the sex **or violent** offender is released from incarceration. The department shall forward the sex **or violent** offender's registration information to the local law enforcement authority of every county in which the sex **or violent** offender is required to register.

(g) This subsection does not apply to a sex **or violent** offender who is a sexually violent predator. A sex **or violent** offender not committed to the department shall register not more than seven (7) days after the sex **or violent** offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);
(2) is released from a secure private facility (as defined in IC 31-9-2-115);
(3) is released from a juvenile detention facility;
(4) is transferred to a community transition program;
(5) is placed on parole;
(6) is placed on probation;
(7) is placed on home detention; or
(8) arrives at the place where the sex **or violent** offender is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex **or violent** offender required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the sex **or violent** offender's arrival in that county or acquisition of real estate in that county.

(h) This subsection applies to a sex **or violent** offender who is a sexually violent predator. A sex **or violent** offender who is a sexually violent predator shall register not more than seventy-two (72) hours after the sex **or violent** offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);
(2) is released from a secure private facility (as defined in IC 31-9-2-115);
(3) is released from a juvenile detention facility;
(4) is transferred to a community transition program;
(5) is placed on parole;
(6) is placed on probation;
(7) is placed on home detention; or
(8) arrives at the place where the sexually violent predator is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex **or violent** offender who is a sexually violent predator required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the offender's arrival in that county or acquisition of real estate in that county.

(i) The local law enforcement authority with whom a sex **or violent** offender registers under this section shall make and publish a photograph of the sex **or violent** offender on the Indiana sex **and violent** offender registry web site established under IC 36-2-13-5.5. The local law enforcement authority shall make a photograph of the sex **or violent** offender that complies with the requirements of IC 36-2-13-5.5 at least once per year. The sheriff of a county containing a consolidated city shall provide the police chief of the consolidated city with all photographic and computer equipment necessary to enable the police chief of the consolidated city to transmit sex **or violent** offender photographs (and other identifying information required by IC 36-2-13-5.5) to the Indiana sex **and violent** offender registry web site established under IC 36-2-13-5.5. In addition, the sheriff of a county containing a consolidated city shall provide all funding for the county's financial obligation for the establishment and maintenance of the Indiana sex **and violent** offender registry web site established under IC 36-2-13-5.5.

(j) When a sex **or violent** offender registers, the local law enforcement authority shall:

(1) immediately update the Indiana sex **and violent** offender registry web site established under IC 36-2-13-5.5; ~~and~~
(2) notify every law enforcement agency having jurisdiction in the county where the sex **or violent** offender resides; **and**
(3) update the National Crime Information Center National Sex Offender Registry data base via the Indiana data and communications system (IDACS).

~~The local law enforcement authority shall provide the department and a law enforcement agency described in subdivision (2) with the information provided by the sex offender during registration.~~ **When a sex or violent offender from a jurisdiction outside Indiana registers a change of address, employment, vocation, or enrollment in Indiana, the local law enforcement authority shall provide the department with the information provided by the sex or violent offender during registration.**

SECTION 16. IC 11-8-8-8, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. The registration required under this chapter must include the following information:

(1) The sex **or violent** offender's full name, alias, any name by which the sex **or violent** offender was previously known, date of birth, sex, race, height, weight, hair color, eye color, any scars, marks, or tattoos, Social Security number, driver's license number or state identification **card** number, **vehicle description and vehicle plate number for any vehicle the sex or violent offender owns or operates on a regular basis,** principal residence address, **other address where the sex or violent offender spends more than seven (7) nights in a fourteen (14) day period,** and mailing address, if different from the sex **or violent** offender's principal residence address.
(2) A description of the offense for which the sex **or violent** offender was convicted, the date of conviction, the county of the conviction, the cause number of the conviction, and the sentence imposed, if applicable.
(3) If the person is required to register under section 7(a)(2) or 7(a)(3) of this chapter, the name and address of

each of the sex **or violent** offender's employers in Indiana, the name and address of each campus or location where the sex **or violent** offender is enrolled in school in Indiana, and the address where the sex **or violent** offender stays or intends to stay while in Indiana.

(4) A recent photograph of the sex **or violent** offender.

(5) If the sex **or violent** offender is a sexually violent predator, that the sex **or violent** offender is a sexually violent predator.

(6) If the sex **or violent** offender is required to register for life, that the sex **or violent** offender is required to register for life.

(7) Any other information required by the department.

SECTION 17. IC 11-8-8-9, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) Not more than seven (7) days before an Indiana sex **or violent** offender who is required to register under this chapter is scheduled to be released from a secure private facility (as defined in IC 31-9-2-115), or released from a juvenile detention facility, an official of the facility shall do the following:

(1) Orally inform the sex **or violent** offender of the sex **or violent** offender's duty to register under this chapter and require the sex **or violent** offender to sign a written statement that the sex **or violent** offender was orally informed or, if the sex **or violent** offender refuses to sign the statement, certify that the sex **or violent** offender was orally informed of the duty to register.

(2) Deliver a form advising the sex **or violent** offender of the sex **or violent** offender's duty to register under this chapter and require the sex **or violent** offender to sign a written statement that the sex **or violent** offender received the written notice or, if the sex **or violent** offender refuses to sign the statement, certify that the sex **or violent** offender was given the written notice of the duty to register.

(3) Obtain the address where the sex **or violent** offender expects to reside after the sex **or violent** offender's release.

(4) Transmit to the local law enforcement authority in the county where the sex **or violent** offender expects to reside the sex **or violent** offender's name, date of release or transfer, new address, and the offense or delinquent act committed by the sex **or violent** offender.

(b) Not more than seventy-two (72) hours after a sex **or violent** offender who is required to register under this chapter is released or transferred as described in subsection (a), an official of the facility shall transmit to the state police the following:

(1) The sex **or violent** offender's fingerprints, photograph, and identification factors.

(2) The address where the sex **or violent** offender expects to reside after the sex **or violent** offender's release.

(3) The complete criminal history data (as defined in IC 10-13-3-5) or, if the sex **or violent** offender committed a delinquent act, juvenile history data (as defined in IC 10-13-4-4) of the sex **or violent** offender.

(4) Information regarding the sex **or violent** offender's past treatment for mental disorders.

(5) Information as to whether the sex **or violent** offender has been determined to be a sexually violent predator.

(c) This subsection applies if a sex **or violent** offender is placed on probation or in a community corrections program without being confined in a penal facility. The probation office serving the court in which the sex **or violent** offender is sentenced shall perform the duties required under subsections (a) and (b).

(d) For any sex or violent offender who is not committed to the department, the probation office of the sentencing court shall transmit to the department a copy of the sex or violent offender's:

(1) sentencing order;

(2) presentence investigation; and

(3) any other information required by the department to make a determination concerning sex or violent offender registration.

SECTION 18. IC 11-8-8-10, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. Notwithstanding any other law, upon receiving a sex **or violent** offender's fingerprints from a correctional facility, the state police shall immediately send the fingerprints to the Federal Bureau of Investigation.

SECTION 19. IC 11-8-8-11, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) If a sex **or violent** offender who is required to register under this chapter changes:

(1) principal residence address; or

(2) if section 7(a)(2) or 7(a)(3) of this chapter applies, the place where the sex **or violent** offender stays in Indiana;

the sex **or violent** offender shall ~~register not more than seventy-two (72) hours after the address change with the local law enforcement authority with whom the sex offender last registered.~~ **report in person to the local law enforcement authority having jurisdiction over the sex or violent offender's current principal address or location and, if the offender moves to a new county in Indiana, to the local law enforcement authority having jurisdiction over the sex or violent offender's new principal address or location not more than seventy-two (72) hours after the address change.**

(b) If a sex **or violent** offender moves to a new county in Indiana, the local law enforcement authority ~~referred to in subsection (a)~~ **where the sex or violent offender's current principal residence address is located** shall inform the local law enforcement authority in the new county in Indiana of the sex **or violent** offender's residence and forward all relevant registration information concerning the sex **or violent** offender to the local law enforcement authority in the new county. The local law enforcement authority receiving notice under this subsection shall verify the address of the sex **or violent** offender under section 13 of this chapter not more than seven (7) days after receiving the notice.

(c) If a sex **or violent** offender who is required to register under section 7(a)(2) or 7(a)(3) of this chapter changes the sex **or violent** offender's principal place of employment, principal place of vocation, or campus or location where the sex **or violent** offender is enrolled in school, the sex **or violent** offender shall ~~register not more than seventy-two (72) hours after the change with the local law enforcement authority with whom the sex offender last registered.~~ **report in person:**

(1) to the local law enforcement authority having jurisdiction over the sex or violent offender's current principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school; and

(2) if the sex or violent offender changes the sex or violent offender's place of employment, vocation, or enrollment to a new county in Indiana, to the local law enforcement authority having jurisdiction over the sex or violent offender's new principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school;

not more than seventy-two (72) hours after the change.

(d) If a sex **or violent** offender moves the sex **or violent** offender's place of employment, vocation, or enrollment to a new county in Indiana, the local law enforcement authority ~~referred to in subsection (c)~~ **having jurisdiction over the sex or violent offender's current principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school** shall inform the local law

enforcement authority in the new county of the sex **or violent** offender's new principal place of employment, vocation, or enrollment by forwarding relevant registration information to the local law enforcement authority in the new county.

(e) If a sex **or violent** offender moves the sex **or violent** offender's residence, place of employment, vocation, or enrollment to a new state, the local law enforcement authority shall inform the state police in the new state of the sex **or violent** offender's new place of residence, employment, **vocation,** or enrollment.

(f) A local law enforcement authority shall make registration information, including information concerning the duty to register and the penalty for failing to register, available to a sex **or violent** offender.

(g) A local law enforcement authority who is notified of a change under subsection (a) or (c) shall:

(1) immediately update the Indiana sex **and violent** offender registry web site established under IC 36-2-13-5.5;

(2) update the National Crime Information Center National Sex Offender Registry data base via the Indiana data and communications system (IDACS); and

(3) notify the department.

(h) If a sex or violent offender who is registered with a local law enforcement authority becomes incarcerated, the local law enforcement authority shall transmit a copy of the information provided by the sex or violent offender during registration to the department.

(i) If a sex or violent offender is no longer required to register due to the expiration of the registration period, the local law enforcement authority shall transmit a copy of the information provided by the sex or violent offender during registration to the department.

SECTION 20. IC 11-8-8-12, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) As used in this section, "temporary residence" means a residence:

(1) that is established to provide transitional housing for a person without another residence; and

(2) in which a person is not typically permitted to reside for more than thirty (30) days in a sixty (60) day period.

(b) This section applies only to a sex **or violent** offender who resides in a temporary residence. In addition to the other requirements of this chapter, a sex **or violent** offender who resides in a temporary residence shall register in person with the local law enforcement authority in which the temporary residence is located:

(1) not more than seventy-two (72) hours after the sex **or violent** offender moves into the temporary residence; and

(2) during the period in which the sex **or violent** offender resides in a temporary residence, at least once every seven (7) days following the sex **or violent** offender's initial registration under subdivision (1).

(c) A sex or violent offender who does not have a principal residence or temporary residence shall report in person to the local law enforcement authority in the county where the sex or violent offender resides at least once every seven (7) days to report an address for the location where the sex or violent offender will stay during the time in which the sex or violent offender lacks a principal address or temporary residence.

~~(c)~~ **(d)** A sex **or violent** offender's obligation to register in person once every seven (7) days terminates when the sex **or violent** offender no longer resides in the temporary residence **or location described in subsection (c).** However, all other requirements imposed on a sex **or violent** offender by this chapter continue in force, including the requirement that a sex **or violent** offender register the sex **or violent** offender's new address with the local law enforcement authority.

SECTION 21. IC 11-8-8-13, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) To verify a sex **or violent** offender's current residence, the local law enforcement authority **having jurisdiction over the area of the sex or violent offender's current principal address or location** shall do the following:

(1) Mail a ~~reply~~ form **that is approved or prescribed by the department** to each sex **or violent** offender in the county at the sex **or violent** offender's listed address at least one (1) time per year, beginning seven (7) days after the local law enforcement authority receives a notice under section 11 or 20 of this chapter or the date the sex **or violent** offender is:

(A) released from a penal facility (as defined in IC 35-41-1-21), a secure private facility (as defined in IC 31-9-2-115), or a juvenile detention facility;

(B) placed in a community transition program;

(C) placed in a community corrections program;

(D) placed on parole; or

(E) placed on probation;

whichever occurs first.

(2) Mail a ~~reply~~ form **that is approved or prescribed by the department** to each sex **or violent** offender who is designated a sexually violent predator under IC 35-38-1-7.5 at least once every ninety (90) days, beginning seven (7) days after the local law enforcement authority receives a notice under section 11 or 20 of this chapter or the date the sex **or violent** offender is:

(A) released from a penal facility (as defined in IC 35-41-1-21), a secure private facility (as defined in IC 31-9-2-115), or a juvenile detention facility;

(B) placed in a community transition program;

(C) placed in a community corrections program;

(D) placed on parole; or

(E) placed on probation;

whichever occurs first.

(3) Personally visit each sex **or violent** offender in the county at the sex **or violent** offender's listed address at least one (1) time per year, beginning seven (7) days after the local law enforcement authority receives a notice under section 7 of this chapter or the date the sex **or violent** offender is:

(A) released from a penal facility (as defined in IC 35-41-1-21), a secure private facility (as defined in IC 31-9-2-115), or a juvenile detention facility;

(B) placed in a community transition program;

(C) placed in a community corrections program;

(D) placed on parole; or

(E) placed on probation;

whichever occurs first.

(4) Personally visit each sex **or violent** offender who is designated a sexually violent predator under IC 35-38-1-7.5 at least once every ninety (90) days, beginning seven (7) days after the local law enforcement authority receives a notice under section 7 of this chapter or the date the sex **or violent** offender is:

(A) released from a penal facility (as defined in IC 35-41-1-21), a secure private facility (as defined in IC 31-9-2-115), or a juvenile detention facility;

(B) placed in a community transition program;

(C) placed in a community corrections program;

(D) placed on parole; or

(E) placed on probation;

whichever occurs first.

(b) If a sex **or violent** offender fails to return a signed ~~reply~~ form either by mail or in person, not later than fourteen (14) days after mailing, or appears not to reside at the listed address, the local law enforcement authority shall immediately notify the

department and the prosecuting attorney.

SECTION 22. IC 11-8-8-14, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. **(a) This subsection does not apply to a sex or violent offender who is a sexually violent predator. In addition to the other requirements of this chapter,** ~~At least once per calendar year,~~ a sex **or violent** offender who is required to register under this chapter shall, **at least one (1) time per calendar year:**

(1) report in person to the local law enforcement authority;

(2) register; and

(3) be photographed by the local law enforcement authority;

in each location where the offender is required to register.

(b) This subsection applies to a sex or violent offender who is a sexually violent predator. In addition to the other requirements of this chapter, a sex or violent offender who is a sexually violent predator under IC 35-38-1-7.5 shall:

(1) report in person to the local law enforcement authority;

(2) register; and

(3) be photographed by the local law enforcement authority in each location where the sex or violent offender is required to register;

every ninety (90) days.

(c) Each time a sex or violent offender who claims to be working or attending school registers in person, the sex or violent offender shall provide documentation to the local law enforcement authority providing evidence that the sex or violent offender is still working or attending school at the registered location.

SECTION 23. IC 11-8-8-15, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) A sex **or violent** offender who is a resident of Indiana shall obtain and keep in the sex **or violent** offender's possession:

(1) a valid Indiana driver's license; or

(2) a valid Indiana identification card (as described in IC 9-24-16).

(b) A sex **or violent** offender required to register in Indiana who is not a resident of Indiana shall obtain and keep in the sex **or violent** offender's possession:

(1) a valid driver's license issued by the state in which the sex **or violent** offender resides; or

(2) a valid state issued identification card issued by the state in which the sex **or violent** offender resides.

(c) A person who knowingly or intentionally violates this section commits failure of a sex **or violent** offender to possess identification, a Class A misdemeanor. However, the offense is a Class D felony if the person:

(1) is a sexually violent predator; or

(2) has a prior unrelated conviction:

(A) under this section; or

(B) based on the person's failure to comply with any requirement imposed on an offender under this chapter.

(d) It is a defense to a prosecution under this section that:

(1) the person has been unable to obtain a valid driver's license or state issued identification card because less than thirty (30) days have passed since the person's release from incarceration; or

(2) the person possesses a driver's license or state issued identification card that expired not more than thirty (30) days before the date the person violated subsection (a) or (b).

SECTION 24. IC 11-8-8-16, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) A sex **or violent** offender who is required to register under this chapter may not petition for a change of name under IC 34-28-2.

(b) If a sex **or violent** offender who is required to register under this chapter changes the sex **or violent** offender's name due to marriage, the sex **or violent** offender must register with the local law enforcement authority not more than seven (7) days after the name change.

SECTION 25. IC 11-8-8-17, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. **(a)** A sex **or violent** offender who knowingly or intentionally:

(1) fails to register when required to register under this chapter;

(2) fails to register in every location where the sex **or violent** offender is required to register under this chapter;

(3) makes a material misstatement or omission while registering as a sex **or violent** offender under this chapter; ~~or~~

(4) fails to register in person ~~and be photographed at least once (1) time per year~~ as required under this chapter; **or**

(5) does not reside at the sex or violent offender's registered address or location;

commits a Class D felony.

(b) ~~However,~~ The offense **described in subsection (a)** is a Class C felony if the sex **or violent** offender has a prior unrelated conviction for an offense:

(1) under this section; or

(2) based on the person's failure to comply with any requirement imposed on a sex **or violent** offender under this chapter **or under IC 5-2-12 before its repeal.**

(c) It is not a defense to a prosecution under this section that the sex or violent offender was unable to pay the sex or violent offender registration fee or the sex or violent offender address change fee described under IC 36-2-13-5.6.

SECTION 26. IC 11-8-8-18, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) A sexually violent predator who will be absent from the sexually violent predator's principal residence for more than seventy-two (72) hours shall inform the local law enforcement authority **in the county where the sexually violent predator's principal address is located,** in person, ~~or in writing,~~ of the following:

(1) That the sexually violent predator will be absent from the sexually violent predator's principal residence for more than seventy-two (72) hours.

(2) The location where the sexually violent predator will be located during the absence from the sexually violent predator's principal residence.

(3) The length of time the sexually violent predator will be absent from the sexually violent predator's principal residence.

(b) A sexually violent predator who will spend more than seventy-two (72) hours in a county in which the sexually violent predator is not required to register shall inform the local law enforcement authority in the county in which the sexually violent predator is not required to register, in person, ~~or in writing,~~ of the following:

(1) That the sexually violent predator will spend more than seventy-two (72) hours in the county.

(2) The location where the sexually violent predator will be located while spending time in the county.

(3) The length of time the sexually violent predator will remain in the county.

Upon request of the local law enforcement authority of the county in which the sexually violent predator is not required to register, the sexually violent predator shall provide the local law enforcement authority with any additional information that will assist the local law enforcement authority in determining the sexually violent predator's whereabouts during the sexually violent predator's stay in the county.

(c) A sexually violent predator who knowingly or intentionally

violates this section commits failure to notify, a Class A misdemeanor. However, the offense is a Class D felony if the person has a prior unrelated conviction under this section based on the person's failure to comply with any requirement imposed on a sex **or violent** offender under this chapter.

SECTION 27. IC 11-8-8-19, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) Except as provided in subsections (b) through (e), a sex **or violent** offender is required to register under this chapter until the expiration of ten (10) years after the date the sex **or violent** offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21) or a secure juvenile detention facility of a state or another jurisdiction;
(2) is placed in a community transition program;
(3) is placed in a community corrections program;
(4) is placed on parole; or
(5) is placed on probation;

whichever occurs last. The department shall ensure that an offender who is no longer required to register as a sex **or violent** offender is notified that the obligation to register has expired.

(b) A sex **or violent** offender who is a sexually violent predator is required to register for life.

(c) A sex **or violent** offender who is convicted of at least one (1) ~~sex~~ offense **under section 5(a) of this chapter** that the sex **or violent** offender committed:

(1) when the person was at least eighteen (18) years of age; and
(2) against a victim who was less than twelve (12) years of age at the time of the crime;

is required to register for life.

(d) A sex **or violent** offender who is convicted of at least one (1) ~~sex~~ offense **under section 5(a) of this chapter** in which the sex offender:

(1) proximately caused serious bodily injury or death to the victim;
(2) used force or the threat of force against the victim or a member of the victim's family, **unless the offense is sexual battery as a Class D felony;** or
(3) rendered the victim unconscious or otherwise incapable of giving voluntary consent;

is required to register for life.

(e) A sex **or violent** offender who is convicted of at least two (2) unrelated ~~sex~~ offenses **under section 5(a) of this chapter** is required to register for life.

(f) A person who is required to register as a sex or violent offender in any jurisdiction shall register for the period required by the other jurisdiction or the period described in this section, whichever is longer.

SECTION 28. IC 11-8-8-20, AS ADDED BY P.L.173-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) The ~~governor~~ **department** may enter into a compact **or agreement** with one (1) or more jurisdictions outside Indiana to exchange notifications concerning the ~~release, transfer, or~~ change of address, employment, vocation, or enrollment of a sex **or violent** offender between Indiana and the other jurisdiction or the other jurisdiction and Indiana.

~~(b) The compact must provide for the designation of a state agency to coordinate the transfer of information.~~

~~(c)~~ **(b)** If the ~~state agency~~ **department** receives information that a sex **or violent** offender has relocated to Indiana to reside, engage in employment or a vocation, or enroll in school, **or that a sex or violent offender has been convicted in Indiana but not sentenced to the department,** the ~~state agency~~ **department** shall ~~inform in writing the local law enforcement authority where the sex offender is required to register in Indiana of:~~ **determine:**

~~(1) the sex offender's name, date of relocation, and new address; and~~
~~(2) the sex offense or delinquent act committed by the sex offender.~~

(1) whether the person is defined as a:
(A) sex offender under IC 11-8-8-4.5; or
(B) sex or violent offender under IC 11-8-8-5;
(2) whether the person is a sexually violent predator under IC 35-38-1-7.5;
(3) the period the person will be required to register as a sex or violent offender in Indiana; and
(4) any other matter required by law to make a registration determination.

(c) After the department has made a determination under subsection (b), the department shall update the sex and violent offender registry web site and transmit the department's determination to the local law enforcement authority having jurisdiction over the county where the sex or violent offender resides, is employed, and attends school. The department shall transmit:

(1) the sex or violent offender's name, date of relocation, new address (if applicable), the offense or delinquent act committed by the sex or violent offender, and any other available descriptive information;
(2) whether the sex or violent offender is a sexually violent predator;
(3) the period the sex or violent offender will be required to register in Indiana; and
(4) anything else required by law to make a registration determination.

~~(d) The state agency shall determine, following a hearing:~~

~~(1) whether a person convicted of an offense in another jurisdiction is required to register as a sex offender in Indiana;~~
~~(2) whether an out of state sex offender is a sexually violent predator; and~~
~~(3) the period in which an out of state sex offender who has moved to Indiana will be required to register as a sex offender in Indiana.~~

SECTION 29. IC 11-8-8-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21. (a) The state sex and violent offender administration fund is established to assist the department in carrying out its duties under IC 11-8-2-12.4 concerning the Indiana sex and violent offender registry. The fund shall be administered by the department.**

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The fund consists of:

(1) grants;
(2) donations;
(3) appropriations;
(4) money from the annual sex or violent offender registration fee (IC 36-2-13-5.6(a)(1)(A)); and
(5) money from the sex or violent offender address change fee (IC 36-2-13-5.6(a)(1)(B)).

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) Money in the fund is continually appropriated to carry out the purposes of the fund.

SECTION 30. IC 11-8-8-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. (a) As used in this section, "offender" means a sex offender (as defined in section 4.5 of this chapter) and a sex or violent offender (as defined in section 5 of this chapter).**

(b) This section applies to an offender required to register under this chapter if, due to a change in federal or state law after June 30, 2007, an individual who engaged in the same conduct as the offender:

(1) would not be required to register under this chapter; or

(2) would be required to register under this chapter but under less restrictive conditions than the offender is required to meet.

(c) A person to whom this section applies may petition a court to:

(1) remove the person's designation as an offender; or

(2) require the person to register under less restrictive conditions.

(d) After receiving a petition under this section, the court may:

(1) summarily dismiss the petition; or

(2) give notice to the prosecuting attorney and set the matter for hearing.

(e) A court may grant a petition under this section if, following a hearing, the court makes the following findings:

(1) The law requiring the petitioner to register as an offender has changed since the date on which the petitioner was initially required to register.

(2) If the petitioner who was required to register as an offender before the change in law engaged in the same conduct after the change in law occurred, the petitioner would:

(A) not be required to register as an offender; or

(B) be required to register as an offender, but under less restrictive conditions.

(3) If the petitioner seeks relief under this section because a change in law makes a previously unavailable defense available to the petitioner, that the petitioner has proved the defense.

The court has the discretion to deny a petition under this section, even if the court makes the findings under this subsection.

(f) The petitioner has the burden of proof in a hearing under this section.

(g) If the court grants a petition under this section, the court shall notify:

(1) the victim of the offense, if applicable;

(2) the department of correction; and

(3) the local law enforcement authority of the county in which the petitioner resides.

SECTION 31. IC 11-13-3-4, AS AMENDED BY P.L.60-2006, SECTION 1, AS AMENDED BY P.L.139-2006, SECTION 2, AND AS AMENDED BY P.L.140-2006, SECTION 15 AND P.L.173-2006, SECTION 15, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A condition to remaining on parole is that the parolee not commit a crime during the period of parole.

(b) The parole board may also adopt, under IC 4-22-2, additional conditions to remaining on parole and require a parolee to satisfy one (1) or more of these conditions. These conditions must be reasonably related to the parolee's successful reintegration into the community and not unduly restrictive of a fundamental right.

(c) If a person is released on parole, the parolee shall be given a written statement of the conditions of parole. Signed copies of this statement shall be:

(1) retained by the parolee;

(2) forwarded to any person charged with the parolee's supervision; and

(3) placed in the parolee's master file.

(d) The parole board may modify parole conditions if the parolee receives notice of that action and had ten (10) days after receipt of the notice to express the parolee's views on the proposed modification. This subsection does not apply to modification of parole conditions after a revocation proceeding under section 10 of this chapter.

(e) As a condition of parole, the parole board may require the parolee to reside in a particular parole area. In determining a parolee's residence requirement, the parole board shall:

(1) consider:

(A) the residence of the parolee prior to the parolee's incarceration; and

(B) the parolee's place of employment; and

(2) assign the parolee to reside in the county where the parolee resided prior to the parolee's incarceration unless assignment on this basis would be detrimental to the parolee's successful reintegration into the community.

(f) As a condition of parole, the parole board may require the parolee to:

(1) periodically undergo a laboratory chemical test (as defined in IC 14-15-8-1) or series of tests to detect and confirm the presence of a controlled substance (as defined in IC 35-48-1-9); and

(2) have the results of any test under this subsection reported to the parole board by the laboratory.

The parolee is responsible for any charges resulting from a test required under this subsection. However, a person's parole may not be revoked on the basis of the person's inability to pay for a test under this subsection.

(g) As a condition of parole, the parole board:

(1) may require a parolee who is a sex ~~*and violent*~~ offender (as defined in ~~*IC 5-2-12-4) IC 11-8-8-5)*~~ **IC 11-8-8-4.5)** to:

(A) participate in a treatment program for sex offenders approved by the parole board; and

(B) avoid contact with any person who is less than sixteen (16) years of age unless the parolee:

(i) receives the parole board's approval; or

(ii) successfully completes the treatment program referred to in clause (A); and

(2) shall:

(A) require a parolee who is ~~*an*~~ *a sex* **or violent** offender (as defined in ~~*IC 5-2-12-4)*~~ *IC 11-8-8-5)* to register with a ~~*sheriff (or the police chief of a consolidated city)*~~ *local law enforcement authority* under ~~*IC 5-2-12-5,*~~ *IC 11-8-8;*

(B) prohibit ~~the~~ **a parolee who is a** *sex* offender from residing within one thousand (1,000) feet of school property (as defined in IC 35-41-1-24.7) for the period of parole, *unless the sex offender obtains written approval from the parole board;* ~~*and*~~

(C) prohibit a parolee who is ~~*an*~~ *a sex* offender convicted of a sex offense (as defined in IC 35-38-2-2.5) from residing within one (1) mile of the victim of the *sex* offender's sex offense *unless the sex offender obtains a waiver under IC 35-38-2-2.5; and*

(D) prohibit a parolee **who is a sex offender** *from owning, operating, managing, being employed by, or volunteering at any attraction designed to be primarily enjoyed by children less than sixteen (16) years of age. The parole board may not grant a sexually violent predator (as defined in IC 35-38-1-7.5)* **or a sex offender who is an offender against children under IC 35-42-4-11** *a waiver under subdivision (2)(B) or (2)(C). If the parole board allows the sex offender to reside within one thousand (1,000) feet of school property under subdivision (2)(B), the parole board shall notify each school within one thousand (1,000) feet of the sex offender's residence of the order.*

(h) The address of the victim of a parolee who is ~~*an*~~ *a sex* offender convicted of a sex offense (as defined in IC 35-38-2-2.5) is confidential, *even if the sex offender obtains a waiver under IC 35-38-2-2.5.*

(i) As a condition of parole, the parole board may require a parolee to participate in a reentry court program.

~~*(i)*~~ **(j)** *As a condition of parole, the parole board:*

(1) shall require a parolee who is a sexually violent predator under IC 35-38-1-7.5; and

(2) may require a parolee who is a sex **or violent** *offender (as defined in ~~IC 5-2-12-4),~~ IC 11-8-8-5);*

to wear a monitoring device (as described in IC 35-38-2.5-3) that can transmit information twenty-four (24) hours each day regarding a person's precise location.

~~(j)~~ **(k)** *As a condition of parole, the parole board may prohibit, in accordance with ~~IC 35-38-2-2.5,~~ IC 35-38-2-2.6, a parolee who has been convicted of stalking from residing within one thousand (1,000) feet of the residence of the victim of the stalking for a period that does not exceed five (5) years.*

SECTION 32. IC 11-13-4.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), an Indiana offender on probation or parole who applies to be transferred out of state under the interstate compact for adult supervision shall pay an application fee of seventy-five dollars ($75). The application fee shall be used to cover the costs of administering the interstate compact for adult offender supervision.

(b) An offender who has been found indigent by a trial court at the time the offender applies to be transferred out of state under the interstate compact for adult supervision may, at the court's discretion, be required to pay a lesser amount of the cost of the application fee under subsection (a).

(c) An Indiana offender who is on probation shall pay the application fee to the county probation department.

(d) An Indiana offender who is on parole shall pay the application fee to the department of correction.

(e) The application fee paid by an Indiana offender who is on probation shall be transferred to the county treasurer. The county treasurer shall deposit fifty percent (50%) of the money collected under this subsection into the county supplemental adult probation services fund and shall transmit the remaining fifty percent (50%) of the money collected under this subsection to the Indiana judicial center for deposit in the general fund, to be used to cover the cost of administering the interstate compact for adult offender supervision.

(f) The executive director of the Indiana judicial center shall submit a proposed budget for expenditure of the money deposited in the general fund under this section to the budget agency in accordance with IC 4-12-1.

(g) The application fee paid by an Indiana offender who is on parole shall be deposited into the general fund to be used to cover the cost of administering the interstate compact for adult offender supervision.

(h) The commissioner of the department of correction shall submit a proposed budget for expenditure of the money deposited in the general fund under this section to the budget agency in accordance with IC 4-12-1.

(i) The judicial center and the department of correction shall develop a process to ensure that a sex or violent offender who transfers to or out of Indiana under the compact will be registered appropriately.

SECTION 33. IC 25-20.2-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) An individual who applies for a license as a home inspector must do the following:

(1) Furnish evidence satisfactory to the board showing that the individual:

(A) is at least eighteen (18) years of age;

(B) has graduated from high school or earned an Indiana general educational development (GED) diploma; and

(C) has not been:

(i) convicted of an act that would constitute a ground for disciplinary sanction under IC 25-1-11;

(ii) convicted of a crime that has a direct bearing on the individual's ability to perform competently and fully as a licensee;

(iii) listed on a national or state registry of sex **or violent** offenders; or

(iv) the subject of a disciplinary or enforcement action by another state or a local jurisdiction in connection with the performance of home inspections or the licensing or certification of home inspectors.

(2) Verify the information submitted on the application form.

(3) Complete a board approved training program or course of study involving the performance of home inspections and the preparation of home inspection reports and pass an examination prescribed or approved by the board.

(4) Submit to the board a certificate of insurance or other evidence of financial responsibility that is acceptable to the board and that:

(A) is issued by an insurance company or other legal entity authorized to transact business in Indiana;

(B) provides for general liability coverage of at least one hundred thousand dollars ($100,000);

(C) lists the state as an additional insured;

(D) states that cancellation and nonrenewal of the underlying policy or other evidence of financial responsibility is not effective until the board receives at least ten (10) days prior written notice of the cancellation or nonrenewal; and

(E) contains any other terms and conditions established by the board.

(5) Pay a licensing fee established by the board.

(b) An individual applying for a license as a home inspector must apply on a form prescribed and provided by the board.

SECTION 34. IC 31-19-11-1, AS AMENDED BY P.L.140-2006, SECTION 17 AND P.L.173-2006, SECTION 17, AND AS AMENDED BY P.L.145-2006, SECTION 253, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Whenever the court has heard the evidence and finds that:

(1) the adoption requested is in the best interest of the child;

(2) the petitioner or petitioners for adoption are of sufficient ability to rear the child and furnish suitable support and education;

(3) the report of the investigation and recommendation under IC 31-19-8-5 has been filed;

(4) the attorney or agency arranging an adoption has filed with the court an affidavit prepared by the state department of health under IC 31-19-5-16 indicating whether a man is entitled to notice of the adoption because the man has registered with the putative father registry in accordance with IC 31-19-5;

(5) proper notice arising under subdivision (4), if notice is necessary, of the adoption has been given;

(6) the attorney or agency has filed with the court an affidavit prepared by the state department of health under:

(A) IC 31-19-6 indicating whether a record of a paternity determination; or

(B) IC 16-37-2-2(g) indicating whether a paternity affidavit executed under IC 16-37-2-2.1;

has been filed in relation to the child;

(7) proper consent, if consent is necessary, to the adoption has been given;

(8) the petitioner for adoption is not prohibited from adopting the child as the result of an inappropriate criminal history described in subsection (c) or (d); and

(9) the person, licensed child placing agency, or county office of family and children that has placed the child for adoption has provided the documents and other information required under IC 31-19-17 to the prospective adoptive parents;

the court shall grant the petition for adoption and enter an adoption decree.

(b) A court may not grant an adoption unless the ~~*department's*~~

state department of health's affidavit under IC 31-19-5-16 is filed with the court as provided under subsection (a)(4).

(c) A conviction of a felony or a misdemeanor related to the health and safety of a child by a petitioner for adoption is a permissible basis for the court to deny the petition for adoption. In addition, the court may not grant an adoption if a petitioner for adoption has been convicted of any of the felonies described as follows:

(1) Murder (IC 35-42-1-1).
(2) Causing suicide (IC 35-42-1-2).
(3) Assisting suicide (IC 35-42-1-2.5).
(4) Voluntary manslaughter (IC 35-42-1-3).
(5) Reckless homicide (IC 35-42-1-5).
(6) Battery as a felony (IC 35-42-2-1).
(7) Aggravated battery (IC 35-42-2-1.5).
(8) Kidnapping (IC 35-42-3-2).
(9) Criminal confinement (IC 35-42-3-3).
(10) A felony sex offense under IC 35-42-4.
(11) Carjacking (IC 35-42-5-2).
(12) Arson (IC 35-43-1-1).
(13) Incest (IC 35-46-1-3).
(14) Neglect of a dependent (IC 35-46-1-4(a)(1) and IC 35-46-1-4(a)(2)).
(15) Child selling (IC 35-46-1-4(d)).
(16) A felony involving a weapon under IC 35-47 or IC 35-47.5.
(17) A felony relating to controlled substances under IC 35-48-4.
(18) An offense relating to material or a performance that is harmful to minors or obscene under IC 35-49-3.
(19) A felony that is substantially equivalent to a felony listed in subdivisions (1) through (18) for which the conviction was entered in another state.

However, the court is not prohibited from granting an adoption based upon a felony conviction under subdivision (6), (11), (12), (16), or (17), or its equivalent under subdivision (19), if the offense was not committed within the immediately preceding five (5) year period.

(d) A court may not grant an adoption if the petitioner is ~~an~~ *a sex* **or violent** offender (as defined in ~~*IC 5-2-12-4).*~~ *IC 11-8-8-5).*

SECTION 35. IC 31-30-1-4, AS AMENDED BY P.L.151-2006, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The juvenile court does not have jurisdiction over an individual for an alleged violation of:

(1) IC 35-41-5-1(a) (attempted murder);
~~(1)~~ **(2)** IC 35-42-1-1 (murder);
~~(2)~~ **(3)** IC 35-42-3-2 (kidnapping);
~~(3)~~ **(4)** IC 35-42-4-1 (rape);
~~(4)~~ **(5)** IC 35-42-4-2 (criminal deviate conduct);
~~(5)~~ **(6)** IC 35-42-5-1 (robbery) if:
(A) the robbery was committed while armed with a deadly weapon; or
(B) the robbery results in bodily injury or serious bodily injury;
~~(6)~~ **(7)** IC 35-42-5-2 (carjacking);
~~(7)~~ **(8)** IC 35-45-9-3 (criminal gang activity);
~~(8)~~ **(9)** IC 35-45-9-4 (criminal gang intimidation);
~~(9)~~ **(10)** IC 35-47-2-1 (carrying a handgun without a license);
~~(10)~~ **(11)** IC 35-47-10 (children and firearms);
~~(11)~~ **(12)** IC 35-47-5-4.1 (dealing in a sawed-off shotgun); or
~~(12)~~ **(13)** any offense that may be joined under IC 35-34-1-9(a)(2) with any crime listed in subdivisions (1) through ~~(11);~~ **(12);**

if the individual was at least sixteen (16) years of age at the time of the alleged violation.

(b) The juvenile court does not have jurisdiction for an alleged violation of manufacturing or dealing in cocaine or a narcotic drug (IC 35-48-4-1), dealing in methamphetamine (IC 35-48-4-1.1), dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2), or dealing in a schedule IV controlled substance (IC 35-48-4-3), if:

(1) the individual has a prior unrelated conviction under IC 35-48-4-1, IC 35-48-4-1.1, IC 35-48-4-2, or IC 35-48-4-3; or
(2) the individual has a prior unrelated juvenile adjudication that, if committed by an adult, would be a crime under IC 35-48-4-1, IC 35-48-4-1.1, IC 35-48-4-2, or IC 35-48-4-3;

and the individual was at least sixteen (16) years of age at the time of the alleged violation.

(c) Once an individual described in subsection (a) or (b) has been charged with any crime listed in subsection (a) or (b), the court having adult criminal jurisdiction shall retain jurisdiction over the case even if the individual pleads guilty to or is convicted of a lesser included offense. A plea of guilty to or a conviction of a lesser included offense does not vest jurisdiction in the juvenile court.

SECTION 36. IC 34-30-2-149.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 149.5. IC 35-38-1-28(d) (Concerning a clerk, court, law enforcement officer, or prosecuting attorney for an error or omission in the transportation of fingerprints, case history data, or sentencing data.)**

SECTION 37. IC 35-38-1-7.5, AS AMENDED BY P.L.173-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "sexually violent predator" means a person who suffers from a mental abnormality or personality disorder that makes the individual likely to repeatedly ~~engage in any of the offenses described in IC 11-8-8-5.~~ **commit a sex offense (as defined in IC 11-8-8-5.2).** The term includes a person convicted in another jurisdiction who is identified as a sexually violent predator under IC 11-8-8-20. The term does not include a person no longer considered a sexually violent predator under subsection (g).

(b) A person who:

(1) being at least eighteen (18) years of age, commits an offense described in:
(A) IC 35-42-4-1;
(B) IC 35-42-4-2;
(C) IC 35-42-4-3 as a Class A or Class B felony;
(D) IC 35-42-4-5(a)(1);
(E) IC 35-42-4-5(a)(2);
(F) IC 35-42-4-5(a)(3);
(G) IC 35-42-4-5(b)(1) as a Class A or Class B felony;
(H) IC 35-42-4-5(b)(2); ~~or~~
(I) IC 35-42-4-5(b)(3) as a Class A or Class B felony; ~~or~~
(J) an attempt or conspiracy to commit a crime listed in clauses (A) through (I); or
(K) a crime under the laws of another jurisdiction, including a military court, that is substantially equivalent to any of the offenses listed in clauses (A) through (J);

(2) commits ~~an~~ **a sex** offense ~~described in IC 11-8-8-5~~ **(as defined in IC 11-8-8-5.2)** while having a previous unrelated conviction for ~~an~~ **a sex** offense ~~described in IC 11-8-8-5~~ for which the person is required to register as ~~an~~ **a sex or violent** offender under IC 11-8-8;

(3) commits a sex offense (as defined in IC 11-8-8-5.2) while having had a previous unrelated adjudication as a delinquent child for an act that would be a sex offense if committed by an adult, if, after considering expert testimony, a court finds by clear and convincing evidence that the person is likely to commit an

additional sex offense; or

(4) commits a sex offense (as defined in IC 11-8-8-5.2) while having had a previous unrelated adjudication as a delinquent child for an act that would be a sex offense if committed by an adult, if the person was required to register as a sex or violent offender under IC 11-8-8-5(b)(2);

is a sexually violent predator. **Except as provided in subsection (g) or (h), a person is a sexually violent predator by operation of law if an offense committed by the person satisfies the conditions set forth in subdivision (1) or (2) and the person was released from incarceration, secure detention, or probation for the offense after June 30, 1994.**

(c) This section applies whenever a court sentences a person **or a juvenile court issues a dispositional decree** for a sex offense ~~listed in IC 11-8-8-5~~ **(as defined in IC 11-8-8-5.2)** for which the person is required to register with the local law enforcement authority under IC 11-8-8.

(d) At the sentencing hearing, the court shall ~~determine~~ **indicate on the record** whether the person ~~is~~ **has been convicted of an offense that makes the person** a sexually violent predator under subsection (b).

(e) If ~~the court does not find the~~ **a** person ~~to be~~ **is not** a sexually violent predator under subsection (b), **the prosecuting attorney may request the court to conduct a hearing to determine whether the person (including a child adjudicated to be a delinquent child) is a sexually violent predator under subsection (a). If the court grants the motion,** the court shall ~~consult with a board of experts consisting of~~ **appoint** two (2) ~~board certified~~ psychologists or psychiatrists who have expertise in criminal behavioral disorders to ~~determine if the person is a sexually violent predator under subsection (a).~~ **evaluate the person and testify at the hearing. After conducting the hearing and considering the testimony of the two (2) psychologists or psychiatrists, the court shall determine whether the person is a sexually violent predator under subsection (a). A hearing conducted under this subsection may be combined with the person's sentencing hearing.**

(f) If ~~the court finds that~~ a person is a sexually violent predator:

(1) the person is required to register with the local law enforcement authority as provided in IC 11-8-8; and

(2) the court shall send notice ~~of its finding under this subsection~~ to the department of correction.

(g) **This subsection does not apply to a person who has two (2) or more unrelated convictions for an offense described in IC 11-8-8-4.5 for which the person is required to register under IC 11-8-8.** A person who is ~~found by a court to be~~ a sexually violent predator may petition the court to consider whether the person should no longer be considered a sexually violent predator. The person may file a petition under this subsection not earlier than ten (10) years after:

(1) the sentencing court **or juvenile court** makes its ~~finding~~ **determination** under subsection (e); or

(2) ~~a~~ **the** person ~~found to be a sexually violent predator under subsection (b)~~ is released from incarceration **or secure detention.**

A person may file a petition under this subsection not more than one (1) time per year. **A court may dismiss a petition filed under this subsection or conduct a hearing to determine if the person should no longer be considered a sexually violent predator. If the court conducts a hearing, the court shall appoint two (2) psychologists or psychiatrists who have expertise in criminal behavioral disorders to evaluate the person and testify at the hearing. After conducting the hearing and considering the testimony of the two (2) psychologists or psychiatrists, the court shall determine whether the person should no longer be considered a sexually violent predator under subsection (a).** If a court finds that the person should no longer be considered a sexually violent predator, the court shall send notice to the department of correction that the person is no longer considered a sexually violent predator. Notwithstanding any other law, a condition imposed on a person due to the person's status as a sexually violent predator, including lifetime parole or GPS monitoring, does not apply to a person no longer considered a sexually violent predator.

(h) A person is not a sexually violent predator by operation of law under subsection (b)(1) if all of the following conditions are met:

(1) The victim was not less than twelve (12) years of age at the time the offense was committed.

(2) The person is not more than four (4) years older than the victim.

(3) The relationship between the person and the victim was a dating relationship or an ongoing personal relationship. The term "ongoing personal relationship" does not include a family relationship.

(4) The offense committed by the person was not any of the following:

(A) Rape (IC 35-42-4-1).

(B) Criminal deviate conduct (IC 35-42-4-2).

(C) An offense committed by using or threatening the use of deadly force or while armed with a deadly weapon.

(D) An offense that results in serious bodily injury.

(E) An offense that is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(5) The person has not committed another sex offense (as defined in IC 11-8-8-5.2) (including a delinquent act that would be a sex offense if committed by an adult) against any other person.

(6) The person did not have a position of authority or substantial influence over the victim.

(7) The court finds that the person should not be considered a sexually violent predator.

SECTION 38. IC 35-38-1-28 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 28. (a) Except as provided in subsection (c), immediately after sentencing a defendant for an offense, the court shall order the defendant to be fingerprinted by an individual qualified to take fingerprints. The fingerprints may be recorded in any reliable manner, including by the use of a digital fingerprinting device.**

(b) The court shall order a law enforcement officer to provide the fingerprints to the prosecuting attorney and the state police department, in hard copy or in an electronic format approved by the security and privacy council established by IC 10-13-3-34.

(c) The court is not required to order the defendant to be fingerprinted if the defendant was previously arrested and processed at the county jail.

(d) A clerk, court, law enforcement officer, or prosecuting attorney is immune from civil liability for an error or omission in the transmission of fingerprints, case history data, or sentencing data, unless the error or omission constitutes willful or wanton misconduct or gross negligence.

SECTION 39. IC 35-38-1-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 29. (a) This section applies only to a sexually violent predator, including a person who is a sexually violent predator by operation of law for committing an offense under IC 35-38-1-7.5(b).**

(b) If a court imposes a sentence on a person described in subsection (a) that does not involve a commitment to the

department of correction, the court shall order the parole board to place the person on lifetime parole and supervise the person in the same manner that the parole board supervises a sexually violent predator who has been released from imprisonment and placed on lifetime parole under IC 35-50-6-1(e).

(c) If a person described in subsection (b) is also required to be supervised by a court, a probation department, a community corrections program, a community transition program, or another similar program upon the person's release from imprisonment, the parole board may:

(1) supervise the person while the person is being supervised by the other supervising agency; or

(2) permit the other supervising agency to exercise all or part of the parole board's supervisory responsibility during the period in which the other supervising agency is required to supervise the person;

in accordance with IC 35-50-6-1(g).

SECTION 40. IC 35-38-2-2.2, AS AMENDED BY P.L.173-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.2. As a condition of probation for a sex offender (as defined in ~~IC 11-8-8-5~~ **IC 11-8-8-4.5),** the court shall:

(1) require the sex offender to register with the local law enforcement authority under IC 11-8-8; and

(2) prohibit the sex offender from residing within one thousand (1,000) feet of school property (as defined in IC 35-41-1-24.7) for the period of probation, unless the sex offender obtains written approval from the court.

If the court allows the sex offender to reside within one thousand (1,000) feet of school property under subdivision (2), the court shall notify each school within one thousand (1,000) feet of the sex offender's residence of the order. **However, a court may not allow a sex offender who is a sexually violent predator (as defined in IC 35-38-1-7.5) or an offender against children under IC 35-42-4-11 to reside within one thousand (1,000) feet of school property.**

SECTION 41. IC 35-38-2-2.5, AS AMENDED BY P.L.173-2006, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "offender" means an individual convicted of a sex offense.

(b) As used in this section, "sex offense" means any of the following:

(1) Rape (IC 35-42-4-1).

(2) Criminal deviate conduct (IC 35-42-4-2).

(3) Child molesting (IC 35-42-4-3).

(4) Child exploitation (IC 35-42-4-4(b)).

(5) Vicarious sexual gratification (IC 35-42-4-5).

(6) Child solicitation (IC 35-42-4-6).

(7) Child seduction (IC 35-42-4-7).

(8) Sexual battery (IC 35-42-4-8).

(9) Sexual misconduct with a minor as a felony (IC 35-42-4-9).

(10) Incest (IC 35-46-1-3).

(c) A condition of remaining on probation or parole after conviction for a sex offense is that the offender not reside within one (1) mile of the residence of the victim of the offender's sex offense.

(d) An offender:

(1) who will be placed on probation shall provide the sentencing court and the probation department with the address where the offender intends to reside during the period of probation:

(A) at the time of sentencing if the offender will be placed on probation without first being incarcerated; or

(B) before the offender's release from incarceration if the offender will be placed on probation after completing a term of incarceration; or

(2) who will be placed on parole shall provide the parole board with the address where the offender intends to reside during the period of parole.

(e) An offender, while on probation or parole, may not establish a new residence within one (1) mile of the residence of the victim of the offender's sex offense unless the offender first obtains a waiver from the:

(1) court, if the offender is placed on probation; or

(2) parole board, if the offender is placed on parole;

for the change of address under subsection (f).

(f) The court or parole board may waive the requirement set forth in subsection (c) only if the court or parole board, at a hearing at which the offender is present and of which the prosecuting attorney has been notified, determines that:

(1) the offender has successfully completed a sex offender treatment program during the period of probation or parole;

(2) the offender is in compliance with all terms of the offender's probation or parole; and

(3) good cause exists to allow the offender to reside within one (1) mile of the residence of the victim of the offender's sex offense.

However, the court or parole board may not grant a waiver under this subsection if the offender is a sexually violent predator under IC 35-38-1-7.5 **or if the offender is an offender against children under IC 35-42-4-11.**

(g) If the court or parole board grants a waiver under subsection (f), the court or parole board shall state in writing the reasons for granting the waiver. The court's written statement of its reasons shall be incorporated into the record.

(h) The address of the victim of the offender's sex offense is confidential even if the court or parole board grants a waiver under subsection (f).

SECTION 42. IC 35-42-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A person who, with a child under fourteen (14) years of age, performs or submits to sexual intercourse or deviate sexual conduct commits child molesting, a Class B felony. However, the offense is a Class A felony if:

(1) it is committed by a person at least twenty-one (21) years of age;

(2) it is committed by using or threatening the use of deadly force or while armed with a deadly weapon;

(3) it results in serious bodily injury; or

(4) the commission of the offense is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(b) A person who, with a child under fourteen (14) years of age, performs or submits to any fondling or touching, of either the child or the older person, with intent to arouse or to satisfy the sexual desires of either the child or the older person, commits child molesting, a Class C felony. However, the offense is a Class A felony if:

(1) it is committed by using or threatening the use of deadly force;

(2) it is committed while armed with a deadly weapon; or

(3) the commission of the offense is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(c) It is a defense that the accused person reasonably believed that the child was sixteen (16) years of age or older at the time of the conduct, **unless:**

(1) the offense is committed by using or threatening the use of deadly force or while armed with a deadly

weapon;

(2) the offense results in serious bodily injury; or

(3) the commission of the offense is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

SECTION 43. IC 35-42-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) As used in this section:

"Disseminate" means to transfer possession for free or for a consideration.

"Matter" has the same meaning as in IC 35-49-1-3.

"Performance" has the same meaning as in IC 35-49-1-7.

"Sexual conduct" means sexual intercourse, deviate sexual conduct, exhibition of the uncovered genitals intended to satisfy or arouse the sexual desires of any person, sadomasochistic abuse, sexual intercourse or deviate sexual conduct with an animal, or any fondling or touching of a child by another person or of another person by a child intended to arouse or satisfy the sexual desires of either the child or the other person.

(b) A person who knowingly or intentionally:

(1) manages, produces, sponsors, presents, exhibits, photographs, films, videotapes, or creates a digitized image of any performance or incident that includes sexual conduct by a child under eighteen (18) years of age;

(2) disseminates, exhibits to another person, offers to disseminate or exhibit to another person, or sends or brings into Indiana for dissemination or exhibition matter that depicts or describes sexual conduct by a child under eighteen (18) years of age; or

(3) makes available to another person a computer, knowing that the computer's fixed drive or peripheral device contains matter that depicts or describes sexual conduct by a child less than eighteen (18) years of age;

commits child exploitation, a Class C felony.

(c) A person who knowingly or intentionally possesses:

(1) a picture;

(2) a drawing;

(3) a photograph;

(4) a negative image;

(5) undeveloped film;

(6) a motion picture;

(7) a videotape;

(8) a digitized image; or

(9) any pictorial representation;

that depicts or describes sexual conduct by a child who **the person knows** is less than sixteen (16) years of age or **who** appears to be less than sixteen (16) years of age, and that lacks serious literary, artistic, political, or scientific value commits possession of child pornography, a Class D felony.

(d) Subsections (b) and (c) do not apply to a bona fide school, museum, or public library that qualifies for certain property tax exemptions under IC 6-1.1-10, or to an employee of such a school, museum, or public library acting within the scope of the employee's employment when the possession of the listed materials ~~are~~ **is** for legitimate scientific or educational purposes.

SECTION 44. IC 35-42-4-6, AS AMENDED BY P.L.124-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) As used in this section, "solicit" means to command, authorize, urge, incite, request, or advise an individual:

(1) in person;

(2) by telephone;

(3) in writing;

(4) by using a computer network (as defined in IC 35-43-2-3(a));

(5) by advertisement of any kind; or

(6) by any other means;

to perform an act described in subsection (b) or (c).

(b) A person eighteen (18) years of age or older who knowingly or intentionally solicits a child under fourteen (14) years of age, or an individual the person believes to be a child under fourteen (14) years of age, to engage in:

(1) sexual intercourse;

(2) deviate sexual conduct; or

(3) any fondling or touching intended to arouse or satisfy the sexual desires of either the child or the older person;

commits child solicitation, a Class D felony. However, the offense is a Class C felony if it is committed by using a computer network (as defined in IC 35-43-2-3(a)), **and a Class B felony if the person commits the offense by using a computer network (as defined in IC 35-43-2-3(a)) and has a previous unrelated conviction for committing the offense by using a computer network (as defined in IC 35-43-2-3(a)).**

(c) A person at least twenty-one (21) years of age who knowingly or intentionally solicits a child at least fourteen (14) years of age but less than sixteen (16) years of age, or an individual the person believes to be a child at least fourteen (14) years of age but less than sixteen (16) years of age, to engage in:

(1) sexual intercourse;

(2) deviate sexual conduct; or

(3) any fondling or touching intended to arouse or satisfy the sexual desires of either the child or the older person;

commits child solicitation, a Class D felony. However, the offense is a Class C felony if it is committed by using a computer network (as defined in IC 35-43-2-3(a)), **and a Class B felony if the person commits the offense by using a computer network (as defined in IC 35-43-2-3(a)) and has a previous unrelated conviction for committing the offense by using a computer network (as defined in IC 35-43-2-3(a)).**

(d) In a prosecution under this section, including a prosecution for attempted solicitation, the state is not required to prove that the person solicited the child to engage in an act described in subsection (b) or (c) at some immediate time.

SECTION 46. IC 35-42-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A person at least eighteen (18) years of age who, with a child at least fourteen (14) years of age but less than sixteen (16) years of age, performs or submits to sexual intercourse or deviate sexual conduct commits sexual misconduct with a minor, a Class C felony. However, the offense is:

(1) a Class B felony if it is committed by a person at least twenty-one (21) years of age; and

(2) a Class A felony if it is committed by using or threatening the use of deadly force, if it is committed while armed with a deadly weapon, if it results in serious bodily injury, or if the commission of the offense is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(b) A person at least eighteen (18) years of age who, with a child at least fourteen (14) years of age but less than sixteen (16) years of age, performs or submits to any fondling or touching, of either the child or the older person, with intent to arouse or to satisfy the sexual desires of either the child or the older person, commits sexual misconduct with a minor, a Class D felony. However, the offense is:

(1) a Class C felony if it is committed by a person at least twenty-one (21) years of age; and

(2) a Class B felony if it is committed by using or threatening the use of deadly force, while armed with a deadly weapon, or if the commission of the offense is facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or

a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge.

(c) It is a defense that the accused person reasonably believed that the child was at least sixteen (16) years of age at the time of the conduct. However, this subsection does not apply to an offense described in subsection (a)(2) or (b)(2).

(d) It is a defense that the child is or has ever been married. However, this subsection does not apply to an offense described in subsection (a)(2) or (b)(2).

(e) It is a defense to a prosecution under this section if all the following apply:

(1) The person is not more than four (4) years older than the victim.

(2) The relationship between the person and the victim was a dating relationship or an ongoing personal relationship. The term "ongoing personal relationship" does not include a family relationship.

(3) The crime:

(A) was not committed by a person who is at least twenty-one (21) years of age;

(B) was not committed by using or threatening the use of deadly force;

(C) was not committed while armed with a deadly weapon;

(D) did not result in serious bodily injury;

(E) was not facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge; and

(F) was not committed by a person having a position of authority or substantial influence over the victim.

(4) The person has not committed another sex offense (as defined in IC 11-8-8-5.2) (including a delinquent act that would be a sex offense if committed by an adult) against any other person.

SECTION 47. IC 35-42-4-10, AS ADDED BY P.L.6-2006, SECTION 3, AS ADDED BY P.L.140-2006, SECTION 31, AND AS ADDED BY P.L.173-2006, SECTION 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. **(a) As used in this section, "offender against children" means a person who is an offender against children under IC 35-42-4-11.**

~~(a)~~ **(b)** As used in this section, "sexually violent predator" ~~*has the meaning set forth in*~~ *means a person who is a sexually violent predator under* IC 35-38-1-7.5.

~~(b)~~ **(c)** A sexually violent predator **or an offender against children** who knowingly or intentionally works for compensation or as a volunteer:

(1) on school property;

(2) at a youth program center; or

(3) at a public park;

commits unlawful employment near children by a sexual predator, a Class D felony. However, the offense is a Class C felony if the person has a prior unrelated conviction based on the person's failure to comply with any requirement imposed on an offender under ~~this chapter.~~ **IC 11-8-8.**

SECTION 48. IC 35-42-4-11, AS AMENDED BY P.L.173-2006, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) As used in this section, **and except as provided in subsection (d),** "offender against children" means a person required to register as a sex **or violent** offender under IC 11-8-8 who has been:

(1) found to be a sexually violent predator under IC 35-38-1-7.5; or

(2) convicted of one (1) or more of the following offenses:

(A) Child molesting (IC 35-42-4-3).

(B) Child exploitation (IC 35-42-4-4(b)).

(C) Child solicitation (IC 35-42-4-6).

(D) Child seduction (IC 35-42-4-7).

(E) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age **and the person is not the child's parent or guardian.**

(F) **Attempt to commit or conspiracy to commit an offense listed in clauses (A) through (E).**

(G) An offense in another jurisdiction that is substantially similar to an offense described in clauses (A) through ~~(E)~~ **(F).**

A person is an offender against children by operation of law if the person meets the conditions described in subdivision (1) or (2) at any time.

(b) As used in this section, "reside" means to spend more than ~~two~~ **three** ~~(2)~~ **(3)** nights in:

(1) a residence; **or**

(2) if the person does not reside in a residence, a particular location;

in any thirty (30) day period.

(c) An offender against children who knowingly or intentionally:

(1) resides within one thousand (1,000) feet of:

(A) school property, **not including property of an institution providing post-secondary education;**

(B) a youth program center; or

(C) a public park; or

(2) establishes a residence within one (1) mile of the residence of the victim of the offender's sex offense;

commits a sex offender residency offense, a Class D felony.

(d) This subsection does not apply to an offender against children who has two (2) or more unrelated convictions for an offense described in subsection (a). A person who is an offender against children may petition the court to consider whether the person should no longer be considered an offender against children. The person may file a petition under this subsection not earlier than ten (10) years after the person is released from incarceration, probation, or parole, whichever occurs last. A person may file a petition under this subsection not more than one (1) time per year. A court may dismiss a petition filed under this subsection or conduct a hearing to determine if the person should no longer be considered an offender against children. If the court conducts a hearing, the court shall appoint two (2) psychologists or psychiatrists who have expertise in criminal behavioral disorders to evaluate the person and testify at the hearing. After conducting the hearing and considering the testimony of the two (2) psychologists or psychiatrists, the court shall determine whether the person should no longer be considered an offender against children. If a court finds that the person should no longer be considered an offender against children, the court shall send notice to the department of correction that the person is no longer considered an offender against children.

SECTION 49. IC 35-43-1-2, AS AMENDED BY P.L.173-2006, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A person who:

(1) recklessly, knowingly, or intentionally damages or defaces property of another person without the other person's consent; or

(2) knowingly or intentionally causes another to suffer pecuniary loss by deception or by an expression of intention to injure another person or to damage the property or to impair the rights of another person;

commits criminal mischief, a Class B misdemeanor. However, the offense is:

(A) a Class A misdemeanor if:

(i) the pecuniary loss is at least two hundred fifty

dollars ($250) but less than two thousand five hundred dollars ($2,500);

(ii) the property damaged was a moving motor vehicle;

(iii) the property damaged contained data relating to a person required to register as a sex **or violent** offender under IC 11-8-8 and the person is not a sex **or violent** offender or was not required to register as a sex **or violent** offender;

(iv) the property damaged was a locomotive, a railroad car, a train, or equipment of a railroad company being operated on a railroad right-of-way;

(v) the property damaged was a part of any railroad signal system, train control system, centralized dispatching system, or highway railroad grade crossing warning signal on a railroad right-of-way owned, leased, or operated by a railroad company;

(vi) the property damaged was any rail, switch, roadbed, viaduct, bridge, trestle, culvert, or embankment on a right-of-way owned, leased, or operated by a railroad company; or

(vii) the property damage or defacement was caused by paint or other markings; and

(B) a Class D felony if:

(i) the pecuniary loss is at least two thousand five hundred dollars ($2,500);

(ii) the damage causes a substantial interruption or impairment of utility service rendered to the public;

(iii) the damage is to a public record;

(iv) the property damaged contained data relating to a person required to register as a sex **or violent** offender under IC 11-8-8 and the person is a sex **or violent** offender or was required to register as a sex **or violent** offender;

(v) the damage causes substantial interruption or impairment of work conducted in a scientific research facility;

(vi) the damage is to a law enforcement animal (as defined in IC 35-46-3-4.5); or

(vii) the damage causes substantial interruption or impairment of work conducted in a food processing facility.

(b) A person who recklessly, knowingly, or intentionally damages:

(1) a structure used for religious worship;

(2) a school or community center;

(3) the grounds:

(A) adjacent to; and

(B) owned or rented in common with;

a structure or facility identified in subdivision (1) or (2); or

(4) personal property contained in a structure or located at a facility identified in subdivision (1) or (2);

without the consent of the owner, possessor, or occupant of the property that is damaged, commits institutional criminal mischief, a Class A misdemeanor. However, the offense is a Class D felony if the pecuniary loss is at least two hundred fifty dollars ($250) but less than two thousand five hundred dollars ($2,500), and a Class C felony if the pecuniary loss is at least two thousand five hundred dollars ($2,500).

(c) If a person is convicted of an offense under this section that involves the use of graffiti, the court may, in addition to any other penalty, order that the person's operator's license be suspended or invalidated by the bureau of motor vehicles for not more than one (1) year.

(d) The court may rescind an order for suspension or invalidation under subsection (c) and allow the person to receive a license or permit before the period of suspension or invalidation ends if the court determines that:

(1) the person has removed or painted over the graffiti or has made other suitable restitution; and

(2) the person who owns the property damaged or defaced by the criminal mischief or institutional criminal mischief is satisfied with the removal, painting, or other restitution performed by the person.

SECTION 50. IC 35-44-3-13, AS ADDED BY P.L.139-2006, SECTION 5, AS ADDED BY P.L.140-2006, SECTION 34, AND AS ADDED BY P.L.173-2006, SECTION 35, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A person who is being supervised on lifetime parole (as described in IC 35-50-6-1) and who knowingly or intentionally violates a condition of lifetime parole that involves direct or indirect contact with a child less than sixteen (16) years of age or with the victim of a ~~sex~~ crime ~~described in *IC 5-2-12-4 IC 11-8-8-5*~~ that was committed by the person commits a Class D felony if, at the time of the violation:

(1) the person's lifetime parole has been revoked two (2) or more times; or

(2) the person has completed the person's sentence, including any credit time the person may have earned.

(b) The offense described in subsection (a) is a Class C felony if the person has a prior unrelated conviction under this section.

SECTION 51. IC 35-50-2-2, AS AMENDED BY P.L.151-2006, SECTION 28, AS AMENDED BY P.L.140-2006, SECTION 36, AND AS AMENDED BY P.L.173-2006, SECTION 36, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The court may suspend any part of a sentence for a felony, except as provided in this section or in section 2.1 of this chapter.

(b) **Except as provided in subsection (i),** with respect to the following crimes listed in this subsection, the court may suspend only that part of the sentence that is in excess of the minimum sentence, unless the court has approved placement of the offender in a forensic diversion program under IC 11-12-3.7:

(1) The crime committed was a Class A or Class B felony and the person has a prior unrelated felony conviction.

(2) The crime committed was a Class C felony and less than seven (7) years have elapsed between the date the person was discharged from probation, imprisonment, or parole, whichever is later, for a prior unrelated felony conviction and the date the person committed the Class C felony for which the person is being sentenced.

(3) The crime committed was a Class D felony and less than three (3) years have elapsed between the date the person was discharged from probation, imprisonment, or parole, whichever is later, for a prior unrelated felony conviction and the date the person committed the Class D felony for which the person is being sentenced. However, the court may suspend the minimum sentence for the crime only if the court orders home detention under IC 35-38-1-21 or IC 35-38-2.5-5 instead of the minimum sentence specified for the crime under this chapter.

(4) The felony committed was:

(A) murder (IC 35-42-1-1);

(B) battery (IC 35-42-2-1) with a deadly weapon or battery causing death;

(C) sexual battery (IC 35-42-4-8) with a deadly weapon;

(D) kidnapping (IC 35-42-3-2);

(E) confinement (IC 35-42-3-3) with a deadly weapon;

(F) rape (IC 35-42-4-1) as a Class A felony;

(G) criminal deviate conduct (IC 35-42-4-2) as a Class A felony;

(H) **except as provided in subsection (i),** child molesting (IC 35-42-4-3) as a Class A or Class B felony, **unless:**

(i) the felony committed was child molesting as a Class B felony;

(ii) the victim was not less than twelve (12) years

old at the time the offense was committed;

(iii) the person is not more than four (4) years older than the victim, or more than five (5) years older than the victim if the relationship between the person and the victim was a dating relationship or an ongoing personal relationship (not including a family relationship);

(iv) the person did not have a position of authority or substantial influence over the victim; and

(v) the person has not committed another sex offense (as defined in IC 11-8-8-5.2) (including a delinquent act that would be a sex offense if committed by an adult) against any other person;

(I) robbery (IC 35-42-5-1) resulting in serious bodily injury or with a deadly weapon;

(J) arson (IC 35-43-1-1) for hire or resulting in serious bodily injury;

(K) burglary (IC 35-43-2-1) resulting in serious bodily injury or with a deadly weapon;

(L) resisting law enforcement (IC 35-44-3-3) with a deadly weapon;

(M) escape (IC 35-44-3-5) with a deadly weapon;

(N) rioting (IC 35-45-1-2) with a deadly weapon;

(O) dealing in cocaine *or* a narcotic drug ~~or methamphetamine~~ (IC 35-48-4-1) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:

(i) school property;

(ii) a public park;

(iii) a family housing complex; or

(iv) a youth program center;

(P) dealing in methamphetamine (IC 35-48-4-1.1) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver the methamphetamine pure or adulterated to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:

(i) school property;

(ii) a public park;

(iii) a family housing complex; or

(iv) a youth program center;

~~(P)~~ *(Q)* dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2) if the court finds the person possessed a firearm (as defined in IC 35-47-1-5) at the time of the offense, or the person delivered or intended to deliver to a person under eighteen (18) years of age at least three (3) years junior to the person and was on a school bus or within one thousand (1,000) feet of:

(i) school property;

(ii) a public park;

(iii) a family housing complex; or

(iv) a youth program center;

~~(Q)~~ *(R)* an offense under IC 9-30-5 (operating a vehicle while intoxicated) and the person who committed the offense has accumulated at least two (2) prior unrelated convictions under IC 9-30-5;

~~(R)~~ *(S)* an offense under IC 9-30-5-5(b) (operating a vehicle while intoxicated causing death); or

~~(S)~~ *(T)* aggravated battery (IC 35-42-2-1.5).

(c) Except as provided in subsection (e), whenever the court suspends a sentence for a felony, it shall place the person on probation under IC 35-38-2 for a fixed period to end not later than the date that the maximum sentence that may be imposed for the felony will expire.

(d) The minimum sentence for a person convicted of voluntary manslaughter may not be suspended unless the court finds at the sentencing hearing that the crime was not committed by means of a deadly weapon.

(e) Whenever the court suspends that part of ~~an~~ **the sentence of** *a sex* **or violent** ~~offender's~~ **offender** (as defined in ~~*IC 5-2-12-4)*~~ *IC 11-8-8-5)* ~~sentence~~ that is suspendible under subsection (b), the court shall place the *sex* **or violent** offender on probation under IC 35-38-2 for not more than ten (10) years.

(f) An additional term of imprisonment imposed under IC 35-50-2-11 may not be suspended.

(g) A term of imprisonment imposed under IC 35-47-10-6 or IC 35-47-10-7 may not be suspended if the commission of the offense was knowing or intentional.

(h) A term of imprisonment imposed for an offense under IC 35-48-4-6(b)(1)(B) *or IC 35-48-4-6.1(b)(1)(B)* may not be suspended.

(i) If a person is:

(1) convicted of child molesting (IC 35-42-4-3) as a Class A felony against a victim less than twelve (12) years of age; and

(2) at least twenty-one (21) years of age;

the court may suspend only that part of the sentence that is in excess of thirty (30) years.

SECTION 53. IC 35-50-6-1, AS AMENDED BY P.L.139-2006, SECTION 6, AS AMENDED BY P.L.140-2006, SECTION 38, AND AS AMENDED BY P.L.173-2006, SECTION 38, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided in subsection (d) or (e), when a person imprisoned for a felony completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to that term, the person shall be:

(1) released on parole for not more than twenty-four (24) months, as determined by the parole board;

(2) discharged upon a finding by the committing court that the person was assigned to a community transition program and may be discharged without the requirement of parole; or

(3) released to the committing court if the sentence included a period of probation.

(b) This subsection does not apply to a person described in subsection (d), (e), or (f). A person released on parole remains on parole from the date of release until the person's fixed term expires, unless the person's parole is revoked or the person is discharged from that term by the parole board. In any event, if the person's parole is not revoked, the parole board shall discharge the person after the period set under subsection (a) or the expiration of the person's fixed term, whichever is shorter.

(c) A person whose parole is revoked shall be imprisoned for all or part of the remainder of the person's fixed term. However, the person shall again be released on parole when the person completes that remainder, less the credit time the person has earned since the revocation. The parole board may reinstate the person on parole at any time after the revocation.

(d) This subsection does not apply to a person who is a sexually violent predator under IC 35-38-1-7.5. When a sex offender (as defined in ~~*IC 5-2-12-4) IC 11-8-8-5)*~~ **IC 11-8-8-4.5)** completes the sex offender's fixed term of imprisonment, less credit time earned with respect to that term, the sex offender shall be placed on parole for not more than ten (10) years.

(e) This subsection applies to a person who:

(1) is a sexually violent predator under IC 35-38-1-7.5;

(2) has been convicted of murder (IC 35-42-1-1); or

(3) has been convicted of voluntary manslaughter (IC 35-42-1-3).

When a ~~sexually violent predator~~ **person described in this subsection** completes the person's fixed term of imprisonment,

less credit time earned with respect to that term, the person shall be placed on parole for the remainder of the person's life.

(f) This subsection applies to a parolee in another jurisdiction who is a ~~sexually violent predator under IC 35-38-1-7.5~~ **person described in subsection (e)** and whose parole supervision is transferred to Indiana from another jurisdiction. In accordance with IC 11-13-4-1(2) (Interstate Compact for Out-of-State Probationers and Parolees) and rules adopted under Article VII (d)(8) of the Interstate Compact for Adult Offender Supervision (IC 11-13-4.5), a parolee who is a ~~sexually violent predator~~ **person described in subsection (e)** and whose parole supervision is transferred to Indiana is subject to the same conditions of parole as a ~~sexually violent predator~~ **person described in subsection (e) who was** convicted in Indiana, including:

(1) lifetime parole (as described in subsection (e)); and

(2) the requirement that the person wear a monitoring device (as described in IC 35-38-2.5-3) that can transmit information twenty-four (24) hours each day regarding a person's precise location, if applicable.

(g) If a person being supervised on lifetime parole as described in subsection (e) is also required to be supervised by a court, a probation department, a community corrections program, a community transition program, or another similar program upon the person's release from imprisonment, the parole board may:

(1) supervise the person while the person is being supervised by the other supervising agency; or

(2) permit the other supervising agency to exercise all or part of the parole board's supervisory responsibility during the period in which the other supervising agency is required to supervise the person, if supervision by the other supervising agency will be, in the opinion of the parole board:

(A) at least as stringent; and

(B) at least as effective;

as supervision by the parole board.

(h) The parole board is not required to supervise a person on lifetime parole during any period in which the person is imprisoned. However, upon the person's release from imprisonment, the parole board shall recommence its supervision of a person on lifetime parole.

(i) If a court orders the parole board to place a sexually violent predator whose sentence does not include a commitment to the department of correction on lifetime parole under IC 35-38-1-29, the parole board shall place the sexually violent predator on lifetime parole and supervise the person in the same manner in which the parole board supervises a sexually violent predator on lifetime parole whose sentence includes a commitment to the department of correction.

SECTION 54. IC 36-2-13-5.5, AS AMENDED BY P.L.173-2006, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) The sheriffs shall jointly establish and maintain an Indiana sex **and violent** offender **registry** web site, known as the Indiana sex **and violent** offender registry, to inform the general public about the identity, location, and appearance of every sex **or violent** offender residing within Indiana. The web site must provide information regarding each sex **or violent** offender, organized by county of residence. The web site shall be updated at least daily.

(b) The Indiana sex **and violent** offender **registry** web site must include the following information:

(1) A recent photograph of every sex **or violent** offender who has registered with a sheriff after the effective date of this chapter.

(2) The home address of every sex **or violent** offender.

(3) The information required under IC 11-8-8-8.

(c) Every time a sex **or violent** offender registers, but at least once per year, the sheriff shall:

(1) photograph the sex **or violent** offender; **and**

(2) determine whether the sex or violent offender's fingerprints are on file:

(A) in Indiana; or

(B) with the Federal Bureau of Investigation.

If it appears that the sex or violent offender's fingerprints are not on file as described in subdivision (2), the sheriff shall fingerprint the sex or violent offender and transmit a copy of the fingerprints to the state police department. The sheriff shall place ~~this~~ **the** photograph **described in subdivision (1)** on the Indiana sex **and violent** offender **registry** web site.

(d) The photograph of a sex **or violent** offender described in subsection (c) must meet the following requirements:

(1) The photograph must be full face, front view, with a plain white or off-white background.

(2) The image of the offender's face, measured from the bottom of the chin to the top of the head, must fill at least seventy-five percent (75%) of the photograph.

(3) The photograph must be in color.

(4) The photograph must show the offender dressed in normal street attire, without a hat or headgear that obscures the hair or hairline.

(5) If the offender normally and consistently wears prescription glasses, a hearing device, wig, or a similar article, the photograph must show the offender wearing those items. A photograph may not include dark glasses or nonprescription glasses with tinted lenses unless the offender can provide a medical certificate demonstrating that tinted lenses are required for medical reasons.

(6) The photograph must have sufficient resolution to permit the offender to be easily identified by a person accessing the Indiana sex **and violent** offender **registry** web site.

(e) The Indiana sex **and violent** offender **registry** web site may be funded from:

(1) the jail commissary fund (IC 36-8-10-21);

(2) a grant from the criminal justice institute; and

(3) any other source, subject to the approval of the county fiscal body.

SECTION 55. IC 36-2-13-5.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5.6. (a) The legislative body of a county may adopt an ordinance:**

(1) requiring the local law enforcement authority (as defined in IC 11-8-8-2) to collect:

(A) an annual sex or violent offender registration fee; and

(B) a sex or violent offender address change fee; and

(2) establishing a county sex and violent offender administration fund to fund the administration of the sex and violent offender registration system.

(b) If an ordinance is adopted under subsection (a), the legislative body of the county shall establish the amount of the annual sex or violent offender registration fee. However, the annual sex or violent offender registration fee may not exceed fifty dollars ($50).

(c) If an ordinance is adopted under subsection (a), the legislative body of the county shall establish the amount of the sex or violent offender address change fee. However, a sex or violent offender address change fee may not exceed five dollars ($5) per address change.

(d) The legislative body of the county shall determine the manner in which the local law enforcement authority shall collect the annual sex or violent offender registration fee and the sex or violent offender address change fee. However, the annual sex or violent offender registration fee may be collected only one (1) time per year. The sex or violent offender address change fee may be collected each time a sex or violent offender registers an address change with the local

law enforcement authority.

(e) The local law enforcement authority shall transfer fees collected under this section to the county auditor of the county in which the local law enforcement authority exercises jurisdiction.

(f) The county auditor shall monthly:

(1) deposit ninety percent (90%) of any fees collected under this section in the county sex and violent offender administration fund established under subsection (a); and

(2) transfer ten percent (10%) of any fees collected under this section to the treasurer of state for deposit in the state sex and violent offender administration fund under IC 11-8-8-21.

(g) A county fiscal body may appropriate money from the county sex and violent offender administration fund to an agency or organization involved in the administration of the sex and violent offender registry to defray the expense of administering or ensuring compliance with the laws concerning the Indiana sex and violent offender registry.

SECTION 56. IC 36-3-1-5.1, AS AMENDED BY P.L.1-2006, SECTION 559, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.1. (a) Except for those duties that are reserved by law to the county sheriff in this section, the city-county legislative body may by majority vote adopt an ordinance, approved by the mayor, to consolidate the police department of the consolidated city and the county sheriff's department.

(b) The city-county legislative body may not adopt an ordinance under this section unless it first:

(1) holds a public hearing on the proposed consolidation; and

(2) determines that:

(A) reasonable and adequate police protection can be provided through the consolidation; and

(B) the consolidation is in the public interest.

(c) If an ordinance is adopted under this section, the consolidation shall take effect on the date specified in the ordinance.

(d) Notwithstanding any other law, an ordinance adopted under this section must provide that the county sheriff's department shall be responsible for all the following for the consolidated city and the county under the direction and control of the sheriff:

(1) County jail operations and facilities.

(2) Emergency communications.

(3) Security for buildings and property owned by:

(A) the consolidated city;

(B) the county; or

(C) both the consolidated city and county.

(4) Service of civil process and collection of taxes under tax warrants.

(5) Sex **and violent** offender registration.

(e) The following apply if an ordinance is adopted under this section:

(1) The department of local government finance, on recommendation from the local government tax control board, shall adjust the maximum permissible ad valorem property tax levy of the consolidated city and the county for property taxes first due and payable in the year a consolidation takes effect under this section. When added together, the adjustments under this subdivision must total zero (0).

(2) The ordinance must specify which law enforcement officers of the police department and which law enforcement officers of the county sheriff's department shall be law enforcement officers of the consolidated law enforcement department.

(3) The ordinance may not prohibit the providing of law enforcement services for an excluded city under an interlocal agreement under IC 36-1-7.

(4) A member of the county police force who:

(A) was an employee beneficiary of the sheriff's pension trust before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains an employee beneficiary of the sheriff's pension trust. The member retains, after the consolidation, credit in the sheriff's pension trust for service earned while a member of the county police force and continues to earn service credit in the sheriff's pension trust as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the sheriff's pension trust.

(5) A member of the police department of the consolidated city who:

(A) was a member of the 1953 fund or the 1977 fund before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains a member of the 1953 fund or the 1977 fund. The member retains, after the consolidation, credit in the 1953 fund or the 1977 fund for service earned while a member of the police department of the consolidated city and continues to earn service credit in the 1953 fund or the 1977 fund as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the 1953 fund or the 1977 fund.

(6) The ordinance must designate the merit system that shall apply to the law enforcement officers of the consolidated law enforcement department.

(7) The ordinance must designate who shall serve as a coapplicant for a warrant or an extension of a warrant under IC 35-33.5-2.

(8) The consolidated city may levy property taxes within the consolidated city's maximum permissible ad valorem property tax levy limit to provide for the payment of the expenses for the operation of the consolidated law enforcement department. The police special service district established under section 6 of this chapter may levy property taxes to provide for the payment of expenses for the operation of the consolidated law enforcement department within the territory of the police special service district. Property taxes to fund the pension obligation under IC 36-8-7.5 may be levied only by the police special service district within the police special service district. The consolidated city may not levy property taxes to fund the pension obligation under IC 36-8-7.5. Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were members of the police department of the consolidated city on the effective date of the consolidation may be levied only by the police special service district within the police special service district. Property taxes to fund the pension obligation under IC 36-8-10 for members of the sheriff's pension trust and under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were not members of the police department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the consolidated city's maximum permissible ad valorem property tax levy. The assets of the consolidated city's 1953 fund and the assets of the sheriff's pension trust may not be pledged after the effective date of the consolidation as collateral for any loan.

(9) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year following the adoption of the consolidation ordinance and for the following two (2) years, to determine:

(A) the amount of any cost savings, operational efficiencies, or improved service levels; and

(B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the ~~state~~ budget committee.

SECTION 57. IC 36-8-10-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 21. (a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as "the fund". The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or ~~his~~ **the sheriff's** designee, shall deposit all money from commissary sales into the fund, which ~~he~~ **the sheriff or the sheriff's designee** shall keep in a depository designated under IC 5-13-8.

(d) The sheriff, or ~~his~~ **the sheriff's** designee, at ~~his~~ **the sheriff's or the sheriff's designee's** discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

(1) merchandise for resale to inmates through the commissary;

(2) expenses of operating the commissary, including, but not limited to, facilities and personnel;

(3) special training in law enforcement for employees of the sheriff's department;

(4) equipment installed in the county jail;

(5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;

(6) an activity provided to maintain order and discipline among the inmates of the county jail;

(7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:

(A) Substance abuse.

(B) Child abuse.

(C) Domestic violence.

(D) Drinking and driving.

(E) Juvenile delinquency;

(8) expenses related to the establishment, operation, or maintenance of the sex **and violent** offender **registry** web site under IC 36-2-13-5.5; or

(9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff.

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8).

(e) The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year.

SECTION 58. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "committee" refers to the sentencing policy study committee established by subsection (c).**

(b) The general assembly finds that a comprehensive study of sentencing laws and policies is desirable in order to:

(1) ensure that sentencing laws and policies protect the public safety;

(2) establish fairness and uniformity in sentencing laws and policies;

(3) determine whether incarceration or alternative sanctions are appropriate for various categories of criminal offenses; and

(4) maximize cost effectiveness in the administration of sentencing laws and policies.

(c) The sentencing policy study committee is established to evaluate sentencing laws and policies as they relate to:

(1) the purposes of the criminal justice and corrections systems;

(2) the availability of sentencing options; and

(3) the inmate population in department of correction facilities.

If, based on the committee's evaluation under this subsection, the committee determines changes are necessary or appropriate, the committee shall make recommendations to the general assembly for the modification of sentencing laws and policies and for the addition, deletion, or expansion of sentencing options.

(d) The committee shall do the following:

(1) Evaluate the existing classification of criminal offenses into felony and misdemeanor categories. In determining the proper category for each felony and misdemeanor, the committee shall consider, to the extent they have relevance, the following:

(A) The nature and degree of harm likely to be caused by the offense, including whether the offense involves property, irreplaceable property, a person, a number of persons, or a breach of the public trust.

(B) The deterrent effect a particular classification may have on the commission of the offense.

(C) The current incidence of the offense in Indiana.

(D) The rights of the victim.

(2) Recommend structures to be used by a sentencing court in determining the most appropriate sentence to be imposed in a criminal case, including any combination of imprisonment, probation, restitution, community service, or house arrest. The committee shall also consider the following:

(A) The nature and characteristics of the offense.

(B) The severity of the offense in relation to other offenses.

(C) The characteristics of the defendant that mitigate or aggravate the seriousness of the criminal conduct and the punishment deserved for that conduct.

(D) The number of the defendant's prior convictions.

(E) The available resources and capacity of the department of correction, local confinement facilities, and community based sanctions.

(F) The rights of the victim.

The committee shall include with each set of sentencing structures an estimate of the effect of the sentencing structures on the department of correction and local facilities with respect to both fiscal impact and inmate population.

(3) Review community corrections and home detention programs for the purpose of:

(A) standardizing procedures and establishing rules for the supervision of home detainees; and

(B) establishing procedures for the supervision of home detainees by community corrections programs of adjoining counties.

(4) Determine the long range needs of the criminal justice and corrections systems and recommend policy priorities for those systems.

(5) Identify critical problems in the criminal justice and corrections systems and recommend strategies to solve the problems.
(6) Assess the cost effectiveness of the use of state and local funds in the criminal justice and corrections systems.
(7) Recommend a comprehensive community corrections strategy based on the following:
(A) A review of existing community corrections programs.
(B) The identification of additional types of community corrections programs necessary to create an effective continuum of corrections sanctions.
(C) The identification of categories of offenders who should be eligible for sentencing to community corrections programs and the impact that changes to the existing system of community corrections programs would have on sentencing practices.
(D) The identification of necessary changes in state oversight and coordination of community corrections programs.
(E) An evaluation of mechanisms for state funding and local community participation in the operation and implementation of community corrections programs.
(F) An analysis of the rate of recidivism of clients under the supervision of existing community corrections programs.
(8) Propose plans, programs, and legislation for improving the effectiveness of the criminal justice and corrections systems.
(9) Evaluate the use of faith based organizations as an alternative to incarceration.
(10) Study issues related to sex offenders, including:
(A) lifetime parole;
(B) GPS or other electronic monitoring;
(C) a classification system for sex offenders;
(D) recidivism; and
(E) treatment.

(e) The committee may study other topics assigned by the legislative council or as directed by the committee chair. The committee may meet as often as necessary.

(f) The committee consists of twenty (20) members appointed as follows:
(1) Four (4) members of the senate, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the president pro tempore of the senate.
(2) Four (4) members of the house of representatives, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the speaker of the house of representatives.
(3) The chief justice of the supreme court or the chief justice's designee.
(4) The commissioner of the department of correction or the commissioner's designee.
(5) The director of the Indiana criminal justice institute or the director's designee.
(6) The executive director of the prosecuting attorneys council of Indiana or the executive director's designee.
(7) The executive director of the public defender council of Indiana or the executive director's designee.
(8) One (1) person with experience in administering community corrections programs, appointed by the governor.
(9) One (1) person with experience in administering probation programs, appointed by the governor.
(10) Two (2) judges who exercise juvenile jurisdiction, not more than one (1) of whom may be affiliated with the same political party, to be appointed by the governor.
(11) Two (2) judges who exercise criminal jurisdiction, not more than one (1) of whom may be affiliated with the same political party, to be appointed by the governor.
(12) One (1) board certified psychologist or psychiatrist who has expertise in treating sex offenders, appointed by the governor to act as a nonvoting advisor to the committee.

(g) The chairman of the legislative council shall appoint a legislative member of the committee to serve as the chairperson of the committee. Whenever there is a new chairman of the legislative council, the new chairman may remove the chairperson of the committee and appoint another chairperson.

(h) If a legislative member of the committee ceases to be a member of the chamber from which the member was appointed, the member also ceases to be a member of the committee.

(i) A legislative member of the committee may be removed at any time by the appointing authority who appointed the legislative member.

(j) If a vacancy exists on the committee, the appointing authority who appointed the former member whose position is vacant shall appoint an individual to fill the vacancy.

(k) The committee shall submit:
(1) an interim report of the results of its study to the legislative council before November 1, 2008; and
(2) a final report of the results of its study to the legislative council before November 1, 2010.
The interim and final reports must be in an electronic format under IC 5-14-6.

(l) The Indiana criminal justice institute shall provide staff support to the committee.

(m) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

(n) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including the final report.

(o) Except as otherwise specifically provided by this act, the committee shall operate under the rules of the legislative council. All funds necessary to carry out this act shall be paid from appropriations to the legislative council and legislative services agency.

(p) This SECTION expires December 31, 2010.

SECTION 59. [EFFECTIVE JULY 1, 2007] **IC 35-38-1-29, as added by this act, and IC 11-8-8-17, IC 11-8-8-18, IC 35-42-4-3, IC 35-42-4-6, IC 35-42-4-9, IC 35-42-4-10, IC 35-42-4-11, IC 35-44-3-13, IC 35-50-6-1(e), and IC 35-50-6-1(i), all as amended by this act, apply only to offenses committed after June 30, 2007.**

SECTION 60. **An emergency is declared for this act.**

(Reference is to EHB 1386 as reprinted April 6, 2007.)

L. LAWSON	BRAY
FOLEY	ARNOLD
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 4:50 p.m. with the Speaker Pro Tempore, Representative Dobis, in the Chair.

Representative Micon, who had been excused, was present.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed House Bills 1115, 1312, 1505, and 1738.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 3 on Engrossed House Bill 1566.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed Senate Bills 49, 154, 205, and 310.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has concurred in the House amendments to Engrossed Senate Bill 261.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I hereby transmit Senate Enrolled Acts 9, 128, 504, and 506 for signature of the Speaker of the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I hereby transmit Senate Enrolled Acts 125 and 193 for signature of the Speaker of the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I hereby transmit Senate Enrolled Acts 191, 330, 416, 480, 520, and 561 for signature of the Speaker of the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I hereby transmit Senate Enrolled Acts 270, 320, 412, 461, 463, 524, and 566 for signature of the Speaker of the House.

MARY C. MENDEL
Principal Secretary of the Senate

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
EHB 1659–1; filed April 29, 2007, at 3:02 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1659 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 2-5-28 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 28. Joint Study Committee on Mass Transit and Transportation Alternatives

Sec. 1. As used in this chapter, "committee" refers to the joint study committee on mass transit and transportation alternatives.

Sec. 2. The joint study committee on mass transit and transportation alternatives is established.

Sec. 3. The committee has the following membership:

(1) The members of the standing senate committee on homeland security, transportation, and veterans affairs.

(2) The members of the house of representatives standing committee on roads and transportation.

Sec. 4. The chairs of the standing committees specified in section 3(1) and 3(2) of this chapter shall serve as co-chairs of the committee.

Sec. 5. The committee shall do the following:

(1) Review Indiana department of transportation studies regarding mass transit that have been conducted by the department.

(2) Review federal legislative activity regarding development and expansion of mass transit as well as revenue streams on the federal level.

(3) Review mass transit initiatives of other states.

Sec. 6. The committee shall report on and make recommendations concerning the following issues:

(1) The need to use mass transit to mitigate traffic congestion.

(2) Ways to address the demand for workforce transportation that are reliable and secure.

(3) Ways to eliminate barriers to investment in mass transit created by the current structure of transportation funding.

(4) Existing barriers to private investment in mass transit facilities, including tax inequities.

(5) Effective ways of leveraging funding under federal programs to supplement state funding of mass transit.

(6) The relationship between land use and investment in mass transit infrastructure.

(7) The role that mass transit plays in promoting economic growth, improving the environment, and sustaining the quality of life.

Sec. 7. The legislative services agency and the Indiana department of transportation shall provide support staff for the committee.

Sec. 8. The committee shall operate under the policies governing study committees adopted by the legislative council.

SECTION 2. IC 8-14-14-5, AS ADDED BY P.L.47-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The major moves construction fund is established for the purpose of:

(1) funding projects, **other than passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4),** under IC 8-15.7 or IC 8-15-3;

(2) funding other projects in the department's transportation plan; and

(3) funding distributions under sections 6 and 7 of this chapter.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees' retirement fund under IC 5-10.3-5.

However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund consists of the following:

(1) Distributions to the fund from the toll road fund under IC 8-15.5-11.

(2) Distributions to the fund from the next generation trust fund under IC 8-14-15.

(3) Appropriations to the fund.

(4) Gifts, grants, loans, bond proceeds, and other money received for deposit in the fund.

(5) Revenues arising from:

(A) a tollway under IC 8-15-3 or IC 8-23-7-22; or

(B) a toll road under IC 8-15-2 or IC 8-23-7-23;

that the department designates as part of, and deposits in, the fund.

(6) Payments, **other than payments for passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4),** made to the authority or the department from operators under IC 8-15.7.

(7) Interest, premiums, or other earnings on the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.

SECTION 3. IC 8-14-14-7, AS ADDED BY P.L.47-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. **(a)** In addition to any distributions required by section 6 of this chapter, money in the fund may be used for any of the following purposes:

(1) **Except as provided in subsection (b),** the payment of any obligation incurred or amounts owed by the authority, the department, or an operator under IC 8-15-2, IC 8-15-3, IC 8-15.5, or IC 8-15.7 in connection with the execution and performance of a public-private agreement under IC 8-15.5 or IC 8-15.7, including establishing reserves.

(2) Lease payments to the authority, if money for those payments is specifically appropriated by the general assembly.

(3) Distributions to the treasurer of state for deposit in the state highway fund, for the funding of any project in the department's transportation plan.

(b) Money in the fund may not be used for the payment of an obligation incurred or amounts owed by the authority, the department, or an operator under IC 8-15.7 in connection with a public-private agreement under IC 8-15.7 concerning a passenger or freight railroad system as described in IC 8-15.7-2-14(a)(4).

SECTION 4. IC 8-14-17 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 17. Alternative Transportation Construction Fund

Sec. 1. As used in this chapter, "authority" refers to the Indiana finance authority established by IC 4-4-11-4.

Sec. 2. As used in this chapter, "department" refers to the Indiana department of transportation.

Sec. 3. As used in this chapter, "fund" refers to the alternative transportation construction fund established by section 4 of this chapter.

Sec. 4. (a) The alternative transportation construction fund is established for the purpose of:

(1) funding projects under IC 8-15.7 for passenger and freight railroad systems as described in IC 8-15.7-2-14(a)(4); and

(2) funding distributions under section 5 of this chapter.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees' retirement fund under IC 5-10.3-5. However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisers, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund consists of the following:

(1) Appropriations to the fund.

(2) Gifts, grants, loans, bond proceeds, and other money received for deposit in the fund.

(3) Payments made to the authority or the department from operators under IC 8-15.7 concerning passenger and freight railroad systems as described in IC 8-15.7-2-14(a)(4).

(4) Interest, premiums, or other earnings on the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.

Sec. 5. Money in the fund may be used for any of the following purposes:

(1) The payment of any obligation incurred or amounts owed by the authority, the department, or an operator under IC 8-15.7 in connection with the execution and performance of a public-private agreement under IC 8-15.7 for a passenger or freight railroad system as described in IC 8-15.7-2-14(a)(4).

(2) Lease payments to the authority, if money for those payments is specifically appropriated by the general assembly.

SECTION 5. IC 8-15.7-1-5, AS ADDED BY P.L.47-2006, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) This article contains full and complete authority for agreements and leases with private entities to carry out the activities described in this article. Except as provided in this article, no procedure, proceeding, publication, notice, consent, approval, order, or act by the authority, the department, or any other state or local agency or official is required to enter into an agreement or lease, and no law to the contrary affects, limits, or diminishes the authority for agreements and leases with private entities, except as provided by this article.

(b) Notwithstanding any other law, the department, the authority, or an operator may not carry out any of the following activities under this article unless the general assembly enacts a statute authorizing that activity:

(1) Issuing a request for proposals for, or entering into, a public-private agreement concerning a project other than Interstate Highway 69 between Interstate Highway 465 and Interstate Highway 64.

(2) Carrying out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).

(3) Imposing user fees on motor vehicles for use of the part

of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740).

(c) Notwithstanding subsection (b) or any other law, the department or the authority may enter into a public-private agreement concerning a project consisting of a passenger or freight railroad system described in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and appropriation by the general assembly. However, this subsection does not prohibit the department from:

(1) conducting preliminary studies that the department considers necessary to determine the feasibility of such a project; or

(2) issuing a request for qualifications or a request for proposals, or both, under IC 8-15.7-4 for such a project.

SECTION 6. IC 8-15.7-2-14, AS ADDED BY P.L.47-2006, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. **(a)** Subject to IC 8-15.7-1-5, "project" means all or part of the following:

(1) A limited access facility (as defined in IC 8-23-1-28).

(2) A tollway.

(3) Roads and bridges.

(4) Passenger and freight railroad systems, including:

(A) the costs of environmental impact studies;

(B) property, equipment, and appurtenances necessary to operate a railroad, including lines, routes, roads, rights-of-way, easements, licenses, permits, track upgrades, rail grade crossings, locomotives, passenger cars, freight cars, and other railroad cars of any type or class; and

(C) other costs that the department determines are necessary to develop a passenger or freight railroad system in Indiana.

~~(4)~~ **(5)** All or part of a bridge, tunnel, overpass, underpass, interchange, structure, ramp, access road, service road, entrance plaza, approach, tollhouse, utility corridor, toll gantry, rest stop, service area, or administration, storage, or other building or facility, including temporary facilities and buildings or facilities and structures that will not be tolled, that the department determines is appurtenant, necessary, or desirable for the development, financing, or operation of the facilities described in subdivisions (1) ~~(2), and (3).~~ **through (4).**

~~(5)~~ **(6)** An improvement, betterment, enlargement, extension, or reconstruction of all or part of any of the facilities described in this section, including a nontolled part, that is separately designated by name or number.

(b) The term does not include a passenger railroad system that is operated by a commuter transportation district established under IC 8-5-15.

SECTION 7. IC 8-15.7-5-5, AS ADDED BY P.L.47-2006, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. To the extent that the department receives any payment or compensation under the public-private agreement other than repayment of a loan or grant or reimbursement for services provided by the department to the operator, the payment or compensation shall be distributed at the direction of the department to the:

(1) major moves construction fund established under IC 8-14-14;

(2) department for deposit in the state highway fund established by IC 8-23-9-54; ~~or~~

(3) alternative transportation construction fund established under IC 8-14-17; or

~~(3)~~ **(4)** operator or the authority for debt reduction.

SECTION 8. IC 8-23-27 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 27. Illiana Expressway

Sec. 1. As used in this chapter, "committee" refers to the Illiana expressway proposal review committee established by section 4 of this chapter.

Sec. 2. As used in this chapter, "Illiana expressway" refers to a new interstate quality highway connecting Interstate Highway 57 in Illinois to Interstate Highway 65 in Indiana.

Sec. 3. As used in this chapter, "study" refers to the study described in section 14 of this chapter.

Sec. 4. The Illiana expressway proposal review committee is established.

Sec. 5. (a) The committee consists of eight (8) voting members appointed as follows:

(1) Four (4) members of the senate, not more than two (2) of whom may be from the same political party, to be appointed by the president pro tempore of the senate.

(2) Four (4) members of the house of representatives, not more than two (2) of whom may be from the same political party, to be appointed by the speaker of the house of representatives.

(b) At least two (2) of the members appointed under subsection (a)(1) and at least two (2) of the members appointed under subsection (a)(2) must represent a district that encompasses all or part of Lake County.

(c) A vacancy on the committee shall be filled by the appointing authority.

(d) Initial appointments to the committee must be made before July 1, 2007.

Sec. 6. (a) The president pro tempore of the senate shall appoint a member of the committee to serve as chairperson of the committee from January 1 through December 31 of odd-numbered years.

(b) The speaker of the house of representatives shall appoint a member of the committee to serve as chairperson of the committee from January 1 through December 31 of even-numbered years.

Sec. 7. The committee shall do the following:

(1) Take and review the study presented to the committee under section 14 of this chapter, testimony, and other information provided to the committee by the Indiana department of transportation, other state agencies or federal agencies, and the public concerning the proposed Illiana expressway project.

(2) Prepare a report to be submitted to the governor and to the legislative council in electronic format under IC 5-14-6 regarding the committee's determination of whether the proposed Illiana expressway project is recommended by the committee.

Sec. 8. The committee shall meet at the call of the chairperson.

Sec. 9. (a) Except as provided in subsection (b), the committee shall operate under the policies governing study committees adopted by the legislative council, including the requirement of filing an annual report in an electronic format under IC 5-14-6.

(b) The committee may meet at any time during the calendar year.

Sec. 10. (a) Five (5) members of the committee constitute a quorum.

(b) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure.

Sec. 11. The legislative services agency shall provide staff support for the committee.

Sec. 12. Each member of the committee appointed under this chapter is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on legislative study committees established by the legislative council.

Sec. 13. Representatives of the Indiana department of

transportation shall testify before the committee upon request of the chairperson.

Sec. 14. The department shall conduct an independent study to:

(1) perform a needs assessment of an Illiana expressway; and

(2) identify a highway alignment corridor for an Illiana expressway.

The department may use any part of a study conducted before April 29, 2007, to comply with this section.

Sec. 15. (a) Before July 1, 2009, the department shall present a report to:

(1) the members of the committee in an electronic format under IC 5-14-6; and

(2) the governor;

that presents the findings of the study conducted under section 14 of this chapter and includes sufficient background for the members of the committee and the governor to evaluate the findings presented in the study.

(b) The report required by subsection (a) must include at least the following:

(1) A description of the need for an Illiana expressway.

(2) An evaluation concerning the feasibility of an Illiana expressway, including the following:

(A) Projections for acquisition costs and eminent domain issues.

(B) Expected use of the proposed expressway and any toll revenues.

(C) Expected construction costs.

(D) Expected operating and maintenance costs.

(E) Options for funding acquisition, construction, operation, and maintenance costs.

(3) A description of the department's recommended route for an Illiana expressway, including the following:

(A) Traffic projections showing expected use and relief of traffic congestion.

(B) Alternative routes.

(C) Economic impact studies on the proposed route and affected areas.

(4) Any other information that is necessary or appropriate to assist the general assembly in evaluating the Illiana expressway project.

Sec. 16. The department may pay for the study conducted under section 14 of this chapter from any funds available to the department. The amount expended for the study may not exceed one million dollars ($1,000,000).

SECTION 9. [EFFECTIVE JULY 1, 2007] **(a) The definitions in IC 8-15.7-2, as amended by this act, apply throughout this SECTION.**

(b) The department shall submit an annual report to the legislative council in an electronic format under IC 5-14-6. The report under this subsection must include detailed information on the department's efforts concerning:

(1) the development;

(2) the financing;

(3) the operation; or

(4) any combination of the development, financing, and operation;

of passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4), as amended by this act, through public-private agreements.

(c) This SECTION expires July 1, 2012.

SECTION 10. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "department" refers to the Indiana department of transportation established by IC 8-23-2-1.**

(b) Before December 1, 2007, the department shall commission six (6) studies concerning mass transit in each of the following regions:

(1) Central Indiana, consisting of the following counties:

(A) Boone.

(B) Delaware.

(C) Hamilton.

(D) Hancock.

(E) Hendricks.

(F) Johnson.

(G) Madison.

(H) Marion.

(I) Monroe.

(J) Morgan.

(K) Shelby.

(2) Northwest Indiana.

(3) Northeast Indiana.

(4) South central Indiana, including Monroe County.

(5) Southwest Indiana.

(6) Southeast Indiana.

(c) Each of the studies specified in subsection (b) must analyze the following aspects of mass transit systems:

(1) The need to use public transportation to mitigate traffic congestion on a statewide basis.

(2) Ways to address the demand for workforce transportation that are reliable and secure.

(3) Ways to eliminate barriers to investment in public transportation created by the current structure of transportation funding.

(4) Existing barriers to private investment in public transportation facilities, including tax inequities.

(5) Effective ways of leveraging federal programs to supplement state funding of public transportation.

(6) The relationship between land use and investment in public transportation infrastructure on a statewide basis.

(7) The role that public transportation plays in promoting economic growth, improving the environment, and sustaining the quality of life.

(8) Policies required to develop a mass transit system to support a growing population and the state's economy for the foreseeable future.

(9) Transit oriented development.

(10) Impact of mass transit on projected demographic patterns, including age populations.

(11) Current and future commuter patterns in the identified counties.

(12) Current trends in mass transit on a statewide basis.

(13) A review of federal activities in the area of mass transit on a statewide basis.

(14) Funding options for pilot mass transit and alternative transit systems.

(d) The department shall require winning bidders for the studies required by subsection (b) to submit final reports by January 1, 2009.

(e) The department shall transmit the results of the studies required by subsection (b) to the public and, in an electronic format under IC 5-14-6, to the general assembly and governor on or about January 1, 2009. If a winning bidder produces intermediate reports in the course of conducting a study, the department shall also transmit in a timely manner the results of those intermediate reports to the public and, in an electronic format under IC 5-14-6, to the general assembly and the governor.

(f) The department shall pay for the studies required by subsection (b) from money under the department's control, including money held in the following funds or accounts:

(1) Federal highway account.

(2) Federal transit account.

(3) State planning and research fund.

(4) State's portion of the public mass transit fund.

(g) This SECTION expires December 31, 2009.

SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) As used**

in this SECTION, "department" refers to the Indiana department of transportation.

(b) The department shall commission a study of the feasibility and implementation of a commuter rail system with service from Muncie to Indianapolis and from Indianapolis to Bloomington. The study:

(1) must address the feasibility and implementation of stops in Anderson, Noblesville, Fishers, Indianapolis, and Bloomington; and

(2) may address the feasibility and implementation of additional stops.

(c) The study required by this SECTION must include the following information:

(1) Potential routes for the commuter rail system.

(2) An estimate of costs associated with implementing the commuter rail system.

(3) An estimate of the number of potential riders.

(4) An estimate of the effect on existing transportation systems.

(5) Any other relevant issues that may affect the implementation of a commuter rail system.

(d) The department may apply for any grants or enter into agreements with the Federal Transit Administration in accordance with 49 U.S.C. 5301 et seq. to complete the study.

(e) The department shall submit, not later than August 30, 2008, a copy of the results of the study in an electronic format under IC 5-14-6 to the executive director of the legislative services agency for distribution to the members of the general assembly.

(f) This SECTION expires December 31, 2008.

SECTION 12. **An emergency is declared for this act.**

(Reference is to EHB 1659 as printed March 30, 2007.)

AUSTIN	JACKMAN
SOLIDAY	LANANE
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT

ESB 503–2; filed April 29, 2007, at 3:25 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 503 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning health care.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 12-15-15-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.1. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount ~~equal to~~ **not to exceed** one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in ~~proportion to~~ **an amount not to exceed** each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. ~~Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the state fiscal year's end.~~ A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer **or certification of expenditures** is made under subsection (d).

(d) Subject to subsection (e):

~~a hospital may make an intergovernmental transfer under this subsection, or~~ **(1)** an intergovernmental transfer may be made **by or** on behalf of the hospital; **or**

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP SEVEN of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP SEVEN of subsection (b).~~ **this section.** The office shall use the intergovernmental transfer to fund payments made under this section. ~~and as otherwise provided under IC 12-15-20-2(8).~~

(e) A hospital ~~making~~ **that makes a certification of expenditures or makes or has** an intergovernmental transfer **made on the hospital's behalf** under ~~subsection (d)~~ **this section** may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under ~~STEP SEVEN of~~ subsection (b). The periods described in subsections (c) and (d) for the hospital **or another entity** to make an intergovernmental transfer **or certification of expenditures** are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP SEVEN of~~ subsection (b) may not be delayed due

to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP SEVEN of~~ subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 2. IC 12-15-15-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.3. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount ~~equal to~~ **not to exceed** one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in ~~proportion to~~ **an amount not to exceed** each hospital's Medicaid shortfall as defined in subsection (f).

(c) ~~Subject to subsection (e), the reimbursement for a state fiscal year under this section consists of payments made before December 31 following the end of the state fiscal year.~~ A hospital is not eligible for a payment described in this ~~subsection~~ **section** unless:

(1) an intergovernmental transfer is made ~~under subsection (d).~~ **by the hospital or on behalf of the hospital; or**

(2) the hospital or another entity certifies the hospital's expenditures as eligible for federal financial participation.

(d) Subject to subsection (e):

~~a hospital may make an intergovernmental transfer under this subsection, or~~ **(1)** an intergovernmental transfer may be made **by or** on behalf of the hospital; **or**

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP SEVEN of~~ subsection (b). ~~In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP SEVEN of subsection (b).~~ The office shall use the intergovernmental transfer to fund payments made under this section. ~~and as otherwise provided under IC 12-15-20-2(8).~~

(e) A hospital ~~making~~ **that makes a certification of expenditures or makes or has** an intergovernmental transfer **made on the hospital's behalf** under ~~subsection (d)~~ **this section** may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under ~~STEP SEVEN of~~ subsection (b). The periods described in subsections (c) and (d) for the hospital **or other entity** to make an intergovernmental transfer **or certification of expenditures** are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP SEVEN of~~ subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP SEVEN of~~ subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the outpatient

hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 3. IC 12-15-15-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. (a) This section applies to a hospital that:

(1) is licensed under IC 16-21;

(2) is not a unit of state or local government; and

(3) is not owned or operated by a unit of state or local government.

(b) For a state fiscal year ending after June 30, 2003, **and before July 1, 2007,** in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars ($10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than ~~seventy~~ **sixty** thousand ~~(70,000)~~ **(60,000)** Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services. **For purposes of this clause, a hospital's Medicaid inpatient days are the hospital's in-state and paid Medicaid fee for service and managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office.**

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a) that are eligible under this clause. A hospital is eligible for a payment under this clause only if the non-federal share of the hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those eligible hospitals:

(i) on a pro rata basis in relation to all hospitals eligible under this clause based on the hospitals' Medicaid inpatient days; or

(ii) other payment methodology **determined by the office and** approved by the Centers for Medicare and Medicaid Services.

~~(D) For purposes of the clauses (A), (B) and (C), a hospital's Medicaid inpatient days are based on the Medicaid inpatient days allowed for the hospital by the office for purposes of the office's most recent determination of eligibility for the Medicaid disproportionate payment program under IC 12-15-16.~~

(c) ~~Reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the end of the state fiscal year.~~ **As used in this subsection, "Medicaid supplemental payments" means Medicaid payments for hospitals that are in addition to Medicaid fee-for-service payments, Medicaid risk-based managed care payments, and Medicaid disproportionate share payments, and that are included in the Medicaid state plan, including Medicaid safety-net payments, and payments made under sections 1.1, 1.3, 1.5, 9, and 9.5 of this chapter. For a state fiscal year ending after June 30, 2007, in addition to the reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:**

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services reimbursable under this article and under the state Medicaid plan that were provided during the state fiscal year for all hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified in STEP ONE, the office shall calculate the total payments made under this article and under the state Medicaid plan to all hospitals described in subsection (a). A calculation under this STEP excludes a payment made under the following:

(A) IC 12-15-16.

(B) IC 12-15-17.

(C) IC 12-15-19.

STEP THREE: The office shall calculate, under Medicare payment principles, a reasonable estimate of the total amount that would have been paid by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP

THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) As used in this clause, "Medicaid inpatient days" are the hospital's in-state paid Medicaid fee for service and risk-based managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office. Subject to the availability of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(c) and remaining in the Medicaid indigent care trust fund under IC 12-15-20-2(8)(G) to serve as the non-federal share of the payments, the amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis, based on the hospitals' Medicaid inpatient days or in accordance with another payment methodology determined by the office and approved by the Centers for Medicare and Medicaid Services.

(B) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A), the remaining amount shall be paid as described in clauses (C) and (D) to a hospital that is described in subsection (a) and that is described as eligible under this clause. A hospital is eligible for a payment under clause (C) only if the hospital:

(i) has less than sixty thousand (60,000) Medicaid inpatient days annually;

(ii) was eligible for Medicaid disproportionate share hospital payments in the state fiscal year ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share payment criteria based upon state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001; and

(iii) received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

The payment amount under clause (C) for an eligible hospital is subject to the availability of the non-federal share of the hospital's payment being provided by the hospital or on behalf of the hospital.

(C) For state fiscal years ending after June 30, 2007, but before July 1, 2009, payments to eligible hospitals described in clause (B) shall be made as follows:

(i) The payment to an eligible hospital that merged two (2) hospitals under a single Medicaid provider number effective January 1, 2004, shall equal one hundred percent (100%) of the hospital's hospital-specific limit for the state fiscal year ending June 30, 2005, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(ii) The payment to an eligible hospital described in clause (B) other than a hospital described in item (i) shall equal one hundred percent (100%) of the hospital's hospital specific limit for the state fiscal year ending June 30, 2004, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(D) For state fiscal years beginning after June 30, 2009, payments to an eligible hospital described in clause (B) shall be made in a manner determined by the office.

(E) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A), and clauses (C) or (D), the remaining amount may be paid as described in clause (F) to a hospital described in subsection (a) that is described as eligible under this clause. A hospital is eligible for a payment for a state fiscal year under clause (F) if the hospital:

(i) is eligible to receive Medicaid disproportionate share payments for the state fiscal year for which the Medicaid disproportionate share payment is attributable under IC 12-15-19-2.1, for a state fiscal year ending after June 30, 2007; and

(ii) does not receive a payment under clauses (C) or (D) for the state fiscal year.

A payment to a hospital under this clause is subject to the availability of non-federal matching funds.

(F) Payments to eligible hospitals described in clause (E) shall be made:

(i) to best use federal matching funds available for hospitals that are eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(ii) by using a methodology that allocates available funding under this clause, Medicaid supplemental payments, and payments under IC 12-15-19-2.1, in a manner in which all hospitals eligible under clause (E) receive payments in a manner that takes into account the situation of eligible hospitals that have historically qualified for Medicaid disproportionate share payments and ensures that payments for eligible hospitals are equitable.

(G) If the Centers for Medicare and Medicaid Services does not approve the payment methodologies in clauses (A) through (F), the office may implement alternative payment methodologies, that are eligible for federal financial participation, to implement a program consistent with the payments for hospitals described in clauses (A) through (F).

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of ~~subsection~~ **subsections** (b) **or (c).** The distribution to other hospitals under STEP FIVE of subsection (b) **or (c)** may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) **or (c)** pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office.

SECTION 4. IC 12-15-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care

occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

(b) For each state fiscal year ending after June 30, 2003, **and before July 1, 2007,** a hospital licensed under IC 16-21-2 that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5 is entitled to a payment under ~~this section.~~ **subsection (c).**

(c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP SIX of the following STEPS:

STEP ONE: Identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 during the state fiscal year; and

(B) the county to which each payable claim is attributed.

STEP TWO: For each county identified in STEP ONE, identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 attributed to the county during the state fiscal year; and

(B) the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP THREE: For each county identified in STEP ONE, identify the amount of county funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.**

STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.** Each hospital's percentage share is based on the total amount of the hospital's payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year, calculated as a percentage of the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP FIVE: Subject to subsection (j), for each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.**

STEP SIX: Determine the sum of all amounts calculated under STEP FIVE for each hospital identified in STEP ONE with respect to each county identified in STEP ONE.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid in an amount equal to the amount determined for the hospital under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007.

~~(d)~~ **(e)** A hospital's payment under subsection (c) **or (d)** is in the form of a Medicaid ~~add-on~~ **supplemental** payment. The amount of a hospital's ~~add-on~~ **Medicaid supplemental** payment is subject to the availability of funding for the non-federal share of the payment under subsection ~~(c).~~ **(f).** The office shall make the payments under subsection (c) **and (d)** before December 15 that next succeeds the end of the state fiscal year.

~~(e)~~ **(f)** The non-federal share of a payment to a hospital under subsection (c) **or (d)** is funded from the funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b) of each county to which a payable claim under IC 12-16-7.5 submitted to the division during the state fiscal year by the hospital is attributed.~~ **IC 12-16-7.5-4.5.**

~~(f)~~ **(g)** The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds of the county transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year.

~~(g)~~ **(h)** Any county's funds identified in subsection ~~(f)~~ **(g)** that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

~~(h)~~ **(i)** For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

~~(i)~~ **(j)** For purposes of ~~this section.~~ **subsection (c):**

(1) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

~~(j)~~ **(k)** The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year.

SECTION 5. IC 12-15-15-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.5. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

(b) For each state fiscal year ending after June 30, 2003, **but before July 1, 2007,** a hospital licensed under IC 16-21-2:

(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and

(2) whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;

is entitled to a payment under ~~this section.~~ **subsection (c).**

(c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP EIGHT of the following STEPS:

STEP ONE: Identify each county whose transfer of funds to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** for the state fiscal year was less than the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP TWO: For each county identified in STEP ONE, calculate the difference between the amount of funds of the county transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** and the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP THREE: Calculate the sum of the amounts calculated for the counties under STEP TWO.

STEP FOUR: Identify each hospital whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP FIVE: Calculate for each hospital identified in STEP FOUR the difference between the hospital's payment under section 9(c) of this chapter and the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP SIX: Calculate the sum of the amounts calculated for each of the hospitals under STEP FIVE.

STEP SEVEN: For each hospital identified in STEP FOUR, calculate the hospital's percentage share of the amount calculated under STEP SIX. Each hospital's percentage share is based on the amount calculated for the hospital under STEP FIVE calculated as a percentage of the sum calculated under STEP SIX.

STEP EIGHT: For each hospital identified in STEP FOUR, multiply the hospital's percentage share calculated under STEP SEVEN by the sum calculated under STEP THREE. The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid an amount equal to the amount determined for the hospital under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007.

~~(d)~~ **(e)** A hospital's payment under subsection (c) **or (d)** is in the form of a Medicaid ~~add-on~~ **supplemental** payment. The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection ~~(c).~~ **(f).** The office shall make the payments under subsection (c) **or (d)** before December 15 that next succeeds the end of the state fiscal year.

~~(e)~~ **(f)** The non-federal share of a payment to a hospital under subsection (c) **or (d)** is derived from funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** and not expended under section 9 of this chapter. ~~To the extent possible, the funds shall be derived on a proportional basis from the funds transferred by each county identified in subsection (c), STEP ONE:~~

~~(1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and~~

~~(2) whose funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) were not completely expended under section 9 of this chapter.~~

~~The amount available to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) to serve as the non-federal share of the payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX.~~

~~(f)~~ **(g)** Except as provided in subsection ~~(g),~~ **(h),** the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

~~(g)~~ **(h)** If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

(1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and

(2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of hospitals eligible for a payment under this section.

~~(h)~~ **(i)** Any funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** remaining after payments are made under this section shall be used as provided in ~~IC 12-15-20-2(8)(D).~~ **IC 12-15-20-2(8).**

(i) For purposes of ~~this section:~~ **subsection (c):**

(1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

(2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

SECTION 6. IC 12-15-15-9.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.6. **For state fiscal years beginning after June 30, 2007,** the total amount of payments to hospitals under sections 9 and 9.5 of this chapter may not exceed the amount ~~transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).~~ **paid to hospitals under sections 9 and 9.5 of this chapter for the state fiscal year ending June 30, 2007.**

SECTION 7. IC 12-15-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) This section applies to a hospital that:

(1) is licensed under IC 16-21; and

(2) qualifies as a provider under **IC 12-15-16, IC 12-15-17, or IC 12-15-19 of** the Medicaid disproportionate share provider program.

(b) The office may, after consulting with affected providers, do one (1) or more of the following:

~~(1) Expand the payment program established under section 1.1(b) of this chapter to include all hospitals described in subsection (a).~~

~~(2)~~ **(1)** Establish a nominal charge hospital payment program.

~~(3)~~ **(2)** Establish any other permissible payment program.

(c) A program expanded or established under this section is subject to the availability of:

(1) intergovernmental transfers; ~~or~~

(2) funds certified as being eligible for federal financial participation; **or**

(3) other permissible sources of non-federal share

dollars.

(d) The office may not implement a program under this section until the federal Centers for Medicare and Medicaid Services approves the provisions regarding the program in the amended state plan for medical assistance.

(e) The office may determine not to continue to implement a program established under this section if federal financial participation is not available.

SECTION 8. IC 12-15-19-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.1. (a) For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate share payment methodology that ensures that each hospital qualifying for disproportionate share payments under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as developed by the office must:

(1) maximize disproportionate share hospital payments to qualifying hospitals to the extent practicable;

(2) take into account the situation of those qualifying hospitals that have historically qualified for Medicaid disproportionate share payments; and

(3) ensure that payments ~~net of intergovernmental transfers made by or on behalf of~~ **for** qualifying hospitals are equitable.

(b) Total disproportionate share payments to a hospital under this chapter shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall be determined by the office taking into account data provided by each hospital that is considered reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) The office shall include a provision in each amendment to the state plan regarding Medicaid disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. However, the total disproportionate share payments to:

(1) each individual hospital; and

(2) all qualifying hospitals in the aggregate;

may not exceed the limits provided by federal law and regulation.

~~(d) The office shall, in each state fiscal year, provide sufficient funds for acute care hospitals licensed under IC 16-21 that qualify for disproportionate share payments under IC 12-15-16-1(a). Funds provided under this subsection:~~

~~(1) do not include funds transferred by other governmental units to the Medicaid indigent care trust fund; and~~

~~(2) must be in an amount equal to the amount that results from the following calculation:~~

~~STEP ONE: Multiply twenty-six million dollars ($26,000,000) by the federal medical assistance percentage.~~

~~STEP TWO: Subtract the amount determined under STEP ONE from twenty-six million dollars ($26,000,000).~~

SECTION 9. IC 12-15-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The office is not required to make disproportionate share payments under this chapter from the Medicaid indigent care trust fund established by IC 12-15-20-1 until the fund has received sufficient deposits, **including intergovernmental transfers of funds and certifications of expenditures,** to permit the office to make the state's share of the required disproportionate share payments.

(b) **For state fiscal years beginning after June 30, 2006,** if:

(1) sufficient deposits have not been received; **or**

(2) the statewide Medicaid disproportionate share allocation is insufficient to provide federal financial participation for the entirety of all eligible disproportionate share hospitals' hospital-specific limits;

the office shall reduce disproportionate share payments **made under IC 12-15-19-2.1 and Medicaid safety-net payments made in accordance with the Medicaid state plan** to ~~all~~ eligible institutions ~~by the same percentage.~~ **using an equitable methodology consistent with subsection (c).**

(c) For state fiscal years beginning after June 30, 2006, payments reduced under this section shall, in accordance with the Medicaid state plan, be made:

(1) to best utilize federal matching funds available for hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(2) by utilizing a methodology that allocates available funding under this subdivision, and Medicaid supplemental payments as defined in IC 12-15-15-1.5, in a manner that all hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1 receive payments using a methodology that:

(A) takes into account the situation of the eligible hospitals that have historically qualified for Medicaid disproportionate share payments; and

(B) ensures that payments for eligible hospitals are equitable.

(d) The percentage reduction shall be sufficient to ensure that payments do not exceed the **statewide Medicaid disproportionate share allocation or the** amounts that can be financed with:

(1) ~~the state share that is in~~ the **amount transferred from the hospital care for the indigent trust** fund;

(2) other intergovernmental transfers;

(3) certifications of public expenditures; or

(4) any other permissible sources of non-federal match.

SECTION 10. IC 12-15-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The Medicaid indigent care trust fund is established to pay the non-federal share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

(2) Subject to subdivision (8), disproportionate share payments to providers under IC 12-15-19-2.1.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) Payments to hospitals under IC 12-15-15-9.

(6) Payments to hospitals under IC 12-15-15-9.5.

(7) Payments, funding, and transfers as otherwise provided in clauses (8)(D), ~~and~~ (8)(F), **and (8)(G).**

(8) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the following apply:

(A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of

disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for state fiscal years beginning July 1, 2001, and July 1, 2002, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, and July 1, 2002;

shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(D) ~~Of~~ The intergovernmental transfers, which shall include amounts transferred under ~~IC 12-16-7.5-4.5(b), STEP FOUR,~~ **IC 12-16-7.5-4.5,** deposited into the Medicaid indigent care trust fund **and the certifications of public expenditures deemed to be made to the medicaid indigent care trust fund,** for **the** state fiscal years ending after June 30, ~~2003,~~ **2005, but before July 1, 2007,** ~~an amount equal to:~~

~~(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999; minus~~

~~(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) for the state fiscal year ending after June 30, 2003;~~

shall be used, ~~to fund the non-federal share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal years shall be used to fund, in descending order of priority, the non-federal share of payments to hospitals under IC 12-15-15-9, the non-federal share of payments to hospitals under IC 12-15-15-9.5, the amount to be transferred under clause (F), and the non-federal share of payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).~~ **in descending order of priority, as follows:**

(i) As provided in clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the amount to be transferred to the office.

(ii) As provided in clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) To fund the non-federal share of the payments made under IC 12-15-15-1.1, IC 12-15-15-1.3, and IC 12-15-19-8.

(iv) As provided under clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(2), for the payment to be made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b).

(v) As provided under STEP FOUR of IC 12-16-7.5-4.5(b)(1) and STEP FOUR of IC 12-16-7.5-4.5(b)(2), to fund the payments to be made under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(vi) To fund, in an order of priority determined by the office to best use the available non-federal share, the programs listed in clause (H).

(E) **For state fiscal years ending after June 30, 2007,** the total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount ~~calculated under STEP TWO of the following formula:~~

~~STEP ONE: Calculate the total amount of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).~~

~~STEP TWO: Multiply the state Medicaid medical assistance percentage for the state fiscal year for which the payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to be made by the amount calculated under STEP ONE.~~ **provided in clause (G)(ii).**

(F) As provided in clause (D), for **the following:**

(i) Each **state** fiscal year ending after June 30, 2003, **but before July 1, 2005,** an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:

STEP ONE: Calculate the product of thirty-five million dollars ($35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(ii) The state fiscal years ending after June 30, 2005, but before July 1, 2007, an amount equal to thirty million dollars ($30,000,000) shall be transferred to the office.

(G) Subject to IC 12-15-20.7-2(b), for each state fiscal year ending after June 30, 2007, the total amount in the Medicaid indigent care trust fund, including the amount of intergovernmental transfers of funds transferred, and the amounts of certifications of expenditures eligible for federal financial participation deemed to be transferred, to the Medicaid indigent care trust fund, shall be used to fund the following:

(i) Thirty million dollars ($30,000,000) transferred to the office for the Medicaid budget.

(ii) An amount not to exceed the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) An amount not to exceed the non-federal share of payments to hospitals made under IC 12-15-15-1.1 and IC 12-15-15-1.3.

(iv) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-8.

(v) An amount not to exceed the non-federal share of payments to hospitals under clause (A) of STEP

FIVE of IC 12-15-15-1.5(c).

(vi) An amount not to exceed the non-federal share of Medicaid safety-net payments.

(vii) An amount not to exceed the non-federal share of payments to hospitals made under clauses (C) or (D) of STEP FIVE of IC 12-15-15-1.5(c).

(viii) An amount not to exceed the non-federal share of payments to hospitals made under clause (F) of STEP FIVE of IC 12-15-15-1.5(c).

(ix) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-2.1.

(x) If additional funds are available after making payments under items (i) through (ix), to fund other Medicaid supplemental payments for hospitals approved by the office and included in the Medicaid state plan.

(H) For purposes of clause (D)(vi), the office shall fund the following:

(i) An amount equal to the non-federal share of the payments to the hospital that is eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments and any payment made under IC 12-15-19-2.1. The amount of the payments to the hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2005, when the payments are combined with payments made under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998, the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004, and the hospital merged two (2) hospitals under a single Medicaid provider number, effective January 1, 2004.

(ii) An amount equal to the non-federal share of payments to hospitals that are eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments, and any payment made under IC 12-15-19-2.1. The amount of payments to each hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2004, when the payments are combined with payments made to the hospital under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital did not receive a payment under item (i), the hospital has less than sixty thousand (60,000) Medicaid inpatient days annually, the hospital either was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998 or the hospital met the office's Medicaid disproportionate share payment criteria based on state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001, and the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

(iii) Subject to IC 12-15-19-6, an amount not less than the non-federal share of Medicaid safety-net payments in accordance with the Medicaid state plan.

(iv) An amount not less than the non-federal share of payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office to a hospital having sixty thousand (60,000) Medicaid inpatient days annually.

(v) An amount not less than the non-federal share of Medicaid disproportionate share payments for hospitals eligible under this item, and made under IC 12-15-19-6 and the approved Medicaid state plan. A hospital is eligible for a payment under this item if the hospital is eligible for payments under IC 12-15-19-2.1.

(vi) If additional funds remain after the payments made under (i) through (v), payments approved by the office and under the Medicaid state plan, to fund the non-federal share of other Medicaid supplemental payments for hospitals.

SECTION 11. IC 12-15-20.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. **(a)** For each state fiscal year **ending before July 1, 2005, and** subject to section 3 of this chapter, the office shall make the payments identified in this section in the following order:

(1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

(2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

(3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.

(4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.

(5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

(6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

(7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

(b) For each state fiscal year ending after June 30, 2007, the office shall make the payments for the programs identified in IC 12-15-20-2(8)(G) in the order of priority that best utilizes available non-federal share, Medicaid supplemental payments, and Medicaid disproportionate share payments, and may change the order or priority at any time as necessary for the proper administration of one (1) or more of the payment programs listed in IC 12-15-20-2(8)(G).

SECTION 12. IC 12-16-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. A ~~hospital shall~~ **provider may** provide a patient, and if the patient is not able to understand the statement, the patient's representative, with a statement of the eligibility and benefit standards adopted by the division if at least one (1) of the following occurs:

(1) The ~~hospital~~ **provider** has reason to believe that the patient may be indigent.

(2) The patient requests a statement of the standards.

SECTION 13. IC 12-16-4.5-1, AS AMENDED BY P.L.145-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) To receive assistance under the hospital care for the indigent program under this article, a ~~hospital, a physician, a transportation~~ provider, the person, or the person's representative must file an application regarding the person with the division.

(b) Upon receipt of an application under subsection (a), the division shall determine whether the person is a resident of Indiana and, if so, the person's county of residence. If the person is a resident of Indiana, the division shall provide a copy of the application to the county office of the person's county of

residence. If the person is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred. If the division cannot determine whether the person is a resident of Indiana or, if the person is a resident of Indiana, the person's county of residence, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred.

(c) A county office that receives a request from the division shall cooperate with the division in determining whether a person is a resident of Indiana and, if the person is a resident of Indiana, the person's county of residence.

SECTION 14. IC 12-16-4.5-2, AS AMENDED BY P.L.145-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. A ~~hospital, physician, or transportation~~ provider must file the application with the division not more than forty-five (45) days after the person has been released or discharged from the hospital, unless the person is medically unable and the next of kin or legal representative is unavailable.

SECTION 15. IC 12-16-4.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A patient must sign an application if the patient is medically able to sign.

(b) If a patient is medically unable to sign an application, the patient's next of kin or a legal representative, if available, may sign the application.

(c) If no person under subsections (a) and (b) is able to sign the application to file a timely application, a ~~hospital~~ **provider's** representative may sign the application instead of the patient.

SECTION 16. IC 12-16-4.5-8.5, AS ADDED BY P.L.145-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.5. A claim for ~~hospital items or services, physician services, or transportation~~ services must be filed with the division not more than one hundred eighty (180) days after the person who received the care has been released or discharged from the hospital. For good cause as determined by the division, this one hundred eighty (180) day limit may be extended or waived for a claim.

SECTION 17. IC 12-16-5.5-1, AS AMENDED BY P.L.145-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The division shall, upon receipt of an application of or for a person who was admitted to, or who was otherwise provided care by a ~~hospital,~~ **provider,** promptly investigate to determine the person's eligibility under the hospital care for the indigent program. The division shall consider the following information obtained by the ~~hospital~~ **provider** regarding the person:

(1) Income.
(2) Resources.
(3) Place of residence.
(4) Medical condition.
~~(5) Hospital care.~~
~~(6)~~ **(5)** Physician care.
~~(7)~~ **(6)** Transportation to and from the hospital.

The division may rely on the ~~hospital's~~ **provider's** information in determining the person's eligibility under the program.

(b) The division may choose not to interview the person if, based on the information provided to the division, the division determines that it appears that the person is eligible for the program. If the division determines that an interview of the person is necessary, the division shall allow the interview to occur by telephone with the person or with the person's representative if the person is not able to participate in the interview.

(c) The county office located in:

(1) the county where the person is a resident; or
(2) the county where the onset of the medical condition that necessitated the care occurred if the person's Indiana residency or Indiana county of residence cannot be determined;

shall cooperate with the division in determining the person's eligibility under the program.

SECTION 18. IC 12-16-5.5-1.2, AS ADDED BY P.L.145-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) The division shall, upon receipt of a claim pertaining to a person:

(1) who was ~~admitted to, or who was otherwise~~ provided care by ~~a hospital,~~ **an eligible provider;** and
(2) whose medical condition satisfies one (1) or more of the medical conditions identified in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3);

promptly review the claim to determine if the health care items or services identified in the claim were necessitated by the person's medical condition or, if applicable, if the items or services were a direct consequence of the person's medical condition.

(b) In conducting the review of a claim referenced in subsection (a), the division shall calculate the amount of the claim. For purposes of this section, IC 12-15-15-9, IC 12-15-15-9.5, IC 12-16-6.5, and IC 12-16-7.5, the amount of a claim shall be calculated in a manner described in IC 12-16-7.5-2.5(c).

SECTION 19. IC 12-16-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The ~~hospital providing~~ **provider of** medical care to a patient shall provide information the ~~hospital~~ **provider** has that would assist in the verification of indigency of a patient.

(b) A ~~hospital~~ **provider** that provides information under subsection (a) is immune from civil and criminal liability for divulging the information.

SECTION 20. IC 12-16-5.5-3, AS AMENDED BY P.L.145-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Subject to subsection (b) and IC 12-16-6.5-1.5, if the division is unable after prompt and diligent efforts to verify information contained in the application that is reasonably necessary to determine eligibility, the division may deny assistance under the hospital care for the indigent program. The pending expiration of the period specified in IC 12-16-6.5-1.5 is not a valid reason for denying a person's eligibility for the hospital care for the indigent program.

(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person **and** the ~~hospital, and any other~~ provider who submitted a claim under IC 12-16-4.5-8.5 written notice of:

(1) the specific information or verification needed to determine eligibility;
(2) the specific efforts undertaken to obtain the information or verification; and
(3) the statute or rule requiring the information or verification identified under subdivision (1).

(c) The division must provide the ~~hospital and any other~~ provider who submitted a claim under IC 12-16-4.5-8.5 a period of time, not less than ten (10) days beyond the deadline established under IC 12-16-6.5-1.5, to submit to the division information concerning the person's eligibility. If the division does not make a determination of the person's eligibility within ten (10) days after receiving the information under this subsection, the person is eligible without the division's determination of the person's eligibility for the hospital care for the indigent care program under this article.

SECTION 21. IC 12-16-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The division shall notify in writing the person and the ~~hospital~~ **provider** of the following:

(1) A decision concerning eligibility.

(2) The reasons for a denial of eligibility.

(3) That either party has the right to appeal the decision.

SECTION 22. IC 12-16-6.5-1, AS AMENDED BY P.L.145-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. If the division determines that a person is not eligible for assistance for ~~medical care, hospital care, or transportation~~ services, an affected person ~~physician, hospital,~~ or ~~transportation~~ provider may appeal to the division not later than ninety (90) days after the mailing of notice of that determination to the affected person ~~physician, hospital,~~ or ~~transportation~~ provider to the last known address of the person ~~physician, hospital,~~ or ~~transportation~~ provider.

SECTION 23. IC 12-16-6.5-1.2, AS ADDED BY P.L.145-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) If the division determines that an item or service identified in a claim:

(1) was not necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(2) was not a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3);

the affected person ~~physician, hospital, and transportation~~ **or** provider may appeal to the division not later than ninety (90) days after the mailing of the notice of that determination to the affected person ~~physician, hospital,~~ or ~~transportation~~ provider to the last known address of the person ~~physician, hospital,~~ or ~~transportation~~ provider.

(b) If the division determines that an item or service identified in a claim:

(1) was necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(2) was a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3);

but the affected ~~physician, hospital, or transportation~~ provider disagrees with the amount of the claim calculated by the division under IC 12-16-5.5-1.2(b), the affected ~~physician, hospital, or transportation~~ provider may appeal the calculation to the division not later than ninety (90) days after the mailing of the notice of that calculation to the affected ~~physician, hospital, or transportation~~ provider to the last known address of the ~~physician, hospital, or transportation~~ provider.

SECTION 24. IC 12-16-6.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter, including any affected ~~physician, hospital, or transportation~~ provider, at least twenty (20) days before the time fixed for the hearing.

SECTION 25. IC 12-16-7.5-1.2, AS ADDED BY P.L.145-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) A person determined to be eligible under the hospital care for the indigent program is not financially obligated for ~~hospital items or services, physician services, or transportation~~ services provided to the person during the person's eligibility under the program, if the items or services were:

(1) identified in a claim filed with the division under IC 12-16-4.5; and

(2) determined:

(A) to have been necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(B) to be a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(b) ~~Based on a hospital's items or services identified in a claim under subsection (a), the hospital~~ **Hospitals** may receive a payment from the office calculated and made under IC 12-15-15-9 and, if applicable, IC 12-15-15-9.5. **Hospitals shall not file claims for payments under IC 12-15-15-9 and IC 12-15-15-9.5 for payments attributable to state fiscal years beginning after June 30, 2007.**

(c) Based on a physician's services identified in a claim under subsection (a), the physician may receive a payment from the division calculated and made under section 5 of this chapter.

(d) Based on the transportation services identified in a claim under subsection (a), the transportation provider may receive a payment from the division calculated and made under section 5 of this chapter.

SECTION 26. IC 12-16-7.5-2.5, AS AMENDED BY P.L.1-2006, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) Payable claims shall be segregated by state fiscal year.

(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, "payable claim" refers to the following:

(1) Subject to subdivision (2), a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) that includes, on forms prescribed by the division, all the information required for timely payment;

(B) that is for a period during which the person is determined to be financially and medically eligible for the hospital care for the indigent program; and

(C) for which the payment amounts for the care and services are determined by the division.

This subdivision applies for the state fiscal year ending June 30, 2004.

(2) For state fiscal years ending after June 30, 2004, **and before July 1, 2007,** a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) provided to a person under the hospital care for the indigent program under this article during the person's eligibility under the program;

(B) identified in a claim filed with the division; and

(C) determined to:

(i) have been necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(ii) be a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(3) For state fiscal years beginning after June 30, 2007, a claim for payment for physician care or transportation services under this chapter:

(A) provided to a person under the hospital care for the indigent program under this article during the person's eligibility under the program;

(B) identified in a claim filed with the division; and

(C) determined to:

(i) be necessary after the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the outcomes described in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(ii) be a direct consequence of the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of

immediate medical attention would probably result in any of the outcomes listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(c) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, "amount" when used in regard to a claim or payable claim means an amount calculated under STEP THREE of the following formula:

STEP ONE: Identify the items and services identified in a claim or payable claim.

STEP TWO: Using the applicable Medicaid fee for service reimbursement rates, calculate the reimbursement amounts for each of the items and services identified in STEP ONE.

STEP THREE: Calculate the sum of the amounts identified in STEP TWO.

(d) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, a ~~physician, hospital, or transportation~~ provider that submits a claim to the division is considered to have submitted the claim during the state fiscal year during which the amount of the claim was determined under IC 12-16-5.5-1.2(b) or, if successfully appealed by a ~~physician, hospital, or transportation~~ provider, the state fiscal year in which the appeal was decided.

(e) The division shall determine the amount of a claim under IC 12-16-5.5-1.2(b).

SECTION 27. IC 12-16-7.5-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) Not later than October 31 following the end of each state fiscal year, the division shall:

(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributed to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana;

(ii) whose state of residence could not be determined by the division; and

(iii) who were residents of Indiana but whose county of residence in Indiana could not be determined by the division;

and whose medical condition that necessitated the care or service occurred in the county;

(2) notify each county of the amount of payable claims attributed to the county under the calculation made under subdivision (1); and

(3) with respect to payable claims attributed to a county under subdivision (1):

(A) calculate the total amount of payable claims submitted during the state fiscal year for:

(i) each hospital;

(ii) each physician; and

(iii) each transportation provider; and

(B) determine the amount of each payable claim for each hospital, physician, and transportation provider listed in clause (A).

(b) **For the state fiscal years beginning after June 30, 2005, but before July 1, 2007, and** before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the **following** state fiscal ~~year.~~ **years:**

(1) For the state fiscal year ending June 30, 2006, as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used by the division to make payments under section 5 of this chapter.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of the payments made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to sixty-one million dollars ($61,000,000) less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

STEP FIVE: Transfer to the Medicaid indigent care trust fund for the programs referenced at IC 12-15-20-2(8)(D)(vi) and funded in accordance with IC 12-15-20-2(8)(H) the amount determined under STEP ONE, less the sum of the amount:

(A) determined in STEP TWO;

(B) transferred in STEP THREE; and

(C) transferred in STEP FOUR.

(2) For the state fiscal year ending June 30, 2007, as required under the following steps:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used by the division for making payments under section 5 of this chapter or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of five million dollars ($5,000,000) for the payment made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to the amount determined under STEP ONE less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(c) For the state fiscal years beginning after June 30, 2007, before November 1 following the end of the state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from a county's hospital care for the indigent fund by the county to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year attributed to the county under subsection (a), determine the amount of total ~~hospital payable claims, total~~ physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of an amount equal to the sum of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars ($3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of ~~IC 12-15-20-2(8)(D)~~ **IC 12-15-20-2(8)(G)** an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter **or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.**

~~(c)~~ **(d)** The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund.

SECTION 28. IC 12-16-7.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. Before December 15 following the end of each state fiscal year, the division shall, from the amounts combined from the counties' hospital care for the indigent funds and retained under section 4.5(b) ~~STEP FIVE~~ **or 4.5(c)** of this chapter, pay each physician and transportation provider a pro rata part of that amount. The total payments available under this section may not exceed three million dollars ($3,000,000).

SECTION 29. IC 12-16-14-3, AS AMENDED BY P.L.246-2005, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) ~~For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).~~

~~(b)~~ For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

~~(c)~~ **(b)** For taxes first due and payable in 2004, ~~2005, 2006, 2007, and 2008,~~ **and each year after 2004,** each county shall impose a hospital care for the indigent property tax levy equal to the ~~product of:~~ **hospital care for the indigent program property tax levy for taxes first due and payable in the preceding calendar year, multiplied by the statewide average assessed value growth quotients determined under IC 6-1.1-18.5-2, for the year in which the tax levy under this subsection is first due and payable.**

~~(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year, multiplied by~~

~~(2) the assessed value growth quotient determined in the last STEP of the following STEPS:~~

~~STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.~~

~~STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).~~

~~(d) Except as provided in subsection (e):~~

~~(1) for taxes first due and payable in 2009, each county shall impose a hospital care for the indigent property tax levy equal to the average of the annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:~~

~~(A) July 1, 2005,~~

~~(B) July 1, 2006, and~~

~~(C) July 1, 2007, and~~

~~(2) for all subsequent annual levies under this section, the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.~~

~~(e) A county may not impose an annual levy under subsection (d) in an amount greater than the product of:~~

~~(1) The greater of:~~

~~(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2008, or~~

~~(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year, multiplied by~~

~~(2) the assessed value growth quotient determined in the last STEP of the following STEPS:~~

~~STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.~~

~~STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).~~

SECTION 30. IC 34-30-2-45.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 45.7. IC 12-16-5.5-2 (Concerning ~~hospitals~~ **providers** for providing information verifying indigency of patient).

SECTION 31. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 12-15-15-9.8; IC 12-15-20.7-3; IC 12-16-2.5-6.5; IC 12-16-8.5; IC 12-16-12.5.

SECTION 32. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.**

(b) The office shall apply to the United States Department of Health and Human Services for approval of an amendment to the state's Medicaid plan that is necessary to do the following:

(1) Amend the state's upper payment limit program.

(2) Make changes to the state's disproportionate share hospital program.

(c) The office may not implement an approved amendment to the state plan until the office files an affidavit with the governor attesting that the state plan amendment applied for under subsection (b)(1) or (b)(2) of this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that the state plan amendment is approved.

(d) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(e) This SECTION expires December 31, 2013.

SECTION 33. [EFFECTIVE UPON PASSAGE] **(a) Not later than November 1, 2008, the department of insurance and the office of the secretary of family and social services shall study and make a final recommendation to the legislative council, in an electronic format under IC 5-14-6, concerning the following:**

(1) A plan to provide health insurance coverage to individuals who:

(A) have a family income that is more than two hundred percent (200%) of the federal income poverty level; and

(B) are uninsured.

(2) A health insurance program that would require local government employers, school corporations, and other public employers to join together to purchase employee health insurance coverage.

(b) The department of insurance shall compile for accident and sickness insurers and health maintenance organizations doing business in Indiana:

(1) reimbursement rates for providers; and

(2) premium costs;

and provide the information in a report to the legislative council in an electronic format under IC 5-14-6.

(c) The report required under subsection (b) may not identify an accident and sickness insurer or a health maintenance organization. Any information provided under this SECTION that identifies an accident and sickness insurer or a health maintenance organization is confidential.

(d) This SECTION expires December 31, 2008.

SECTION 34. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commission" refers to the health finance commission established by IC 2-5-23-3.**

(b) The commission shall study during the 2007 legislative interim the following concerning the Indiana tobacco use prevention and cessation program:

(1) The effectiveness of the program.

(2) Whether the program should be transferred to the state department of health.

(c) This SECTION expires December 31, 2007.

SECTION 35. [EFFECTIVE UPON PASSAGE] **(a) Not later than November 1, 2008, the office of the secretary of family and social services shall study and make a final recommendation to the legislative council, in an electronic format under IC 5-14-6, concerning the viability of keeping members of a family who are eligible for:**

(1) Medicaid;

(2) the children's health insurance program; or

(3) other state health care assistance plans;

together under the same health care plan by using health care accounts, market-based contributions by the recipients, assignment of Medicaid patients to private health insurance, or other health care plans.

(b) This SECTION expires December 31, 2008.

SECTION 36. **An emergency is declared for this act.**

(Reference is to ESB 503 as reprinted April 10, 2007.)

MILLER	C. BROWN
SIMPSON	T. BROWN
Senate Conferees	House Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT

EHB 1835–1; filed April 29, 2007, at 3:48 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1835 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.47-2006, SECTION 2, AS AMENDED BY P.L.91-2006, SECTION 2, AND AS AMENDED BY P.L.123-2006, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.

(10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.

(11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to

comply with a deadline required by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(16) An emergency rule adopted by the Indiana gaming commission under *IC 4-32.2-3-3(b),* IC 4-33-4-2, IC 4-33-4-3, ~~or~~ IC 4-33-4-14, **or IC 4-35-4-2.**

(17) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 **(repealed).**

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 **(repealed).**

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) **(repealed)** or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) **(repealed)** or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(30) A rule adopted by the Indiana finance authority:

(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;

(B) under IC 8-15-2-17.2(a)(10):

(i) establishing enforcement procedures; and

(ii) making assessments for failure to pay required tolls;

(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or

(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the ~~*number of copies*~~ *format* of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the ~~*secretary of state*~~ *publisher* for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The ~~*secretary of state*~~ *publisher* shall determine the ~~*number of copies*~~ *format* of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the ~~*secretary of state*~~ *publisher* shall:

(1) accept the rule for filing; and

(2) ~~*file stamp and indicate*~~ *electronically record* the date and time that the rule is accepted. ~~*on every duplicate original copy submitted.*~~

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j), ~~*and*~~ (k), *and (l),* a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.

SECTION 2. IC 4-31-2-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. "Live racing day" means a day on which at least eight (8) live horse races are conducted.**

SECTION 3. IC 4-31-2-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20.7. "Slot machine" refers to a type of electronic gaming device approved by the Indiana gaming commission for wagering under IC 4-35.**

SECTION 4. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35.

SECTION 5. IC 4-31-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A person may not conduct, assist, or aid or abet in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless that person secures a recognized meeting permit under this chapter.

(b) The commission may not issue a recognized meeting permit for:

(1) an activity other than horse racing meetings; or

(2) horse racing meetings conducted at:

(A) the state fairgrounds during a state fair; or

(B) a county fairgrounds.

However, subdivision (2) does not prohibit the commission from issuing a recognized meeting permit for races to be conducted at the state fairgrounds at times when a fair is not in session.

(c) The commission may not issue more than two (2) recognized meeting permits under this chapter.

SECTION 6. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. **(a)** The commission shall determine the dates and **(if the commission adopts a rule under subsection (c))** the number of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

(b) Except as provided in subsection (c), the commission shall require at least one hundred forty (140) but not more than one hundred sixty-five (165) live racing days each calendar year at the racetrack designated in a permit holder's permit, as follows:

(1) At least eighty (80) but not more than ninety (90) live racing days must be for standardbreds.

(2) At least sixty (60) but not more than seventy-five (75) live racing days must be for horses that are:

(A) mounted by jockeys; and

(B) run on a course without jumps or obstacles.

The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or another event over which the permit holder has no control.

(c) The commission may by rule adjust any of the following:

(1) The total required number of live racing days under subsection (b).

(2) The number of live racing days required under subsection (b)(1).

(3) The number of live racing days required under subsection (b)(2).

(d) A permit holder may not conduct more than fourteen (14) races on a particular racing day.

SECTION 7. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) **Except as provided in subsection (c),** the commission may issue four (4) satellite facility licenses to each permit holder that

~~(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and~~

~~(B)~~ meets the other requirements of this chapter and the rules adopted under this chapter.

~~If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.~~

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of ~~four~~ **two** hundred ~~(400)~~ **(200)** persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

(c) A permit holder licensed to conduct gambling games under IC 4-35 is limited to the number of satellite facility licenses issued to the permit holder before January 1, 2007.

SECTION 8. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

However, a permit holder licensed to conduct gambling games under IC 4-35 may permit wagering on slot machines at a racetrack as permitted by IC 4-35.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 9. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

(d) Except as provided by IC 4-35-7-2, a person less than twenty-one (21) years of age may not enter the area of a racetrack in which gambling games are conducted under IC 4-35.

SECTION 10. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools, **but excluding money wagered on slot machines under IC 4-35);** plus

(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 11. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This article applies only to the following:

(1) Counties contiguous to Lake Michigan.

(2) ~~Counties~~ **A county that is:**

(A) contiguous to the Ohio River; **and**

(B) described in IC 4-33-6-1(a)(5).

(3) A county that contains a historic hotel district.

SECTION 12. IC 4-33-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. "Gambling game" includes any ~~of the following if~~ **game** approved by the commission as a wagering device.

~~(1) Baccarat.~~

~~(2) Twenty-one.~~

~~(3) Poker.~~

~~(4) Craps.~~

~~(5) Slot machine.~~

~~(6) Video games of chance.~~

~~(7) Roulette wheel.~~

~~(8) Klondike table.~~

~~(9) Punchboard.~~

~~(10) Faro layout.~~

~~(11) Keno layout.~~

~~(12) Numbers ticket.~~

~~(13) Push card.~~

~~(14) Jar ticket.~~

~~(15) Pull tab.~~

~~(16) Big six.~~

SECTION 13. IC 4-33-2-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.5. "Slot machine taxes" means the taxes imposed under IC 4-35-8-1 on the adjusted gross receipts of gambling games conducted under IC 4-35.**

SECTION 14. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue to a person a license to own a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, section 3.5 of this chapter, and IC 4-33-4-17. However, not more than ten (10) owner's licenses may be in effect at any time. Except as provided in subsection (b), those ten (10) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from **the following** counties: ~~described under IC 4-33-1-1(2).~~

(A) Vanderburgh County.

(B) Harrison County.

(C) Switzerland County.

(D) Ohio County.

(E) Dearborn County.

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in ~~IC 4-33-1-1(2).~~ **this subdivision.**

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

(c) In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.

(d) A person holding an owner's license may not move the person's riverboat from the county in which the riverboat was docked on January 1, 2007, to any other county.

SECTION 15. IC 4-33-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented

flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars ($3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the following rate:

(1) Four dollars ($4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.

(2) Three dollars ($3) for each person admitted to a riverboat that docks in any other county. This admission tax is imposed upon the licensed owner operating the riverboat.

(c) The commission may by rule determine the point at which a person is considered to be:

(1) admitted to a gambling excursion, in the case of a riverboat subject to subsection (a); or

(2) admitted to a riverboat, in the case of a riverboat subject to subsection (b);

for purposes of collecting the admissions tax under this chapter.

SECTION 16. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

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

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

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

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

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

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

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar ($1) is in addition to the one dollar ($1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) **and section 7 of this chapter,** sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

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

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more

taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) **and section 7 of this chapter,** sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the

racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

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

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

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

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

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

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

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

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

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

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

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

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) ~~exceed~~ **exceeds** a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section;

to the property tax replacement fund instead of to the entity.

SECTION 17. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) The maximum amount paid to the Indiana horse racing commission under this article in a state fiscal year may not exceed the remainder of:**

(1) the Indiana horse racing commission's base year revenue as determined under section 6(h) of this chapter; minus

(2) the amount of money, if any, distributed by licensees under IC 4-35-7-12 to horsemen's associations and for horse racing purses and breed development in the state fiscal year.

(b) For each state fiscal year, the treasurer of state shall pay an amount equal to the lesser of:

(1) the amount of admissions taxes specified in:

(A) section 6(b)(6) of this chapter; and

(B) section 6(d)(7) of this chapter; or

(2) the amount of money distributed under IC 4-35-7-12 that is subtracted from the Indiana horse racing commission's base year revenue under subsection (a);

to the state general fund instead of to the Indiana horse racing commission.

SECTION 18. IC 4-33-13-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. (a) This section applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5.

(b) A graduated tax is imposed on the adjusted gross receipts received from gambling games authorized under this article as follows:

(1) Fifteen percent (15%) of the first twenty-five million dollars ($25,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Twenty percent (20%) of the adjusted gross receipts in excess of twenty-five million dollars ($25,000,000) but not exceeding fifty million dollars ($50,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Twenty-five percent (25%) of the adjusted gross receipts in excess of fifty million dollars ($50,000,000) but not exceeding seventy-five million dollars ($75,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(4) Thirty percent (30%) of the adjusted gross receipts in excess of seventy-five million dollars ($75,000,000) but not exceeding one hundred fifty million dollars ($150,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(5) Thirty-five percent (35%) of all adjusted gross receipts in excess of one hundred fifty million dollars ($150,000,000) **but not exceeding six hundred million dollars ($600,000,000) received during the period**

beginning July 1 of each year and ending June 30 of the following year.

(6) Forty percent (40%) of all adjusted gross receipts exceeding six hundred million dollars ($600,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(c) The licensed owner or operating agent shall remit the tax imposed by this chapter to the department before the close of the business day following the day the wagers are made.

(d) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(e) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensed owner or operating agent to file a monthly report to reconcile the amounts remitted to the department.

(f) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-33-12.

(g) If a riverboat implements flexible scheduling during any part of a period beginning July 1 of each year and ending June 30 of the following year, the tax rate imposed on the adjusted gross receipts received while the riverboat implements flexible scheduling shall be computed as if the riverboat had engaged in flexible scheduling during the entire period beginning July 1 of each year and ending June 30 of the following year.

(h) If a riverboat:

(1) implements flexible scheduling during any part of a period beginning July 1 of each year and ending June 30 of the following year; and

(2) before the end of that period ceases to operate the riverboat with flexible scheduling;

the riverboat shall continue to pay a wagering tax at the tax rates imposed under subsection (b) until the end of that period as if the riverboat had not ceased to conduct flexible scheduling.

SECTION 19. IC 4-33-13-5, AS AMENDED BY P.L.91-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three

thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. **Except as provided in subsection (i),** the amount of ~~the~~ **an entity's** supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).

SECTION 20. IC 4-33-18-9, AS AMENDED BY P.L.91-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

(1) the ~~Indiana~~ **state** lottery commission under IC 4-30;

(2) the Indiana horse racing commission under IC 4-31; or

(3) the Indiana gaming commission under IC 4-32.2, ~~or~~ IC 4-33, **or IC 4-35.**

(b) The department may not exercise any administrative or regulatory powers with respect to:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under IC 4-32.2; ~~or~~

(4) riverboat casino gambling under IC 4-33; **or**

(5) gambling games conducted at a racetrack (as defined in IC 4-35-2-9) under IC 4-35.

SECTION 21. IC 4-35 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 35. GAMBLING GAMES AT RACETRACKS

Chapter 1. Application

Sec. 1. This article applies only to gambling games conducted by a permit holder holding a gambling game license issued under IC 4-35-5.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a licensee from gambling games; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for gambling games; and

(B) uncollectible gambling game receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from gambling games; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from gambling games.

Sec. 3. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 4. "Department" refers to the department of state revenue.

Sec. 5. "Gambling game" means a game played on a slot machine approved for wagering under this article by the commission.

Sec. 6. "Gaming agent" means an individual described in IC 4-33-4.5.

Sec. 7. "Licensee" means a person holding a license issued under this article.

Sec. 8. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

Sec. 9. "Racetrack" means the racetrack specified in a permit holder's permit to conduct a pari-mutuel horse racing meeting.

Sec. 10. "Supplier's license" means a license issued under IC 4-35-6.

Chapter 3. General Provisions

Sec. 1. All shipments of slot machines to licensees in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the general assembly, declares that the state is exempt from 15 U.S.C. 1172.

Sec. 3. (a) This section does not apply to real or personal property taxes imposed by a local taxing unit.

(b) Local governmental authority concerning all matters relating to the gambling games at racetracks conducted under this article is preempted by the state under this article.

(c) No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee. This section does not prohibit the assessment and levying of property taxes otherwise authorized by law or the imposing of a special assessment (including a ditch or drainage assessment, Barrett Law assessment, improvement assessment, sewer assessment, or sewage assessment) otherwise authorized by law to be imposed on property to be benefitted by an improvement.

(d) A political subdivision may not enter an agreement with a permit holder that requires any financial commitments from the permit holder that are in addition to the fees and taxes imposed under this article.

Sec. 4. This article will maintain the public's confidence and trust through:

(1) comprehensive law enforcement supervision; and

(2) the strict regulation of facilities, persons, associations, and gambling games at racetracks under this article.

Chapter 4. Powers and Duties of the Indiana Gaming Commission

Sec. 1. (a) The commission shall regulate and administer gambling games conducted by a licensee under this article.

(b) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of gambling games at racetracks authorized under this article:

(1) All powers and duties specified in this article.

(2) All powers necessary and proper to fully and effectively execute this article.

(3) Jurisdiction and supervision over the following:

(A) All gambling game operations in Indiana.

(B) All persons at racetracks where gambling games are conducted.

(4) The power to investigate and reinvestigate applicants and licensees and determine the eligibility of applicants for licenses.

(5) The power to take appropriate administrative enforcement or disciplinary action against a licensee.

(6) The power to investigate alleged violations of this article.

(7) The power to conduct hearings.

(8) The power to issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.

(9) The power to administer oaths and affirmations to the witnesses.

(10) The power to prescribe forms to be used by licensees.

(11) The power to revoke, suspend, or renew licenses issued under this article.

(12) The power to hire employees to gather information, conduct investigations, and carry out other tasks under this article. The employees hired by the commission under this article may be the same as the commission's employees hired under IC 4-32.2 or IC 4-33.

(13) The power to take any reasonable or appropriate action to enforce this article.

(c) The commission may by resolution assign to the executive director any duty imposed upon the commission by this article.

(d) The executive director shall perform the duties assigned to the executive director by the commission. The executive director may exercise any power conferred upon the commission by this article that is consistent with the duties assigned to the executive director under subsection (c).

Sec. 2. (a) The commission shall do the following:

(1) Adopt rules under IC 4-22-2 that the commission determines are necessary to protect or enhance the following:

(A) The credibility and integrity of gambling games authorized under this article.

(B) The regulatory process provided in this article.

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees imposed under this article, and deposit the license fees in the state general fund.

(4) Levy and collect penalties for noncriminal violations of this article and deposit the penalties in the state general fund.

(5) Approve the design, appearance, aesthetics, and

construction of slot machine facilities authorized under this article.

(6) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(7) Adopt rules to establish and implement a voluntary exclusion program that meets the requirements of subsection (c).

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(6) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(6).

(c) Rules adopted under subsection (a)(7) must provide the following:

(1) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program agrees to refrain from entering a facility at which gambling games are conducted or another facility under the jurisdiction of the commission.

(2) That the name of a person participating in the program will be included on a list of persons excluded from all facilities under the jurisdiction of the commission.

(3) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program may not petition the commission for readmittance to a facility under the jurisdiction of the commission.

(4) That the list of patrons entering the voluntary exclusion program and the personal information of the participants are confidential and may only be disseminated by the commission to the owner or operator of a facility under the jurisdiction of the commission for purposes of enforcement and to other entities, upon request by the participant and agreement by the commission.

(5) That an owner of a facility under the jurisdiction of the commission shall make all reasonable attempts as determined by the commission to cease all direct marketing efforts to a person participating in the program.

(6) That an owner of a facility under the jurisdiction of the commission may not cash the check of a person participating in the program or extend credit to the person in any manner. However, the voluntary exclusion program does not preclude an owner from seeking the payment of a debt accrued by a person before entering the program.

Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which gambling games at racetracks may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning the inspection of gambling game facilities at racetracks and the review of the licenses necessary to conduct gambling games under this article.

(5) Imposing penalties for noncriminal violations of this article.

Sec. 4. The commission shall be present through the commission's gaming agents during the time gambling games are being conducted at a racetrack to do the following:

(1) Certify the revenue received by a racetrack from gambling games.

(2) Receive complaints from the public concerning the operation of gambling games.

(3) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

Sec. 5. The commission shall employ gaming agents to perform duties imposed by this article. A licensee shall, under rules adopted by the commission under IC 4-22-2, reimburse the commission for:

(1) training expenses incurred to train gaming agents;

(2) salaries and other expenses of staff required to support the gaming agents; and

(3) salaries and other expenses of the gaming agents required to be present during the time gambling games are being conducted at a racetrack.

Sec. 6. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.

Sec. 7. (a) The commission shall adopt standards for the licensing of the following:

(1) Persons regulated under this article.

(2) Slot machines used in gambling games.

(b) Where applicable, 68 IAC applies to racetracks conducting gambling games under this article.

Sec. 8. The commission shall require that the records, including financial statements, of a licensee must be maintained in the manner prescribed by the commission.

Sec. 9. (a) The commission may eject or exclude or authorize the ejection or exclusion of a person from a facility at which gambling games are conducted if:

(1) the person's name is on the list of persons voluntarily excluding themselves from all facilities at which gambling games are conducted in a program established under the rules of the commission;

(2) the person violates this article; or

(3) the commission determines that the person's conduct or reputation is such that the person's presence within a facility at which gambling games are conducted may:

(A) call into question the honesty and integrity of the gambling games at racetracks; or

(B) interfere with the orderly conduct of the gambling games at racetracks.

(b) A person, other than a person participating in a voluntary exclusion program, may petition the commission for a hearing on the person's ejection or exclusion under this section.

Sec. 10. If a licensee or an employee of a licensee violates this article or engages in a fraudulent act, the commission may do any combination of the following:

(1) Suspend, revoke, or restrict the license of the licensee.

(2) Require the removal of a licensee or an employee of a licensee.

(3) Impose a civil penalty of not more than the greater of:

(A) ten thousand dollars ($10,000); or

(B) an amount equal to the licensee's daily gross receipts for the day of the violation;

against a licensee for each violation of this article.

(4) Impose a civil penalty of not more than twenty-five thousand dollars ($25,000) against a person who has been issued a supplier's license for each violation of this article.

Sec. 11. (a) The commission shall review and make a determination on a complaint by a licensee concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of gambling games at racetracks.

(b) A licensee filing a complaint under this section must

prove all of the following by clear and convincing evidence:

(1) The investigative procedure had no reasonable law enforcement purpose.

(2) The investigative procedure was so disruptive as to unreasonably inhibit gambling games at racetracks.

(c) For purposes of this section, the need to inspect and investigate a licensee shall be presumed at all times.

Sec. 12. (a) The commission shall require a licensee to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a facility at which gambling games are conducted, if tickets are issued.

(2) On a poster or placard that is on display in a public area of each facility at which gambling games at racetracks are conducted.

(b) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

Chapter 5. Gambling Game License

Sec. 1. The commission may issue a license to a permit holder to conduct gambling games under this article at the permit holder's racetrack. The number of licenses issued under this chapter may not exceed two (2).

Sec. 2. (a) Before issuing a license to a person under this chapter, the commission shall subject the person to a background investigation similar to a background investigation required for an applicant for a riverboat owner's license under IC 4-33-6.

(b) Before the commission may issue a license to a person under this chapter, the person must submit to the commission for the commission's approval the physical layout of the person's proposed slot machines and the facilities that will contain the proposed slot machines. The facilities that will contain the slot machines must be connected to the licensee's racetrack facilities.

Sec. 2.4. In determining whether to grant a license under this chapter to an applicant, the commission shall consider the following:

(1) The character, reputation, experience, and financial integrity of the following:

(A) The applicant.

(B) A person that:

(i) directly or indirectly controls the applicant; or

(ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.

(2) The facilities or proposed facilities for the conduct of gambling games. The facilities or proposed facilities must include capital expenditures of at least one hundred million dollars ($100,000,000).

(3) The prospective total revenue to be collected by the state from the conduct of gambling games.

(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.

(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(6) If the applicant has adequate capitalization to provide and maintain facilities for gambling games for the duration of the license.

(7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

Sec. 2.5. The commission may not issue a license under this chapter to a person if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling games authorized under this article; or

(6) a license issued to the person:

(A) under this article; or

(B) to own or operate gambling facilities in another jurisdiction;

has been revoked.

Sec. 2.6. (a) A licensee under this chapter must post a bond with the commission at least sixty (60) days before the commencement of gambling games at the licensee's racetrack.

(b) The bond shall be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with gambling games at the racetrack; and

(3) must be payable to the commission as obligee for use in payment of the licensee's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensee's bond is insufficient, the licensee shall upon written demand of the commission file a new bond.

(f) The commission may require a licensee to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, by payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the licensee's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit in which the racetrack is located.

(i) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(j) The commission may adopt rules authorizing the release of a bond under this section.

Sec. 2.7. The commission may revoke a license under this chapter if:

(1) the licensee begins regular gambling game operations more than twelve (12) months after

receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

Sec. 2.8. A license to conduct gambling games:

(1) is a revocable privilege granted by the state; and

(2) is not a property right.

Sec. 3. (a) A permit holder that is issued a gambling game license under this article must pay to the commission an initial licensing fee of two hundred fifty million dollars ($250,000,000) as follows:

(1) One hundred fifty million dollars ($150,000,000) payable before November 1, 2007.

(2) One hundred million dollars ($100,000,000) payable before November 1, 2008.

(b) The commission shall deposit any initial licensing fees collected under this section into the property tax reduction trust fund established by IC 4-35-8-2. Subject to an appropriation by the general assembly, money deposited into the property tax reduction trust fund under this section may be used to provide property tax relief in any manner prescribed by the general assembly.

Sec. 4. (a) An initial gambling game license expires five (5) years after the effective date of the license. Unless the gambling game license is terminated or revoked, the gambling game license may be renewed annually thereafter upon:

(1) the payment of an annual renewal fee of one hundred dollars ($100) per slot machine operated by the licensee; and

(2) a determination by the commission that the licensee satisfies the conditions of this chapter.

Renewal fees paid under this section shall be deposited in the property tax reduction trust fund established by IC 4-35-8-2.

(b) Except as provided in subsection (c), an initial gaming license may not be transferred by the initial licensee for at least five (5) years after the effective date of the license.

(c) A gambling game license may be transferred for any of the following reasons:

(1) As a result of a bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee.

(2) Because:

(A) the licensee's license has been cancelled, terminated, or revoked by the commission; or

(B) the commission determines that transferring the license is in the best interests of Indiana.

(3) Because of the death of a substantial owner of the initial licensee.

A transfer permitted under this subsection is subject to section 7 of this chapter.

Sec. 4.5. A license issued under this article is null and void if the licensee fails to:

(1) obtain or maintain a permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana; or

(2) satisfy the requirements of IC 4-31 concerning the amount of live horse racing that the licensee must conduct at the licensee's racetrack.

Sec. 5. (a) The commission shall conduct a complete investigation of each licensee every three (3) years to determine whether the licensee remains in compliance with this article.

(b) Notwithstanding subsection (a), the commission may investigate a licensee at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

Sec. 6. A permit holder or other person investigated under this chapter shall bear the cost of the investigation.

Sec. 7. (a) A licensee or any other person must apply for and receive the commission's approval before:

(1) a gambling game license is:

(A) transferred;

(B) sold; or

(C) purchased; or

(2) a voting trust agreement or other similar agreement is established with respect to the gambling game license.

(b) The commission shall adopt rules governing the procedure a licensee or other person must follow to take an action under subsection (a). The rules must specify that a person who obtains an ownership interest in a gambling game license must meet the criteria of this article and comply with the rules adopted by the commission. A licensee may transfer a gambling game license only in accordance with this article and the rules adopted by the commission.

(c) A person may not:

(1) lease;

(2) hypothecate; or

(3) borrow or loan money against;

a gambling game license.

(d) Except as provided in subsection (e), a transfer fee is imposed on an initial licensee who sells or otherwise relinquishes a controlling interest, as determined under the rules of the commission, in a gambling game license. The amount of the fee is fifty million dollars ($50,000,000).

(e) The fee imposed by subsection (d) does not apply if:

(1) the gambling game license is transferred as a result of an event described in section 4(c) of this chapter; or

(2) the controlling interest in the gambling game license is transferred in a transaction in which no gain or loss is recognized as a result of the transaction in accordance with Section 351 of the Internal Revenue Code.

(f) The transfer of a gambling game license by a person other than the initial licensee to receive the gambling game license is not subject to a transfer fee.

Sec. 8. Except as otherwise provided in this chapter, the commission shall transfer:

(1) fees collected under this chapter; and

(2) all investigation costs recovered under this chapter;

to the treasurer of state for deposit in the state general fund.

Chapter 6. Slot Machine Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar ($5,000) annual supplier's license fee; and

(D) submitted, on forms provided by the commission, two (2) sets of:

(i) the individual's fingerprints, if the applicant is an individual; or

(ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

Sec. 2. A person may not receive a supplier's license under this chapter if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a supplier's license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:
(A) is described in subdivision (1), (2), or (3); or
(B) participates in the management or operation of gambling games at racetracks authorized under this article;
(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or
(7) a license issued to the person:
(A) under this article;
(B) under IC 4-33-7; or
(C) to supply gaming supplies in another jurisdiction;
has been revoked.

Sec. 3. A holder of a supplier's license may:
(1) sell;
(2) lease; or
(3) contract to sell or lease;
a slot machine to a licensee.

Sec. 4. A person may not furnish slot machines to a licensee unless the person possesses a supplier's license.

Sec. 5. A slot machine may not be distributed for use under this article unless the slot machine conforms to standards adopted by the commission.

Sec. 6. (a) A supplier shall furnish to the commission a list of all slot machines offered for sale or lease in connection with gambling games authorized under this article.

(b) A supplier shall keep books and records for the furnishing of slot machines to licensees. The books and records required under this subsection must be kept separate from the books and records of any other business operated by the supplier.

(c) A supplier shall file a quarterly return with the commission listing all sales and leases.

(d) A supplier shall permanently affix the supplier's name to all slot machines that the supplier provides to licensees under this chapter.

Sec. 7. If the commission determines that a supplier's slot machine has been used by a person in an unauthorized gambling operation, the slot machine shall be forfeited to the state.

Sec. 8. Slot machines operated under this article may be:
(1) repaired on the premises of a racetrack; or
(2) removed for repair from the racetrack to a facility owned by the licensee.

Sec. 9. (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's license may be renewed annually upon:
(1) the payment of a five thousand dollar ($5,000) annual renewal fee; and
(2) a determination by the commission that the holder of the supplier's license is in compliance with this article.

(b) The commission shall conduct a complete investigation of each holder of a supplier's license every three (3) years to determine whether the holder of the supplier's license is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a supplier's license at any time the commission determines it is necessary to ensure that the holder of the supplier's license is in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an investigation or a reinvestigation of the licensee and any investigation resulting from a potential transfer of ownership.

Sec. 10. The commission shall transfer:
(1) fees collected under this chapter; and
(2) all investigation costs recovered under this chapter;
to the treasurer of state for deposit in the state general fund.

Chapter 6.5. Licensing of Occupations

Sec. 1. The commission shall determine the occupations related to gambling games at racetracks that require a license under this chapter.

Sec. 2. (a) The commission may issue an occupational license to an individual if:
(1) the individual has applied for the occupational license;
(2) a nonrefundable application fee set by the commission has been paid on behalf of the applicant in accordance with subsection (b);
(3) the commission has determined that the applicant is eligible for an occupational license; and
(4) an annual license fee in an amount established by the commission has been paid on behalf of the applicant in accordance with subsection (b).

(b) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the application fee of an individual applying for an occupational license to work:
(1) in an occupation related to gambling games at the permit holder's racetrack; or
(2) for the holder of a supplier's license.
A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the annual occupational license fee on behalf of an employee or potential employee. A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article may seek reimbursement of the application fee or annual license fee from an employee who is issued an occupational license.

(c) A license issued under this chapter is valid for one (1) year after the date of issuance.

(d) Unless an occupational license is suspended, expires, or is revoked, the occupational license may be renewed annually upon:
(1) the payment of an annual license fee by the permit holder that is issued a license under this article or the holder of a supplier's license under this article on behalf of the licensee in an amount established by the commission; and
(2) a determination by the commission that the licensee is in compliance with this article.

(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article:
(1) shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the permit holder or holder of a supplier's license; and
(2) may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.

Sec. 3. Except as provided by section 11 of this chapter, the commission may not issue an occupational license to an individual unless the individual:
(1) is at least eighteen (18) years of age;
(2) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
(3) has demonstrated a level of skill or knowledge that the commission determines is necessary to operate gambling games at racetracks; and
(4) has met standards adopted by the commission for

the holding of an occupational license.

Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

(1) That an individual applying for an occupational license to manage gambling games at racetracks under this article is subject to background inquiries and requirements similar to those required for an applicant for a license under IC 4-33-6.

(2) That each individual applying for an occupational license may manage gambling games for only one (1) licensee.

Sec. 5. (a) An application for an occupational license must:

(1) be made on forms prescribed by the commission; and

(2) contain all information required by the commission.

(b) An applicant for an occupational license must provide the following information in the application:

(1) If the applicant has held other licenses relating to gambling.

(2) If the applicant has been licensed in any other state under any other name. The applicant must provide under this subdivision the name under which the applicant was licensed in the other state.

(3) The applicant's age.

(4) If a permit or license issued to the applicant in another state has been suspended, restricted, or revoked. The applicant must describe the date and length of a suspension, restriction, or revocation described in this subdivision.

Sec. 6. An applicant for an occupational license must submit with the application two (2) sets of the applicant's fingerprints. The applicant must submit the fingerprints on forms provided by the commission. The commission shall charge each applicant a fee set by the state police department to defray the costs associated with the search and classification of the applicant's fingerprints.

Sec. 7. The commission may refuse to issue an occupational license to an individual who:

(1) is unqualified to perform the duties required of the applicant;

(2) does not disclose or states falsely any information required by the application;

(3) has been found guilty of a violation of this article;

(4) has had a gambling related license or an application for a gambling related license suspended, restricted, revoked, or denied for just cause in another state; or

(5) for just cause is considered by the commission to be unfit to hold an occupational license.

Sec. 8. The commission may suspend, revoke, or restrict an occupational licensee for the following reasons:

(1) A violation of this article.

(2) A cause that if known to the commission would have disqualified the applicant from receiving the occupational license.

(3) A default in the payment of an obligation or a debt due to the state.

(4) Any other just cause.

Sec. 9. (a) This article does not prohibit a permit holder that is issued a license from entering into an agreement with a school approved by the commission for the training of an occupational licensee.

(b) Training offered by a school described in subsection (a) must be:

(1) in accordance with a written agreement between the licensee and the school; and

(2) approved by the commission.

Sec. 10. Training provided for occupational licensees may be conducted:

(1) at a racetrack; or

(2) at a school with which a licensee has entered into an agreement under section 9 of this chapter.

Sec. 11. (a) An individual who is disqualified under section 3(2) of this chapter due to a conviction for a felony may apply to the commission for a waiver of the requirements of section 3(2) of this chapter.

(b) The commission may waive the requirements of section 3(2) of this chapter with respect to an individual applying for an occupational license if:

(1) the individual qualifies for a waiver under subsection (e) or (f); and

(2) the commission determines that the individual has demonstrated by clear and convincing evidence the individual's rehabilitation.

(c) In determining whether the individual applying for the occupational license has demonstrated rehabilitation under subsection (b), the commission shall consider the following factors:

(1) The nature and duties of the position applied for by the individual.

(2) The nature and seriousness of the offense or conduct.

(3) The circumstances under which the offense or conduct occurred.

(4) The date of the offense or conduct.

(5) The age of the individual when the offense or conduct was committed.

(6) Whether the offense or conduct was an isolated or a repeated incident.

(7) A social condition that may have contributed to the offense or conduct.

(8) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational education, successful participation in a correctional work release program, or the recommendation of a person who has or has had the individual under the person's supervision.

(9) The complete criminal record of the individual.

(10) The prospective employer's written statement that:

(A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and

(B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

(1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).

(2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.

(3) A felony of conspiracy to commit a felony described in subdivision (1), (2), or (4) under the laws of Indiana or any other jurisdiction.

(4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted of committing:

(A) a felony described in IC 35-42 against another human being or a felony described in IC 35-48-4;

(B) a felony under Indiana law that results in bodily injury, serious bodily injury, or death to another human being; or

(C) a crime in any other jurisdiction in which the

elements of the crime for which the conviction was entered are substantially similar to the elements of a felony described in clause (A) or (B); and

(2) ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(f) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted in Indiana or any other jurisdiction of committing a felony not described in subsection (d) or (e); and

(2) five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(g) To enable a prospective employer to determine, for purposes of subsection (c)(10), whether the prospective employer has been advised of all of the facts and circumstances of the individual's criminal record, the commission shall notify the prospective employer of all information that the commission:

(1) has obtained concerning the individual; and

(2) is authorized to release under IC 5-14.

(h) The commission shall deny the individual's request to waive the requirements of section 3(2) of this chapter if the individual fails to disclose to both the commission and the prospective employer all information relevant to this section.

Chapter 7. Conduct of Gambling Games at Racetracks

Sec. 1. Gambling games authorized under this article may not be conducted anywhere other than a slot machine facility located at a racetrack.

Sec. 2. (a) A person who is less than twenty-one (21) years of age may not wager on a slot machine.

(b) Except as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who is an employee of the racetrack may be present in the area of the racetrack where gambling games are conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons of the licensee's slot machine facility.

Sec. 3. Minimum and maximum wagers on gambling games shall be determined by the licensee.

Sec. 4. The following may inspect a licensee's slot machine facility at any time to determine if this article is being violated:

(1) Employees of the commission.

(2) Officers of the state police department.

Sec. 5. Employees of the commission have the right to be present in a licensee's slot machine facility.

Sec. 6. A slot machine may be purchased or leased only from a supplier licensed under this article.

Sec. 7. Except as provided in section 14 of this chapter, slot machine wagering is the only form of wagering permitted in a licensee's slot machine facility.

Sec. 8. Wagers may be received only from a person present in a licensee's slot machine facility. A person present in a licensee's slot machine facility may not place or attempt to place a wager on behalf of a person who is not present in the licensee's slot machine facility.

Sec. 9. (a) A patron may make a slot machine wager at a racetrack only by means of:

(1) a token or an electronic card purchased from a licensee at the licensee's racetrack; or

(2) money or other negotiable currency.

(b) A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the patron.

(c) All winnings and payoffs from a slot machine at a racetrack:

(1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and

(2) may not be made in money or other negotiable currency.

Sec. 10. A token or an electronic card described in section 9 of this chapter may be used by a patron while the patron is present at the racetrack only to make a wager on a slot machine authorized under this article.

Sec. 11. A licensee may not install more than two thousand (2,000) slot machines on the premises of the licensee's racetrack without the approval of the commission.

Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

(b) Except as provided in subsections (j) and (k), a licensee shall before the fifteenth day of each month devote to the gaming integrity fund, horse racing purses, and to horsemen's associations an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The Indiana horse racing commission may not use any of this money for any administrative purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand dollars ($250,000) distributed under this section in a state fiscal year to the commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the commission, a licensee shall distribute the remaining money devoted to horse racing purses and to horsemen's associations under this subsection as follows:

(1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).

(3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:
(A) Fifty percent (50%) for the following purposes:
(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.
(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.
(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.
(3) Eight percent (8%) for quarter horse purposes as follows:
(A) Seventy percent (70%) for the following purposes:
(i) Ninety-five percent (95%) for quarter horse purses.
(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.
(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:
(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.
(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.
(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:
(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.
(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:
(1) issue a warning to the licensee;
(2) impose a civil penalty that may not exceed one million dollars ($1,000,000); or
(3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:
(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or
(2) eighty-five million dollars ($85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the property tax reduction trust fund established by IC 4-35-8-2. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:
(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or
(2) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the property tax reduction trust fund established by IC 4-35-8-2. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

Sec. 13. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(b) As used in this section, "candidate" refers to any of the following:
(1) A candidate for a state office.
(2) A candidate for a legislative office.
(3) A candidate for a local office.

(c) As used in this section, "committee" refers to any of the following:
(1) A candidate's committee.
(2) A regular party committee.
(3) A committee organized by a legislative caucus of the house of the general assembly.
(4) A committee organized by a legislative caucus of the senate of the general assembly.

(d) Money distributed under section 12 of this chapter may not be used for any of the following purposes:
(1) To make a contribution to a candidate or a committee.
(2) For lobbying (as defined in IC 2-7-1-9).

Sec. 14. The commission may not prohibit a licensee from allowing pari-mutuel wagering (as defined in IC 4-31-2-12) at the facility at which gambling games are conducted under this article.

Chapter 8. Taxation of Slot Machine Wagering

Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars ($100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars ($100,000,000) but not exceeding two hundred million dollars ($200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars ($200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

Sec. 2. (a) The property tax reduction trust fund is established.

(b) The property tax reduction trust fund shall be administered by the treasurer of state.

(c) The treasurer of state shall invest the money in the property tax reduction trust fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money may not be transferred, assigned, or otherwise removed from the property tax reduction trust fund by the state board of finance, the budget agency, or any other state agency.

(e) Money in the property tax reduction trust fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 3. The department shall deposit tax revenue collected under section 1 of this chapter in the property tax reduction trust fund.

Sec. 4. Subject to appropriation by the general assembly, money deposited in the property tax reduction trust fund under section 3 of this chapter may be used for providing property tax relief in any manner prescribed by the general assembly.

Chapter 8.5. County Slot Machine Wagering Fee

Sec. 1. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a county slot machine wagering fee equal to three percent (3%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than eight million dollars ($8,000,000) of county slot machine wagering fees under this section in any state fiscal year.

(b) The commission shall deposit the county slot machine wagering fee received by the commission into a separate account within the state general fund.

Sec. 2. Before the fifteenth day of each month, the treasurer of state shall distribute any county slot machine wagering fees received from a licensee during the previous month to the county auditor of the county in which the licensee's racetrack is located.

Sec. 3. The auditor of each county receiving a distribution of county slot machine wagering fees under section 2 of this chapter shall distribute the county slot machine wagering fees as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required by subdivisions (1) and (2) are made, the remainder shall be retained by the county.

Sec. 4. (a) As used in this section, "political subdivision" means a county, city, or town.

(b) Money paid to a political subdivision under this chapter:

(1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;

(2) may not be used to reduce the political subdivision's maximum levy under IC 6-1.1 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year;

(3) may be used for any purpose specified in this chapter or for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

Chapter 8.7. Gaming Integrity Fee

Sec. 1. As used in this chapter, "fund" means the gaming integrity fund established by section 3 of this chapter.

Sec. 2. A licensee that offers slot machine wagering under this article shall annually pay to the commission a gaming integrity fee equal to two hundred fifty thousand dollars ($250,000) for each racetrack at which the licensee offers slot machine wagering. The commission shall deposit gaming integrity fees in the fund.

Sec. 3. (a) The gaming integrity fund is established.

(b) The fund shall be administered by the commission.

(c) The fund consists of gaming integrity fees deposited in the fund under this chapter and money distributed to the fund under IC 4-35-7-12.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

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

(f) Money in the fund may be used by the commission only for the following purposes:

(1) To pay the cost of analyzing equine specimens under IC 4-31-12-6(b).

(2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.

(3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.

Chapter 8.8. Problem Gambling Fees

Sec. 1. As used in this chapter, "division" refers to the division of mental health and addiction.

Sec. 2. A licensee that offers slot machine wagering at racetracks under this article shall annually pay to the division a problem gambling fee equal to five hundred thousand dollars ($500,000) for each racetrack at which the licensee offers slot machine wagering.

Sec. 3. The division may use problem gambling fees paid

to the division under this chapter only for the prevention and treatment of compulsive gambling that is related to slot machine wagering and other gambling allowed under IC 4-33.

Sec. 4. The problem gambling fees used by the division under this chapter for the prevention and treatment of compulsive gambling are in addition to any admissions tax revenue allocated by the division under IC 4-33-12-6 for the prevention and treatment of compulsive gambling.

Chapter 8.9. Supplemental Fees

Sec. 1. This chapter applies only to state fiscal years beginning after June 30, 2007, and ending before July 1, 2012.

Sec. 2. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a supplemental fee equal to one percent (1%) of the adjusted gross receipts received by the licensee from slot machine wagering.

(b) The commission shall deposit the supplemental fees into a separate account within the state general fund.

Sec. 3. Before the fifteenth day of each month, the treasurer of state shall distribute supplemental fees received under this chapter during the previous month in equal shares to each licensed owner or operating agent that commences gambling operations with respect to:

(1) an initial owner's license issued under IC 4-33-6; or

(2) the initial term of an operating agent contract entered into under IC 4-33-6.5;

after June 30, 2006.

Chapter 9. Penalties

Sec. 1. This chapter applies only to gambling games authorized under this article.

Sec. 2. A person who knowingly or intentionally aids, induces, or causes a person who is:

(1) less than twenty-one (21) years of age; and

(2) not an employee of a licensee;

to enter or attempt to enter the licensee's slot machine facility commits a Class A misdemeanor.

Sec. 3. A person who:

(1) is not an employee of a licensee;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters the licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 4. A person who knowingly or intentionally:

(1) makes a false statement on an application submitted under this article;

(2) conducts a gambling game in a manner other than the manner required under this article; or

(3) wagers or accepts a wager at a location other than a licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 5. A person who knowingly or intentionally does any of the following commits a Class D felony:

(1) Offers, promises, or gives anything of value or benefit:

(A) to a person who is connected with a licensee, including an officer or employee of a licensee; and

(B) under an agreement to influence or with the intent to influence:

(i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game; or

(ii) an official action of a commission member.

(2) Solicits, accepts, or receives a promise of anything of value or benefit:

(A) while the person is connected with a licensee, including as an officer or employee of a licensee; and

(B) under an agreement to influence or with the intent to influence:

(i) the actions of the person to affect or attempt to affect the outcome of a gambling game; or

(ii) an official action of a commission member.

(3) Uses or possesses with the intent to use a device to assist in:

(A) projecting the outcome of a gambling game;

(B) analyzing the probability of the occurrence of an event related to a gambling game; or

(C) analyzing the strategy for playing or betting to be used in a gambling game, except as permitted by the commission.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any game or device that is intended to be used to violate this article.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.

(7) Places a bet on the outcome of a gambling game after acquiring knowledge that:

(A) is not available to all players; and

(B) concerns the outcome of the gambling game that is the subject of the bet.

(8) Aids a person in acquiring the knowledge described in subdivision (7) to place a bet contingent on the outcome of a gambling game.

(9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:

(A) with the intent to defraud; or

(B) without having made a wager contingent on winning a gambling game.

(10) Claims, collects, or takes an amount of money or a thing of value that is of greater value than the amount won in a gambling game.

(11) Uses or possesses counterfeit tokens in or for use in a gambling game.

(12) Possesses a key or device designed for:

(A) opening, entering, or affecting the operation of a gambling game, a drop box, or an electronic or a mechanical device connected with the gambling game; or

(B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a licensee or an employee of a licensee acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

Chapter 10. Employment

Sec. 1. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a gambling game license is issued to the permit holder under IC 4-35-5.

(b) If a permit holder has nonsupervisory employees whose work is:

(1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

(2) covered under the terms of a collective bargaining agreement;

the permit holder shall, subject to subsection (c), staff nonsupervisory positions directly related to the operation of gambling games under this article with employees whose work is covered under the terms of a collective bargaining agreement.

(c) The employees described in subsection (b) must be

qualified to meet the licensing requirements of this article and any criteria required by the commission in rules adopted under IC 4-22-2.

Sec. 2. The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to gambling games may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder.

Chapter 11. Minority and Women's Business Participation

Sec. 1. This chapter applies to persons holding a permit to operate a racetrack under IC 4-31-5 at which slot machines are licensed under this article.

Sec. 2. The general assembly declares that it is essential for minority and women's business enterprises to have the opportunity for full participation in the racetrack industry if minority and women's business enterprises are to obtain social and economic parity and if the economies of the cities, towns, and counties in which slot machines are operated at racetracks are to be stimulated as contemplated by this article.

Sec. 3. As used in this chapter, "minority" means a person who is one (1) of the following:

(1) Black.
(2) Hispanic.
(3) Asian American.
(4) Native American or Alaskan native.

Sec. 4. As used in this chapter, "minority business enterprise" means a business that is one (1) of the following:

(1) A sole proprietorship owned and controlled by a minority.
(2) A partnership or joint venture owned and controlled by minorities and in which:
(A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) minority; and
(B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest.
(3) A corporation or other entity in which:
(A) at least fifty-one percent (51%) of:
(i) the ownership interest; or
(ii) the stock, if stock is issued;
is held by at least one (1) minority; and
(B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest or stock.

Sec. 5. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:

(1) A sole proprietorship owned and controlled by a woman.
(2) A partnership or joint venture owned and controlled by women and in which:
(A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) woman; and
(B) the management and daily business operations are controlled by at least one (1) woman who also holds an ownership interest.
(3) A corporation or other entity in which:
(A) at least fifty-one percent (51%) of:
(i) the ownership interest; or
(ii) the stock, if stock is issued;
is held by at least one (1) woman; and
(B) the management and daily business operations are controlled by at least one (1) woman who also holds an ownership interest or stock.

Sec. 6. (a) As used in this section, "goods and services" does not include the following:

(1) Utilities and taxes.
(2) Financing costs, mortgages, loans, or other debt.
(3) Medical insurance.
(4) Fees and payments to a parent or an affiliated company of a permit holder or other fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the permit holder.
(5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish goals for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises. The goals under this subsection must be equal to goals set by the commission under IC 4-33-14-5 for contracts awarded for goods or services.

(c) A permit holder shall submit quarterly reports to the commission that outline the total dollar value of contracts awarded for goods and services and the percentage of contracts awarded to minority and women's business enterprises.

(d) A permit holder shall make a good faith effort to meet the requirements of this section and shall quarterly, unless otherwise directed by the commission, demonstrate to the commission at a public meeting that an effort was made to meet the requirements.

(e) A permit holder may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the permit holder shall provide the commission with proof of the amount of the set aside.

Sec. 7. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met, the commission may suspend, limit, or revoke the person's license or permit, or may fine or impose appropriate conditions on the license or permit to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a permit holder has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

Sec. 8. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with permit holders on contracts for goods and services or contracts for business.

Sec. 9. The commission shall supply permit holders with a list of minority and women's business enterprises the commission has certified under section 8 of this chapter. The commission shall review the list at least annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish procedures for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all concerned parties.

Sec. 10. The commission shall adopt other rules necessary to interpret and implement this chapter.

SECTION 22. IC 6-1.1-4-39.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2006 (RETROACTIVE)]: **Sec. 39.5. (a) As used in this section, "qualified real property" means a riverboat (as defined in IC 4-33-2-17).**

(b) Except as provided in subsection (c), the true tax value of qualified real property is the lowest valuation determined by applying each of the following appraisal approaches:

(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with

estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences using base prices determined under 50 IAC 2.3 and associated guidelines published by the department.

(2) Sales comparison approach, using data for generally comparable property, excluding values attributable to licenses, fees, or personal property as determined under 50 IAC 4.2.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(c) A township assessor is not required to appraise qualified real property using the three (3) appraisal approaches listed in subsection (b) if the township assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method. A taxpayer must verify under penalties for perjury any information provided to the assessor for use in the application of the income capitalization method.

SECTION 23. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); **the slot machine wagering tax (IC 4-35-8);** the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 24. IC 7.1-3-17.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue ~~an excursion and adjacent landsite~~ **a gaming site** permit to a person who has been issued:

(1) a riverboat owner's license under IC 4-33-6; ~~or~~

(2) an operating agent ~~(as defined in IC 4-33-2-14.5)~~ **contract under IC 4-33-6.5; or**

(3) a gambling game license under IC 4-35;

to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) A permit issued under this chapter may be used:

(1) on the riverboat; and

(2) in a restaurant owned by the person who has been issued a riverboat owner's license or an operating agent contract (as defined in IC 4-33-2-14.6) if the restaurant is located on property adjacent to the property used by the riverboat for docking purposes.

SECTION 25. IC 7.1-3-17.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The commission shall issue ~~an excursion and adjacent landsite~~ **a gaming site** permit without regard to the quota provisions of IC 7.1-3-22.

SECTION 26. IC 7.1-3-17.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. ~~An excursion adjacent landsite~~ **A gaming site** permit is not subject to the fee limitations otherwise set forth in IC 7.1.

SECTION 27. IC 7.1-3-17.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The commission may adopt emergency rules under IC 4-22-2-37.1 concerning the following for ~~an excursion and adjacent landsite~~ **a gaming site** permit:

(1) Issuance.

(2) Scope.

(3) Permit fee.

(4) Expiration.

(5) Revocation and suspension.

SECTION 28. IC 7.1-3-17.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The commission may adopt rules under IC 4-22-2 concerning the following for ~~an excursion permit and an adjacent landsite~~ **a gaming site** permit:

(1) Issuance.

(2) Scope.

(3) Permit fee.

(4) Expiration.

(5) Revocation and suspension.

SECTION 29. IC 7.1-3-17.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of ~~an excursion and adjacent landsite~~ **a gaming site** permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

(1) The event is attended by not more than six hundred fifty (650) guests.

(2) The event is not more than six (6) hours in duration.

(3) Each alcoholic beverage dispensed to a guest:

(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and

(B) is entered into a cash register as a sale and at the same price that is charged to the general public.

(4) At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the ~~excursion and adjacent landsite~~ **gaming site** permit.

(5) All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the ~~excursion and adjacent landsite~~ **gaming site** permit for not less than two (2) years.

(6) The holder of the ~~excursion and adjacent landsite~~ **gaming site** permit complies with the rules of the commission.

SECTION 30. IC 7.1-3-17.7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) **Except as provided in subsection (c),** the commission may issue a horse track permit to a person who has been issued a recognized

meeting permit under IC 4-31-5 to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) The commission may issue a satellite facility permit to a person who has been issued a satellite facility license under IC 4-31-5.5 to sell alcoholic beverages for on-premises consumption only.

(c) This chapter does not apply to a slot machine facility licensed under IC 4-35.

SECTION 31. IC 7.1-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The provisions of sections 4, 5, 5.2, and 5.4 of this chapter concerning retail and dealer partnerships, corporations, limited partnerships, and limited liability companies shall not apply to the issuance of:

(1) a dining car permit;
(2) **a** boat permit;
(3) **a** drug store permit;
(4) **a** grocery store permit;
(5) **a** hotel permit;
(6) **an** airplane permit;
(7) ~~an excursion and adjacent landsite~~ **a gaming site** permit;
(8) a horse track permit;
(9) a satellite facility permit; or
(10) a retail permit to an establishment:
(A) that is sufficiently served by adequate law enforcement at its permit location; and
(B) whose annual gross food sales at the permit location:
(i) exceed one hundred thousand dollars ($100,000); or
(ii) in the case of a new application and as proved by the applicant to the local board and the commission, will exceed two hundred thousand dollars ($200,000) by the end of the two (2) year period from the date of the issuance of the permit.

(b) The commission shall not issue a permit listed in subsection (a) to a foreign:

(1) corporation;
(2) limited partnership; or
(3) limited liability company;

that is not duly qualified to do business in Indiana.

SECTION 32. IC 7.1-5-5-7, AS AMENDED BY P.L.224-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) It is unlawful for a permittee in a sale or contract to sell alcoholic beverages to discriminate between purchasers by granting a price, discount, allowance, or service charge which is not available to all purchasers at the same time. However, this section does not authorize or require a permittee to sell to a person to whom the permittee is not authorized to sell under this title.

(b) A premises that operates at least two (2) restaurants that are separate and distinct from each other on the same premises may provide for a different schedule of prices in each restaurant if each restaurant conforms to all other laws and rules of the commission regarding pricing and price discrimination in its separate and distinct areas.

(c) This section does not apply to the holder of ~~an excursion and adjacent landsite~~ **a gaming site** permit that complies with IC 7.1-3-17.5-6.

(d) Notwithstanding subsection (a), a beer wholesaler may offer a special discount price to a beer dealer or beer retailer for beer or flavored malt beverage, if the beer or flavored malt beverage:

(1) is a brand or package the beer wholesaler has discontinued; or
(2) will expire in not more than:
(A) twenty (20) days for packaged beer or packaged flavored malt beverage; and
(B) ten (10) days for draft beer or draft flavored malt beverage.

(e) The special discount under subsection (d) only applies to beer or flavored malt beverage that will expire and be subject to removal from retailer or dealer shelves in accordance with the primary source of supply's coding data clearly identified on the container.

(f) Any beer or flavored malt beverage sold at a special discount price under subsection (d) shall be accompanied by an invoice clearly designating, in addition to all other information required by law, all the following information:

(1) The date of delivery.
(2) The expiration date of each brand, package type, and quantity delivered.
(3) The per unit price for each package.

SECTION 33. IC 35-45-5-7, AS AMENDED BY P.L.91-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~
(2) a game of chance operated in accordance with IC 4-32.2; **or**
(3) a gambling game operated in accordance with IC 4-35.

SECTION 34. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. This chapter does not apply to a gambling game authorized by IC 4-35.**

SECTION 35. [EFFECTIVE UPON PASSAGE] **(a) If the Indiana gaming commission determines that a permit holder (as defined in IC 4-35-2-8, as added by this act) has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing the permit holder to conduct gambling games under IC 4-35, as added by this act. The Indiana gaming commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.**

(b) Subject to subsection (c), the Indiana gaming commission shall authorize a permit holder to conduct gambling games in a temporary facility upon the Indiana gaming commission's approval of the permit holder's plans for a permanent facility. Gambling games may be conducted in a temporary facility under this SECTION for twenty-four (24) months or for a longer time as determined by the Indiana gaming commission.

(c) The Indiana gaming commission may not approve gambling games in a temporary facility under this SECTION unless the temporary facility is located at a permit holder's race track or on real estate that is adjacent to the permit holder's race track.

(d) This SECTION expires January 1, 2010.

SECTION 36. [EFFECTIVE MARCH 1, 2006 (RETROACTIVE)] **IC 6-1.1-4-39.5, as added by this act, applies to property taxes that are first assessed after February 28, 2006, and are first due and payable after December 31, 2006.**

SECTION 37. **An emergency is declared for this act.**

(Reference is to EHB 1835 as reprinted March 27, 2007.)

VAN HAAFTEN	KENLEY
WHETSTONE	LANANE
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT
ESB 206–1; filed April 29, 2007, at 4:45 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 206 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 8-1-2-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) As used in this section, "clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used at a new or existing electric **or steam** generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, **mercury,** or nitrogen based pollutants; **or**

(ii) particulate matter;

(B) that are associated with the combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;

(ii) the state;

(iii) a political subdivision of the state; or

(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) is not in general commercial use at the same or greater scale in new or existing facilities in the United States as of January 1, 1989; or

(B) has been selected by the United States Department of Energy for funding under its Innovative Clean Coal Technology program and is finally approved for such funding on or after January 1, 1989.

(b) As used in this section, "Indiana coal" means coal from a mine whose coal deposits are located in the ground wholly or partially in Indiana regardless of the location of the mine's tipple.

(c) Except as provided in subsection (d), the commission shall allow a utility to recover as operating expenses those expenses associated with:

(1) research and development designed to increase use of Indiana coal; and

(2) preconstruction costs (including design and engineering costs) associated with employing clean coal technology at a new or existing coal burning electric **or steam** generating facility if the commission finds that the facility:

(A) utilizes and will continue to utilize (as its primary fuel source) Indiana coal; or

(B) is justified, because of economic considerations or governmental requirements, in utilizing non-Indiana coal;

after the technology is in place.

(d) The commission may only allow a utility to recover preconstruction costs as operating expenses on a particular project if the commission awarded a certificate under IC 8-1-8.7 for that project.

(e) The commission shall establish guidelines for determining recoverable expenses.

SECTION 2. IC 8-1-2-6.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.6. (a) As used in this section:

"Clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used at a new or existing electric **or steam** generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, **mercury,** or nitrogen based pollutants; **or**

(ii) particulate matter;

(B) that are associated with **the** combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;

(ii) the state;

(iii) a political subdivision of the state; or

(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) is not in general commercial use at the same or greater scale in new or existing facilities in the United States as of January 1, 1989; or

(B) has been selected by the United States Department of Energy for funding under its Innovative Clean Coal Technology program and is finally approved for such funding on or after January 1, 1989.

"Indiana coal" means coal from a mine whose coal deposits are located in the ground wholly or partially in Indiana regardless of the location of the mine's tipple.

"Qualified pollution control property" means an air pollution control device on a coal burning electric **or steam** generating facility or any equipment that constitutes clean coal technology that has been approved for use by the commission, that meets applicable state or federal requirements, and that is designed to accommodate the burning of coal from the geological formation known as the Illinois Basin.

"Utility" refers to any electric **or steam** generating utility allowed by law to earn a return on its investment.

(b) Upon the request of a utility that began construction after October 1, 1985, and before March 31, 2002, of qualified pollution control property that is to be used and useful for the public convenience, the commission shall for ratemaking purposes add to the value of that utility's property the value of the qualified pollution control property under construction, but only if at the time of the application and thereafter:

(1) the facility burns only Indiana coal as its primary fuel source once the air pollution control device is fully operational; or

(2) the utility can prove to the commission that the utility is justified because of economic considerations or governmental requirements in utilizing some non-Indiana coal.

(c) The commission shall adopt rules under IC 4-22-2 to implement this section.

SECTION 3. IC 8-1-2-6.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section, "clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used in a new or existing electric **or steam** generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, **mercury,** or nitrogen based pollutants; **or**

(ii) particulate matter;

(B) that are associated with the combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;
(ii) the state;
(iii) a political subdivision of the state; or
(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) is not in general commercial use at the same or greater scale in new or existing facilities in the United States as of January 1, 1989; or

(B) has been selected by the United States Department of Energy for funding under its Innovative Clean Coal Technology program and is finally approved for such funding on or after January 1, 1989.

(b) The commission shall allow a public or municipally owned electric **or steam** utility that incorporates clean coal technology to depreciate that technology over a period of not less than ten (10) years or the useful economic life of the technology, whichever is less and not more than twenty (20) years if it finds that the facility where the clean coal technology is employed:

(1) utilizes and will continue to utilize (as its primary fuel source) Indiana coal; or

(2) is justified, because of economic considerations or governmental requirements, in utilizing non-Indiana coal;

after the technology is in place.

SECTION 4. IC 8-1-2-6.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.8. (a) This section applies to a utility that begins construction of qualified pollution control property after March 31, 2002.

(b) As used in this section, "clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used in a new or existing energy generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, mercury, or nitrogen oxides;
(ii) particulate matter; or
(iii) other ~~regulated~~ air emissions;

(B) that are associated with the combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;
(ii) the state;
(iii) a political subdivision of the state; or
(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) was not in general commercial use at the same or greater scale in new or existing facilities in the United States at the time of enactment of the federal Clean Air Act Amendments of 1990 (P.L.101-549); or

(B) has been selected by the United States Department of Energy for funding under its Innovative Clean Coal Technology program and is finally approved for such funding on or after the date of enactment of the federal Clean Air Act Amendments of 1990 (P.L.101-549).

(c) As used in this section, "qualified pollution control property" means an air pollution control device on a coal burning energy generating facility or any equipment that constitutes clean coal technology that has been approved for use by the commission and that meets applicable state or federal requirements.

(d) As used in this section, "utility" refers to any energy generating utility allowed by law to earn a return on its investment.

(e) Upon the request of a utility that begins construction after March 31, 2002, of qualified pollution control property that is to be used and useful for the public convenience, the commission shall for ratemaking purposes add to the value of that utility's property the value of the qualified pollution control property under construction.

(f) The commission shall adopt rules under IC 4-22-2 to implement this section.

SECTION 5. IC 8-1-2-6.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.9. (a) As used in this section, "existing electric generating facility" means a facility:**

(1) other than a new energy generating facility (as defined in IC 8-1-8.8-8);
(2) that is used to generate electricity or steam;
(3) that is associated with the combustion of coal or natural gas; and
(4) that commenced commercial operation not later than May 1, 2007.

(b) As used in this section, "regulated air emissions" means air emissions:

(1) from an electric generating facility;
(2) that are:

(A) carbon, sulfur, mercury, or nitrogen based pollutants; or
(B) particulate matter; and

(3) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(A) the federal government;
(B) the state;
(C) a political subdivision of the state; or
(D) any agency of a unit of government described in clauses (A) through (C).

(c) As used in this section, "regulated air emissions project" means a project designed to reduce or avoid regulated air emissions from an existing electric generating facility. The term does not include projects that provide offset programs, such as agricultural and forestry activities.

(d) An energy utility (as defined in IC 8-1-2.5-2) may petition the commission for approval of the construction, installation, and operation of a regulated air emissions project. If the commission finds, after notice and hearing, the proposed regulated air emissions project to be reasonable and necessary, the commission shall approve the project and provide the following incentives:

(1) The timely recovery of costs associated with the regulated air emissions project, including capital, operation, maintenance, depreciation, tax, and financing costs incurred during the construction and operation of the project.
(2) The recovery of costs associated with:

(A) the purchase of emissions allowances; or
(B) the payment of emissions taxes;

arising from compliance with air emissions regulations.

(e) In addition to the incentives described in subsection (d), the commission may provide any other financial incentives the commission considers appropriate.

SECTION 6. IC 8-1-8.7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used in a new or existing electric generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, **mercury,** or nitrogen based pollutants; **or**
(ii) particulate matter;

(B) that are associated with the combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;

(ii) the state;
(iii) a political subdivision of the state; or
(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) is not in general commercial use at the same or greater scale in new or existing facilities in the United States as of January 1, 1989; or

(B) has been selected by the United States Department of Energy for funding under its Innovative Clean Coal Technology program and is finally approved for such funding on or after January 1, 1989.

SECTION 7. IC 8-1-8.7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (c), a public utility may not use clean coal technology at a new or existing electric generating facility without first applying for and obtaining from the commission a certificate that states that public convenience and necessity will be served by the use of clean coal technology.

(b) The commission shall issue a certificate of public convenience and necessity under subsection (a) if the commission finds that a clean coal technology project offers substantial potential of reducing ~~sulfur or nitrogen based~~ pollutants **described in section 1(1) of this chapter** in a more efficient manner than conventional technologies in general use as of January 1, 1989. For purposes of this chapter, a project that the United States Department of Energy has selected for funding under its Innovative Clean Coal Technology program and is finally approved for funding after December 31, 1988, is not considered a conventional technology in general use as of January 1, 1989. When determining whether to grant a certificate under this section, the commission shall examine the following factors:

(1) The costs for constructing, implementing, and using clean coal technology compared to the costs for conventional emission reduction facilities.

(2) Whether a clean coal technology project will also extend the useful life of an existing electric generating facility and the value of that extension.

(3) The potential reduction of ~~sulfur and nitrogen based~~ pollutants **described in section 1(1) of this chapter that can be** achieved by the proposed clean coal technology system.

(4) The reduction of ~~sulfur nitrogen based~~ pollutants **described in section 1(1) of this chapter** that can be achieved by conventional pollution control equipment.

(5) Federal ~~sulfur and nitrogen based~~ pollutant emission standards.

(6) The likelihood of success of the proposed project.

(7) The cost and feasibility of the retirement of an existing electric generating facility.

(8) The dispatching priority for the facility utilizing clean coal technology, considering direct fuel costs, revenues and expenses of the utility, and environmental factors associated with byproducts resulting from the utilization of the clean coal technology.

(9) Any other factors the commission considers relevant, including whether the construction, implementation, and use of clean coal technology is in the public's interest.

(c) A public utility is not required to obtain a certificate under this chapter for a clean coal technology project that constitutes a research and development project that may be expensed under IC 8-1-2-6.1.

SECTION 8. IC 8-1-8.8-3, AS AMENDED BY HEA 1722-2007, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "clean coal technology" means a technology (including precombustion treatment of coal):

(1) that is used in a new or existing energy **or steam** production or generating facility and directly or indirectly reduces **or avoids** airborne emissions:

(A) of:

(i) carbon, sulfur, mercury, or nitrogen oxides;
(ii) particulate matter; or
(iii) other ~~regulated~~ air emissions;

(B) that are associated with the combustion or use of coal; and

(C) that are regulated, or reasonably anticipated by the commission to be regulated, by:

(i) the federal government;
(ii) the state;
(iii) a political subdivision of the state; or
(iv) any agency of a unit of government described in items (i) through (iii); and

(2) that either:

(A) was not in general commercial use at the same or greater scale in new or existing facilities in the United States at the time of enactment of the federal Clean Air Act Amendments of 1990 (P.L.101-549); or

(B) has been selected by the United States Department of Energy for funding or loan guaranty under an Innovative Clean Coal Technology or loan guaranty program under the Energy Policy Act of 2005, or any successor program, and is finally approved for such funding or loan guaranty on or after the date of enactment of the federal Clean Air Act Amendments of 1990 (P.L.101-549).

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.**

(b) As used in this SECTION, "electric utility" means a public utility (as defined in IC 8-1-2-1(a)) that:

(1) provides retail electric service to:

(A) more than four hundred thousand (400,000); but
(B) less than five hundred thousand (500,000);

retail electric customers in Indiana on April 1, 2007; and

(2) has a service area that includes, among other counties, each of the counties described in IC 36-7-7.6-1.

(c) As used in this SECTION, "electric utility holding company" means a corporation, company, partnership, or limited liability company that owns an electric utility.

(d) As used in this SECTION, "regional public power authority" means a multicounty public power authority established to:

(1) acquire the generation, transmission, and distribution assets of an electric utility or an electric utility holding company;

(2) own and operate the assets described in subdivision (1); and

(3) act as a nonprofit utility to provide retail electric service to residential, commercial, industrial, and governmental customers within the participating units.

(e) Upon the request of the county executives of three (3) or more counties that are located in an electric utility's service area, the commission shall study the feasibility of establishing a regional public power authority. The study required by this subsection must include the following:

(1) An examination of the need to:

(A) enact new state statutes or regulations; or
(B) amend existing state statutes or regulations;

to permit the establishment of a regional public power authority.

(2) A valuation of the electric utility's generation, transmission, and distribution assets to be acquired by the regional public power authority.

(3) A study of:

(A) existing and potential funding sources or other

mechanisms, including the use of eminent domain, available to the regional public power authority to acquire the assets described in subdivision (2); and

(B) the method for determining each participating unit's respective:

(i) contribution toward the acquisition of the assets; and

(ii) ownership interest in the assets acquired.

(4) A study of similarly sized public power authorities operating in the United States, including information on the assets, expenses, operations, management, and customer bases of the authorities, to the extent the information is available.

(5) A cost benefit analysis of establishing a regional public power authority.

(6) A determination of whether the establishment of a regional public power authority is in the public interest.

(7) An examination of any other issues concerning the establishment of a regional public power authority that the commission considers relevant or necessary for study.

(f) As necessary to conduct the study required by subsection (e), the commission may:

(1) make use of the commission's existing resources and technical staff;

(2) employ or consult with outside analysts, engineers, experts, or other professionals; and

(3) consult with other:

(A) public power authorities operating in the United States; or

(B) state regulatory commissions that:

(i) regulate public power authorities; or

(ii) have conducted similar studies.

(g) Not later than December 31, 2007, the commission shall provide a report to the following on the commission's findings from the study conducted under subsection (e):

(1) The regulatory flexibility committee established by IC 8-1-2.6-4. The report provided to the regulatory flexibility committee under this subsection must be separate from the commission's annual report to the regulatory flexibility committee under IC 8-1-2.5-9(b).

(2) The legislative council. The report provided to the legislative council under this subsection must be in an electronic format under IC 5-14-6.

(3) The county executive of each county in the electric utility's service area on April 1, 2007.

(h) The report required by subsection (g) must contain the following:

(1) A summary of the commission's findings with respect to each issue set forth in subsection (e).

(2) Recommendations to the regulatory flexibility committee on any legislation needed to establish a regional public power authority.

(3) Any other findings or recommendations that the commission considers relevant or useful to the entities described in subsection (g).

(i) Before the commission submits its report under subsection (g), any entity described in subsection (g) may require the commission to provide one (1) or more status reports on the commission's study under subsection (e). A status report provided to the legislative council under this subsection must be in an electronic format under IC 5-14-6.

(j) The regulatory flexibility committee:

(1) shall review the analyses and recommendations of the commission contained in:

(A) any status reports provided by the commission under subsection (i); and

(B) the commission's final report provided under subsection (g); and

(2) may recommend to the general assembly any legislation that is necessary to establish a regional public power authority in Indiana, if the regulatory flexibility committee determines that the establishment of a regional public power authority is in the public interest.

(k) This SECTION does not empower the commission or any entity described in subsection (g) to require an electric utility to disclose confidential and proprietary business plans and other confidential information without adequate protection of the information. The commission and all entities described in subsection (g) shall exercise all necessary caution to avoid disclosure of confidential information supplied under this SECTION.

SECTION 10. **An emergency is declared for this act.**

(Reference is to ESB 206 as reprinted April 10, 2007.)

GARD	CROOKS
ROGERS	LUTZ
Senate Conferees	House Conferees

The conference committee report was filed and read a first time.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1505 because it conflicts with SEA 526-2007 without properly recognizing the existence of SEA 526-2007, has had Engrossed House Bill 1505 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1505 be corrected as follows:

In the conference committee report to ESB 1505, page 5, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 4. IC 21-29-2-3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3. (a) Notwithstanding any other law, the following records regarding alternative investments in which institutional investment funds invest are not subject to disclosure under IC 5-14-3, unless the information has already been publicly released by the keeper of the information:**

(1) Due diligence materials that are proprietary to the institutional investment fund or the alternative vehicle.

(2) Quarterly and annual financial statements of alternative investment vehicles.

(3) Meeting materials of alternative investment vehicles that contain individual portfolio holdings.

(4) Records containing information regarding the underlying portfolio positions in which alternative investment vehicles invest.

(5) Capital call and distribution notices.

(6) Alternative investment agreements and all related documents.

(b) Notwithstanding subsection (a), the following information contained in records described in subsection (a) regarding alternative investments in which institutional investment funds invest is subject to disclosure under this chapter and is not considered a trade secret or confidential financial information exempt from disclosure:

(1) The name, address, and vintage year of each alternative investment vehicle.

(2) The dollar amount of the commitment made to each alternative investment vehicle by the institutional investment fund since inception.

(3) The dollar amount of cash contributions by the institutional investment fund to each alternative investment vehicle since inception.

(4) The dollar amount, on a fiscal year-end basis, of

cash distributions received by the institutional investment fund from each alternative investment vehicle.
(5) The dollar amount, on a fiscal year-end basis, of cash distributions received by the institutional investment fund plus the remaining value of partnership assets attributable to the institutional investment fund's investment in each alternative investment vehicle.
(6) The net internal rate of return of each alternative investment vehicle since inception.
(7) The investment multiple of each alternative investment vehicle since inception.
(8) The schedule of management fees and costs assessed by each alternative vehicle to the institutional investment fund.
(9) The dollar amount of cash profit received by institutional investment funds from each alternative vehicle on a fiscal year-end basis.
(c) The following definitions apply throughout this section:
(1) "Alternative investment" means an investment in a private equity fund, real estate fund, venture fund, hedge fund, natural resource, or absolute return fund.
(2) "Alternative investment vehicle" means a limited partnership, limited liability company, or similar legal structure that is not publicly traded through which an institutional investment fund invests in portfolio companies.
(3) "Institutional investment fund" means a fund that consists of money managed in an endowment fund, including a quasi-endowment, and the returns on the endowment fund, that is held and invested by a state educational institution (as defined in IC 20-12-0.5-1).
(4) "Portfolio positions" means individual portfolio investments made by alternative investment vehicles.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1505 as printed March 23, 2007, and as amended by the conference committee report to ESB 1505.)

PELATH, Chair
WHETSTONE, R.M.M.
BARDON, Author

Report adopted.

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bill 390–1 and Engrossed House Bills 1379–2 and 1386–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bill 390–1 and Engrossed House Bills 1379–2 and 1386–1.

PELATH, Chair

Motion prevailed.

Engrossed House Bill 1237–1

The conference committee report was reread. Roll Call 666: yeas 57, nays 43. Report adopted.

CONFEREES AND ADVISORS APPOINTED

The Speaker announced the following changes in appointment of Representatives as conferees and advisors:

EHB 1001	Conferee:	Cochran replacing Espich
	Advisor:	Cochran removed
EHB 1478	Conferee:	Crawford replacing Espich
	Advisor:	Crawford removed

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

Engrossed House Bill 1379–2

The conference committee report was reread. Roll Call 667: yeas 60, nays 36. Report adopted.

Engrossed House Bill 1386–1

The conference committee report was reread. Roll Call 668: yeas 97, nays 0. Report adopted.

Representative Pelath announced an immediate meeting of the Committee on Rules and Legislative Procedures. Representatives Foley, E. Harris, Pelath, Stilwell, VanHaaften, and Whetstone were excused.

Engrossed Senate Bill 390–1

The conference committee report was reread. Roll Call 669: yeas 92, nays 0. Report adopted.

ENROLLED ACTS SIGNED

The Speaker announced that he had signed House Enrolled Acts 1019, 1027, 1078, 1173, 1274, 1425, 1437, 1452, 1457, 1722, 1731, 1767 and Senate Enrolled Acts 9, 125, 128, 191, 193, 270, 320, 330, 412, 416, 461, 463, 480, 504, 506, 520, 524, and 566 on April 29.

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
EHB 1001–2; filed April 29, 2007, at 5:43 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1001 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2007]

(a) The following definitions apply throughout this act:
(1) "Augmentation allowed" (means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.
(2) "Biennium" means the period beginning July 1, 2007, and ending June 30, 2009. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Deficiency appropriation" or "special claim" means an

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appropriation available during the 2006-2007 fiscal year.
(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(6) "Federally qualified health center" means a community health center that is designated by the Health Resources Services Administration, Bureau of Primary Health Care, as a Federally Qualified Health Center Look Alike under the FED 330 Consolidated Health Center Program authorization, including Community Health Center (330e), Migrant Health Center (330g), Health Care for the Homeless (330h), Public Housing Primary Care (330i), and School Based Health Centers (330).
(7) "Other operating expense" includes payments for "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds, and awards", "in-state travel", "out-of-state travel", and "equipment".
(8) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.
(9) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.
(10) "SSBG" means the Social Services Block Grant. (This was formerly referred to as "Title XX".
(11) "State agency" means:
(A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;
(B) each hospital, penal institution, and other institutional enterprise of the state;
(C) the judicial department of the state; and
(D) the legislative department of the state.
However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.
(12) "State funded community health center" means a public or private not for profit (501(c)(3)) organization that provides comprehensive primary health care services to all age groups.
(13) "Total operating expense" includes payments for both "personal services" and "other operating expense".
(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. (Advance payments shall be made by warrant by the auditor of state, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.
(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.
(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. (Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.
(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources or a combination thereof. The money in the fund shall be used for the purpose designated by law as working capital. The fund at any time consists of the original appropriation thereto, if any, all receipts accrued to the fund, and all money withdrawn from the fund and invested or to be invested. The fund shall be kept intact by separate entries in the auditor of state's office, and no part thereof shall be used for any purpose other than the lawful purpose of the fund or revert to any other fund at any time. However, any unencumbered excess above any prescribed amount shall be transferred to the state general fund at the close of each fiscal year unless otherwise specified in the Indiana Code.

SECTION 2. [EFFECTIVE JULY 1, 2007]

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the following sums in SECTIONS 3 through 10 are appropriated for the periods of time designated from the general fund of the state of Indiana or other specifically designated funds.

In this act, whenever there is no specific fund or account designated, the appropriation is from the general fund.

SECTION 3. [EFFECTIVE JULY 1, 2007]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	4,203,191	4,870,227
HOUSE EXPENSES		
Total Operating Expense	9,936,755	10,097,001
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	1,571,845	1,596,366
SENATE EXPENSES		
Total Operating Expense	9,833,000	10,905,931

Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Except as provided below, this allowance is to be paid to each member of the general

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assembly for every day, including Sundays, during which the general assembly is convened in regular or special session, commencing with the day the session is officially convened and concluding with the day the session is adjourned sine die. However, after five (5) consecutive days of recess, the legislative business per diem allowance is to be made on an individual voucher basis until the recess concludes.

Members of the general assembly are entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per diem allowance for each and every day engaged in official business.

The legislative business per diem allowance that each member of the general assembly is entitled to receive equals the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area. The legislative business per diem changes each time there is a change in that maximum daily amount.

In addition to the legislative business per diem allowance, each member of the general assembly shall receive the mileage allowance in an amount equal to the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service for each mile necessarily traveled from the member's usual place of residence to the state capitol. However, if the member traveled by a means other than by motor vehicle, and the member's usual place of residence is more than one hundred (100) miles from the state capitol, the member is entitled to reimbursement in an amount equal to the lowest air travel cost incurred in traveling from the usual place of residence to the state capitol. During the period the general assembly is convened in regular or special session, the mileage allowance shall be limited to one (1) round trip each week per member.

Any member of the general assembly who is appointed, by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or Indiana legislative council to serve on any research, study, or survey committee or commission, or who attends any meetings authorized or convened under the auspices of the Indiana legislative council, including pre-session conferences and federal-state relations conferences, is entitled, when authorized by the legislative council, to receive the legislative business per diem allowance for each day in actual attendance and is also entitled to a mileage allowance, at the rate specified above, for each mile necessarily traveled from the member's usual place of residence to the state capitol, or other in-state site of the committee, commission, or conference. The per diem allowance and the mileage allowance permitted under this paragraph shall be paid from the legislative council appropriation for legislator and lay member travel unless the member is attending an out-of-state meeting, as authorized by the speaker of the house of representatives or the president pro tempore of the senate, in which case the member is entitled to receive:
(1) the legislative business per diem allowance for each day the member is engaged in approved out-of-state travel; and
(2) reimbursement for traveling expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the legislative council.

Notwithstanding the provisions of this or any other statute, the legislative council may adopt, by resolution, travel policies and procedures that apply only to members of the general assembly or to the staffs of the house of representatives, senate, and legislative services agency, or both members and staffs. The legislative council may apply these travel policies and procedures to lay members serving on research, study, or survey committees or commissions that are under the jurisdiction of the legislative council. Notwithstanding any other law, rule, or policy, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency do not apply to members of the general assembly, to the staffs of the house of representatives, senate, or legislative services agency, or to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council (if the legislative council applies its travel policies and procedures to lay members under the authority of this SECTION), except that, until the legislative council adopts travel policies and procedures, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency apply to members of the general assembly, to the staffs of the house of representatives, senate, and legislative services agency, and to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council. The executive director of the legislative services agency is responsible for the administration of travel policies and procedures adopted by the legislative council. The auditor of state shall approve and process claims for reimbursement of travel related expenses under this paragraph based upon the written affirmation of the speaker of the house of representatives, the president pro tempore of the senate, or the executive director of the legislative services agency that those claims comply with the travel policies and procedures adopted by the legislative council. If the funds appropriated for the house and senate expenses and legislative salaries are insufficient to pay all the necessary expenses incurred, including the cost of printing the journals of the house and senate, there is appropriated such further sums as may be necessary to pay such expenses.

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LEGISLATORS' SUBSISTENCE			
LEGISLATORS' EXPENSES - HOUSE			
Total Operating Expense	2,455,520	2,432,543	
LEGISLATORS' EXPENSES - SENATE			
Total Operating Expense	1,200,000	1,150,000	

Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

However, the subsistence allowance under subdivision (2) may not be paid with respect to any day after the first session day held in November and before the first session day held in January with respect to which all members of the general assembly are entitled to a legislative business per diem.

The subsistence allowance is payable from the appropriations for legislators' subsistence.

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, $7,000; assistant president pro tempore, $3,000; majority floor leader, $5,500; assistant majority floor leader, $3,500; majority caucus chair, $5,500; assistant majority caucus chair, $1,500; appropriations committee chair, $5,500; tax and fiscal policy committee chair, $5,500; appropriations committee ranking majority member, $2,000; tax and fiscal policy committee ranking majority member, $2,000; majority whip, $4,000; assistant majority whip, $2,000; minority floor leader, $6,000; minority leader pro tempore emeritus, $1,500; minority caucus chair, $5,000; minority assistant floor leader, $5,000; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip, $3,000; assistant minority whip, $1,000; assistant minority caucus chair, $1,000; (agriculture and small business committee chair, $1,000; commerce, public policy, and interstate cooperation committee chair, $1,000; corrections, criminal, and civil matters committee chair, $1,000; energy and environmental affairs committee chair, $1,000; pensions and labor committee chair, $1,000; health and provider services committee chair, $1,000; insurance and financial institutions committee chair, $1,000; and natural resources committee chair, $1,000.

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $6,500; speaker pro tempore, $5,000; deputy speaker pro tempore, $1,500; majority leader, $5,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; ways and means committee chair, $5,000; ways and means committee ranking majority member, $3,000; ways and means committee, chairman of the education subcommittee, $1,500; speaker pro tempore emeritus, $1,500; budget subcommittee chair, $3,000; majority whip, $3,500; assistant majority whip, $1,000; assistant majority leader, $1,000; minority leader, $5,500; minority caucus chair, $4,500; ways and means committee ranking minority member, $3,500; minority whip, $2,500; assistant minority leader, $4,500; second assistant minority leader, $1,500; and deputy assistant minority leader, $1,000.

If the senate or house of representatives eliminates a committee or officer referenced in this SECTION and replaces the committee or officer with a new committee or position, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer. However, this does not permit any additional amounts to be paid under this SECTION for a replacement committee or officer than would have been spent for the eliminated committee or officer. If the senate or house of representatives creates a new additional committee or officer, or assigns additional duties to an existing officer, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer, or to adjust the annual payments made to the existing officer, in (amounts determined by the legislative council.

If the funds appropriated for legislators' subsistence are insufficient to pay all the subsistence incurred, there are hereby appropriated such further sums as may be necessary to pay such subsistence.

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FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY			
Total Operating Expense	9,244,000	9,605,000	
LEGISLATOR AND LAY MEMBER TRAVEL			
Total Operating Expense	610,000	635,000	

Included in the above appropriations for the legislative council and legislative services agency expenses are funds for usual and customary expenses associated with legislative services.

If the funds above appropriated for the legislative council and the legislative services agency and legislator and lay member travel are insufficient to pay all the necessary expenses incurred, there are hereby appropriated such further sums as may be necessary to pay those expenses.

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of $75 per day during the 2007-2009 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

CENTER FOR EVALUATION & EDUCATION POLICY STUDY OF CHARTER SCHOOLS			
Total Operating Expense			100,000
LEGISLATIVE COUNCIL CONTINGENCY FUND			
Total Operating Expense			223,614

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Disbursements from the fund may be made only for purposes approved by the chairman and vice chairman of the legislative council.

The legislative services agency shall charge the following fees, unless the legislative council sets these or other fees at different rates:

Annual subscription to the session document service for sessions ending in odd-numbered years: $900

Annual subscription to the session document service for sessions ending in even-numbered years: $500

Per page charge for copies of legislative documents: $0.15

Annual charge for interim calendar: $10

Daily charge for the journal of either house: $2

PRINTING AND DISTRIBUTION		
Total Operating Expense	872,000	905,000

The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 115th general assembly, the supplements to the Indiana Code for fiscal years 2007-2008 and 2008-2009, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES		
Other Operating Expense	138,408	143,944
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES		
Other Operating Expense	176,357	190,337
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES		
Other Operating Expense	10,000	10,000
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL TRAINING SEMINAR		
Total Operating Expense		45,000
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	257,900	271,910
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND LEGISLATORS' RETIREMENT FUND		
Total Operating Expense	100,000	100,000

B. JUDICIAL

FOR THE SUPREME COURT		
Personal Services	7,403,027	7,664,269
Other Operating Expense	2,232,192	2,251,965

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-38-5-8.

LOCAL JUDGES' SALARIES		
Personal Services	50,674,246	50,812,798
Other Operating Expense	39,000	39,000
COUNTY PROSECUTORS' SALARIES		
Personal Services	23,821,199	23,821,199
Other Operating Expense	31,000	31,000

The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-39-6-5 and that are to be paid from the state general fund.

In addition to the appropriations for local judges' salaries and for county prosecutors' salaries, there are hereby appropriated for personal services the amounts that the state is required to pay for salary changes or for additional courts created by the 115th general assembly.

JUDICIAL BRANCH INSURANCE ADJUSTMENT		
Total Operating Expense	0	400,000
TRIAL COURT OPERATIONS		
Total Operating Expense	591,575	596,075
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY		
Total Operating Expense	778,750	778,750

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.

PUBLIC DEFENDER COMMISSION		
Total Operating Expense	9,100,000	9,850,000

The above appropriation is made in addition to the distribution authorized by IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services provided to a defendant. The division of state court administration of the supreme court of Indiana shall provide staff support to the commission and shall administer the public defense fund. The administrative costs may come from the public defense fund. Any balance in the public defense fund is appropriated to the public

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defender commission.

GUARDIAN AD LITEM		
Total Operating Expense	2,920,248	2,970,248

The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special advocate program for children who are alleged to be victims of child abuse or neglect under IC 31-33 and to administer the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 to be used for the operation of guardian ad litem and court appointed special advocate programs. The county fiscal body shall appropriate adequate funds for the county to be eligible for these matching funds.

CIVIL LEGAL AID		
Total Operating Expense	1,500,000	1,500,000

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-12-7.

SPECIAL JUDGES - COUNTY COURTS		
Personal Services	15,000	15,000
Other Operating Expense	134,000	134,000

If the funds appropriated above for special judges of county courts are insufficient to pay all of the necessary expenses that the state is required to pay under IC 34-35-1-4, there are hereby appropriated such further sums as may be necessary to pay these expenses.

COMMISSION ON RACE AND GENDER FAIRNESS		
Total Operating Expense	370,996	380,996
FOR THE COURT OF APPEALS		
Personal Services	8,902,011	9,141,271
Other Operating Expense	1,467,625	1,249,470

The above appropriations for the court of appeals personal services include the subsistence allowance provided by IC 33-38-5-8.

FOR THE TAX COURT		
Personal Services	516,747	529,050
Other Operating Expense	128,927	143,963
FOR THE JUDICIAL CENTER		
Personal Services	1,703,245	1,833,579
Other Operating Expense	1,238,337	1,240,419

The above appropriations for the judicial center include the appropriations for the judicial conference.

DRUG AND ALCOHOL PROGRAMS FUND		
Total Operating Expense	299,010	299,010

The above funds are appropriated under IC 33-37-7-9 for the purpose of administering, certifying, and supporting alcohol and drug services programs under IC 12-23-14. However, if the receipts are less than the appropriation, the center may not spend more than is collected.

INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION		
Total Operating Expense	200,000	200,000
FOR THE PUBLIC DEFENDER		
Personal Services	5,941,901	6,179,783
Other Operating Expense	985,133	985,133
FOR THE PUBLIC DEFENDER COUNCIL		
Personal Services	942,195	943,779
Other Operating Expense	436,315	420,318
FOR THE PROSECUTING ATTORNEYS' COUNCIL		
Personal Services	622,639	623,828
Other Operating Expense	591,448	591,448
DRUG PROSECUTION		
Drug Prosecution Fund (IC 33-39-8-6)		
Total Operating Expense	103,436	103,436
Augmentation allowed.		
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND		
JUDGES' RETIREMENT FUND		
Other Operating Expense	10,753,661	11,708,522
PROSECUTORS' RETIREMENT FUND		
Other Operating Expense	170,000	170,000

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE		
Personal Services	2,002,085	2,002,085
Other Operating Expense	375,000	375,000
GOVERNOR'S RESIDENCE		
Total Operating Expense	148,724	148,724
GOVERNOR'S CONTINGENCY FUND		
Total Operating Expense		170,000

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

GOVERNOR'S FELLOWSHIP PROGRAM		
Total Operating Expense	250,045	250,045
FOR THE WASHINGTON LIAISON OFFICE		
Total Operating Expense	150,000	150,000

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE LIEUTENANT GOVERNOR			
Personal Services	1,780,280	1,780,280	
Other Operating Expense	724,410	724,410	
CONTINGENCY FUND			
Total Operating Expense			34,626

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

FOR THE SECRETARY OF STATE		
ADMINISTRATION		
Personal Services	2,148,297	2,148,297
Other Operating Expense	255,919	255,919

FOR THE ATTORNEY GENERAL		
ATTORNEY GENERAL		
From the General Fund	14,463,506	14,463,506
From the Homeowner Protection Fund (IC 4-6-12-9)	654,047	654,047
Augmentation allowed.		
From the Motor Vehicle Odometer Fund (IC 9-29-1-5)	81,350	81,350
Augmentation allowed.		
From the Medicaid Fraud Control Unit Fund (IC 4-6-10-1)	515,935	515,935
Augmentation allowed.		
From the Victims' Assistance Address Confidentiality Fund (IC 5-2-6-14)	59,929	59,929
Augmentation allowed.		
From the Consumer Fees and Settlements Fund (IC 24-4.7-3-6)	148,228	148,228
Augmentation allowed.		
From the Real Estate Appraiser Licensing Fund (IC 25-34.1-8-7)	68,174	68,174
Augmentation allowed.		
From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)	494,467	494,467
Augmentation allowed.		
From the Abandoned Property Fund (IC 32-34-1-33)	216,303	216,303
Augmentation allowed.		

The amounts specified from the general fund, homeowner protection fund, motor vehicle odometer fund, medicaid fraud control unit fund, victims' assistance address confidentiality fund, consumer fees and settlements fund, real estate appraisers licensing fund, tobacco master settlement fund, and abandoned property fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	15,530,898	15,530,898	
Other Operating Expense	1,171,041	1,171,041	
HOMEOWNER PROTECTION UNIT (IC 4-6-12-9)			
Total Operating Expense	63,391	63,391	
MEDICAID FRAUD UNIT			
Total Operating Expense	829,789	829,789	

The above appropriations to the Medicaid fraud unit are the state's matching share of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C. 1396b(q). Augmentation allowed from collections.

UNCLAIMED PROPERTY		
Abandoned Property Fund (IC 32-34-1-33)		
Personal Services	1,317,228	1,317,228
Other Operating Expense	3,172,360	3,172,360
Augmentation allowed.		

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE		
Personal Services	4,587,218	4,587,218
Other Operating Expense	1,388,632	1,388,632
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	123,500	123,500

The above appropriations for governors' and governors' surviving spouses' pensions are made under IC 4-3-3.

FOR THE STATE BOARD OF ACCOUNTS		
Personal Services	20,798,302	20,798,302
Other Operating Expense	1,340,277	1,340,277
GOVERNOR ELECT		
Total Operating Expense	0	40,000

FOR THE STATE BUDGET COMMITTEE		
Total Operating Expense	60,000	60,000

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

FOR THE OFFICE OF MANAGEMENT AND BUDGET		
Personal Services	1,192,305	1,192,305
Other Operating Expense	65,958	65,958

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE STATE BUDGET AGENCY			
Personal Services	3,118,097	3,118,097	
Other Operating Expense	512,409	512,409	
STATEWIDE INFORMATION TECHNOLOGY PROJECTS			
Total Operating Expense	0	2,000,000	
BUILD INDIANA FUND ADMINISTRATION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense	1	1	
Augmentation Allowed.			
DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND			
Total Operating Expense			10,000,000

The foregoing departmental and institutional emergency contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor. These allocations may be made upon written request of proper officials, showing that contingencies exist that require additional funds for meeting necessary expenses. The budget committee shall be advised of each transfer request and allotment.

OUTSIDE BILLS CONTINGENCY			
Total Operating Expense			1
PERSONAL SERVICES/ FRINGE BENEFITS CONTINGENCY FUND			
Total Operating Expense			89,000,000

The foregoing personal services/fringe benefits contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor.

The foregoing personal services/fringe benefits contingency fund appropriation may only be used for salary increases, fringe benefit increases, an employee leave conversion program, or a state retiree health program for state employees and may not be used for any other purpose.

The foregoing personal services/fringe benefits contingency fund appropriation does not revert at the end of the biennium but remains in the personal services/fringe benefits contingency fund.

STATE RETIREE HEALTH PLAN			
Total Operating Expense			46,000,000

The foregoing appropriation for the state retiree health plan:
(1) does not revert at the end of the biennium but remains in the state retiree health plan fund; and
(2) is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12, or any other law.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
Total Operating Expense	44,300,000	46,500,000	
Augmentation Allowed.			
SCHOOL AND LIBRARY INTERNET CONNECTION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			7,000,000

Of the foregoing appropriations, $2,300,000 each year shall be used for schools under IC 4-34-3-4, and $1,200,000 each year shall be used for libraries under IC 4-34-3-2.

INSPIRE (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			3,000,000
AREA HEALTH EDUCATION CENTERS			
Total Operating Expense	1,250,000	1,750,000	
CRAWFORD COUNTY 4-H GRANT			
Total Operating Expense			500,000
FOR THE TREASURER OF STATE			
Personal Services	827,756	827,756	
Other Operating Expense	42,350	42,350	

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the state student assistance commission shall cooperate and provide to the Indiana education savings authority the following:
(1) Clerical and professional staff and related support.
(2) Office space and services.
(3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE			
COLLECTION AND ADMINISTRATION			
General Fund	54,187,575	53,427,575	
Motor Carrier Regulation Fund (IC 8-2.1-23)	794,261	794,261	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Motor Vehicle Highway Account (IC 8-14-1)	**2,449,434**	**2,449,434**	

Augmentation allowed from the Motor Carrier Regulation Fund and the Motor Vehicle Highway Account.

The amounts specified from the General Fund, Motor Carrier Regulation Fund, and the Motor Vehicle Highway Account are for the following purposes:

Personal Services	**40,726,571**	**40,726,571**
Other Operating Expense	**16,704,699**	**15,944,699**

With the approval of the governor and the budget agency, the department shall annually reimburse the state general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department of state revenue from taxes and fees.

OUTSIDE COLLECTIONS

Total Operating Expense	**3,300,000**	**3,300,000**

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue's outside collections may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

MOTOR CARRIER REGULATION

Motor Carrier Regulation Fund (IC 8-2.1-23)		
Personal Services	**1,538,712**	**1,538,712**
Other Operating Expense	**4,354,961**	**4,354,961**

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	**8,772,328**	**8,772,328**
Other Operating Expense	**1,625,300**	**1,625,300**

Augmentation allowed from the Motor Vehicle Highway Account.

In addition to the foregoing appropriations, there is hereby appropriated to the department of revenue motor fuel tax division an amount sufficient to pay claims for refunds on license-fee-exempt motor vehicle fuel as provided by law. The sums above appropriated from the motor vehicle highway account for the operation of the motor fuel tax division, together with all refunds for license-fee-exempt motor vehicle fuel, shall be paid from the receipts of those license fees before they are distributed as provided by IC 6-6-1.1.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE INDIANA GAMING COMMISSION			
State Gaming Fund (IC 4-33-13-3)	**3,463,789**	**3,463,789**	
Gaming Investigations	**525,000**	**525,000**	
State Gambling Enforcement Fund (IC 4-33.5-4)	**499,992**	**499,992**	

The amounts specified from the state gaming fund, gaming investigations, and state gambling enforcement fund are for the following purposes:

Personal Services	**3,535,621**	**3,535,621**
Other Operating Expense	**953,160**	**953,160**

The foregoing appropriations to the Indiana gaming commission are made from revenues accruing to the state gaming fund under IC 4-33-13-3 before any distribution is made under IC 4-33-13-5.

Augmentation allowed.

The foregoing appropriations to the Indiana gaming commission are made instead of the appropriation made in IC 4-33-13-4.

FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH

Personal Services	**118,297**	**118,297**
Other Operating Expense	**127,993**	**127,993**

Augmentation allowed from fees accruing under IC 4-33-18-8.

FOR THE INDIANA HORSE RACING COMMISSION

Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
Personal Services	**2,192,335**	**2,192,335**
Other Operating Expense	**673,974**	**673,974**

The foregoing appropriations to the Indiana horse racing commission are made from revenues accruing to the Indiana horse racing commission before any distribution is made under IC 4-31-9. Retroactive to July 1, 2005.

Augmentation allowed.

STANDARDBRED ADVISORY BOARD

Standardbred Horse Fund (IC 15-5-5.5-9.5)		
Total Operating Expense	**193,500**	**193,500**

The foregoing appropriations to the standardbred board of regulation are made from revenues accruing to the Indiana horse racing commission before any distribution is made under IC 4-31-9. Retroactive to July 1, 2005.

Augmentation allowed.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
STANDARDBRED BREED DEVELOPMENT FUND			
Standardbred Horse Fund (IC 15-5-5.5-9.5)			
Total Operating Expense	3,963,811	3,963,811	
Augmentation allowed.			
THOROUGHBRED BREED DEVELOPMENT FUND			
Standardbred Horse Fund (IC 15-5-5.5-9.5)			
Total Operating Expense	2,686,139	2,686,139	
Augmentation allowed.			
QUARTER HORSE BREED DEVELOPMENT FUND			
Standardbred Horse Fund (IC 15-5-5.5-9.5)			
Total Operating Expense	233,155	233,155	
Augmentation allowed.			
FINGERPRINT FEES			
Standardbred Horse Fund (IC 15-5-5.5-9.5)			
Total Operating Expense	67,558	67,558	
Augmentation allowed.			
FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE			
Personal Services	3,824,801	3,824,801	
Other Operating Expense	835,679	835,679	

From the above appropriations for the department of local government finance, travel subsistence and mileage allowances may be paid for members of the local government tax control board created by IC 6-1.1-18.5-11 and the state school property tax control board created by IC 6-1.1-19-4.1, under state travel regulations.

CIRCUIT BREAKER RELIEF APPEAL BOARD			
Total Operating Expense	100,000	100,000	
FOR THE INDIANA BOARD OF TAX REVIEW			
Personal Services	1,280,166	1,280,166	
Other Operating Expense	102,960	102,960	
Augmentation allowed from fee increases enacted by P.L.245-2003 and reimbursements from any county under IC 6-1.1-4-34(f), regardless of when the fees or reimbursements were received.			

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION			
Personal Services	12,418,473	12,418,473	
Other Operating Expense	14,070,807	13,863,207	
FOR THE STATE PERSONNEL DEPARTMENT			
Personal Services	6,761,767	6,761,767	
Other Operating Expense	623,200	623,200	

The state must provide a variety of healthcare plan options and not restrict employees to health savings account plans.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE STATE EMPLOYEES APPEALS COMMISSION			
Personal Services	163,650	163,650	
Other Operating Expense	16,089	16,089	
FOR THE OFFICE OF TECHNOLOGY			
Pay Phone Fund			
Total Operating Expense	2,490,000	2,490,000	
Augmentation allowed.			

The pay phone fund is established for the procurement of hardware, software, and related equipment and services needed to expand and enhance the state campus backbone and other central information technology initiatives. Such procurements may include, but are not limited to, wiring and rewiring of state offices, Internet services, video conferencing, telecommunications, application software, and related services. The fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS			
Personal Services	1,432,151	1,432,151	
Other Operating Expense	132,099	132,099	
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR			
Personal Services	144,841	144,841	
Other Operating Expense	6,004	6,004	

G. OTHER

FOR THE COMMISSION ON UNIFORM STATE LAWS			
Total Operating Expense	43,584	43,584	
FOR THE OFFICE OF INSPECTOR GENERAL			
Personal Services	1,121,264	1,121,074	
Other Operating Expense	237,941	237,941	
STATE ETHICS COMMISSION			
Personal Services	260,816	261,006	
Other Operating Expense	2,596	2,596	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	676,031	698,959	
Other Operating Expense	598,793	598,793	
VOTER REGISTRATION AND PROCEDURES			
Total Operating Expense	129,920	0	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
VOTER LIST MAINTENANCE			
Total Operating Expense	112,500	112,500	

H. COMMUNITY SERVICES

FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES			
Personal Services	244,064	244,064	
Other Operating Expense	71,488	71,488	

SECTION 4. [EFFECTIVE JULY 1, 2007]

PUBLIC SAFETY

A. CORRECTION

FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	15,691,462	15,691,462	
Other Operating Expense	6,652,175	6,652,175	

The above appropriations for central office include $75,000 each year for the juvenile justice task force.

The above appropriation includes funds to provide a salary increase for custody staff of approximately 4% beginning in fiscal year 2008. In addition, any money that is derived from the Arizona inmates custody project at New Castle is to be deposited in the state general fund and go towards offsetting the appropriation to the department of corrections food services contract.

ESCAPEE COUNSEL AND TRIAL EXPENSE			
Other Operating Expense	198,000	198,000	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	4,281,101	4,281,101	
ADULT CONTRACT BEDS			
Total Operating Expense	3,000,000	3,000,000	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	1,198,305	1,198,305	
Other Operating Expense	117,640	117,640	
PAROLE DIVISION			
Personal Services	8,126,308	8,126,308	
Other Operating Expense	895,534	895,534	
PAROLE BOARD			
Personal Services	580,285	580,285	
Other Operating Expense	20,222	20,222	
INFORMATION MANAGEMENT SERVICES			
Personal Services	1,165,728	1,165,728	
Other Operating Expense	36,384	36,384	
JUVENILE TRANSITION			
Personal Services	1,122,368	1,122,368	
Other Operating Expense	1,016,342	1,016,342	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense		67,017,281	

The above appropriation for community corrections programs is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12, or any other law.

DRUG PREVENTION AND OFFENDER TRANSITION			
Total Operating Expense	305,431	305,431	

The above appropriation shall be used for minimum security release programs, transition programs, mentoring programs, and supervision of and assistance to adult and juvenile offenders to promote the successful integration of the offender into the community.

CENTRAL EMERGENCY RESPONSE			
Personal Services	1,089,474	1,089,474	
Other Operating Expense	108,554	108,554	
MEDICAL SERVICES			
Other Operating Expense	45,830,008	48,662,949	

The above appropriations for medical services shall be used only for services that are determined to be medically necessary.

DRUG ABUSE PREVENTION			
Drug Abuse Fund (IC 11-8-2-11)			
Personal Services	42,683	42,683	
Other Operating Expense	3,000	3,000	
Augmentation allowed.			
COUNTY JAIL MAINTENANCE CONTINGENCY FUND			
Other Operating Expense	20,342,634	20,615,319	

Disbursements from the fund shall be made for the purpose of reimbursing sheriffs for the cost of incarcerating in county jails persons convicted of felonies to the extent that such persons are incarcerated for more than five (5) days after the day of sentencing, at the rate of $35 per day. In addition to the per diem, the state shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary medical care to the convicted persons. However, if the sheriff or county receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOOD SERVICES			
Total Operating Expense	28,954,492	28,954,492	
MEDICAL SERVICE PAYMENTS			
Total Operating Expense	25,000,000	25,000,000	

These appropriations for medical service payments are made to pay for services determined to be medically necessary for committed individuals, patients and students of institutions under the jurisdiction of the department of correction, the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, or the division of aging if the services are provided outside these institutions. These appropriations may not be used for payments for medical services that are covered by IC 12-16 unless these services have been approved under IC 12-16. These appropriations shall not be used for payment for medical services which are payable from an appropriation in this act for the state department of health, the division of mental health and addiction, the school for the blind and visually impaired, the school for the deaf, the division of disability and rehabilitative services, the division of aging, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations are insufficient to make these medical service payments, there is hereby appropriated such further sums as may be necessary.

Direct disbursements from the above contingency fund are not subject to the provisions of IC 4-13-2.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE DEPARTMENT OF ADMINISTRATION			
DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU			
Personal Services	135,966	136,067	
Other Operating Expense	13,124	13,124	
FOR THE DEPARTMENT OF CORRECTION			
INDIANA STATE PRISON			
Personal Services	31,808,589	31,808,589	
Other Operating Expense	5,900,491	5,900,491	
VOCATIONAL TRAINING PROGRAM			
Total Operating Expense	158,365	158,365	
PENDLETON CORRECTIONAL FACILITY			
Personal Services	28,109,137	28,109,137	
Other Operating Expense	6,754,713	6,754,713	
CORRECTIONAL INDUSTRIAL FACILITY			
Personal Services	20,436,217	20,436,217	
Other Operating Expense	1,356,420	1,356,420	
INDIANA WOMEN'S PRISON			
Personal Services	8,787,194	8,787,194	
Other Operating Expense	1,076,523	1,076,523	
PUTNAMVILLE CORRECTIONAL FACILITY			
Personal Services	27,418,918	27,418,918	
Other Operating Expense	3,849,512	3,849,512	
WABASH VALLEY CORRECTIONAL FACILITY			
Personal Services	32,087,395	32,087,395	
Other Operating Expense	5,369,971	5,369,971	
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Personal Services	5,432,892	5,432,892	
Other Operating Expense	2,229,376	2,229,376	
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Personal Services	10,409,859	10,409,859	
Other Operating Expense	1,233,531	1,233,531	
BRANCHVILLE CORRECTIONAL FACILITY			
Personal Services	15,573,738	15,573,738	
Other Operating Expense	2,338,789	2,338,789	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	44,501,080	44,501,080	
Other Operating Expense	5,722,951	5,722,951	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	13,932,287	13,932,287	
Other Operating Expense	1,754,770	1,754,770	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	24,178,023	24,178,023	
Other Operating Expense	2,274,035	2,274,035	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	10,614,079	10,614,079	
Other Operating Expense	527,827	527,827	
MIAMI CORRECTIONAL FACILITY			
Personal Services	27,240,915	27,240,915	
Other Operating Expense	7,513,143	7,513,143	
NEW CASTLE CORRECTIONAL FACILITY			
Personal Services	391,583	391,583	
Other Operating Expense	16,957,070	21,965,350	
SOCIAL SERVICES BLOCK GRANT			
General Fund			
Total Operating Expense	6,119,631	6,119,631	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
Total Operating Expense	347,516	347,516	

Augmentation allowed from Work Release - Study Release Special Revenue Fund and Social Services Block Grant.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	2,011,534	2,011,534	
Other Operating Expense	220,390	220,390	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Personal Services	1,517,268	1,517,268	
Other Operating Expense	202,531	202,531	
MEDARYVILLE CORRECTIONAL FACILITY			
Personal Services	1,543,961	1,543,961	
Other Operating Expense	158,005	158,005	
MADISON CORRECTIONAL FACILITY			
Personal Services	4,025,414	4,025,414	
Other Operating Expense	701,346	701,346	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	3,313,905	3,313,905	
Other Operating Expense	495,076	495,076	
SOUTH BEND JUVENILE CORRECTIONAL FACILITY			
Personal Services	4,525,393	4,525,393	
Other Operating Expense	1,533,354	1,533,354	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Personal Services	9,601,670	9,601,670	
Other Operating Expense	1,359,954	1,359,954	
CAMP SUMMIT			
Personal Services	2,281,347	2,281,347	
Other Operating Expense	183,677	183,677	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	14,913,324	14,913,324	
Other Operating Expense	1,623,844	1,623,844	

B. LAW ENFORCEMENT

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION			
From the General Fund	44,101,027	45,527,555	
From the Motor Vehicle Highway Account (IC 8-14-1)	76,795,315	79,279,296	
From the Motor Carrier Regulation Fund (IC 8-2.1-23)	4,232,556	4,368,936	

Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	108,085,378	112,132,267	
Other Operating Expense	17,043,520	17,043,520	

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program.

The foregoing appropriations for the Indiana state police and motor carrier inspection include funds for the police security detail to be provided to the Indiana state fair board. However, amounts actually expended to provide security for the Indiana state fair board as determined by the budget agency shall be reimbursed by the Indiana state fair board to the state general fund.

The above appropriations for personal services include amounts to fund a new 20-year pay matrix that increases the maximum annual salary for the rank of trooper to $60,000 phased in over the 2008-2009 biennium. The above appropriations also include funds to provide salary increases of $3,500 for weighmasters and capital police in each year of the 2008-2009 biennium.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
ODOMETER FRAUD INVESTIGATION			
From the Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	25,000	25,000	

Augmentation allowed.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
STATE POLICE TRAINING			
From the State Police Training Fund (IC 5-2-8-5)			
Total Operating Expense	300,100	300,100	

Augmentation allowed.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FORENSIC AND HEALTH SCIENCES LABORATORIES			
From the General Fund	3,888,671	3,888,671	
From the Motor Carrier Regulation Fund (IC 8-2.1-23)	386,658	386,658	
From the Motor Vehicle Highway Account (IC 8-14-1)	6,772,031	6,772,031	

Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	9,616,473	9,616,473	
Other Operating Expense	1,430,887	1,430,887	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
ENFORCEMENT AID			
From the General Fund			
Total Operating Expense	**40,000**	**40,000**	
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**40,000**	**40,000**	

The above appropriations for enforcement aid are to meet unforeseen emergencies of a confidential nature. They are to be expended under the direction of the superintendent and to be accounted for solely on the superintendent's authority.

PENSION FUND			
From the General Fund			
Total Operating Expense	**4,736,246**	**4,736,246**	
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**4,736,247**	**4,736,247**	

The above appropriations shall be paid into the state police pension fund provided for in IC 10-12-2 in twelve (12) equal installments on or before July 30 and on or before the 30th of each succeeding month thereafter.

BENEFIT FUND			
From the General Fund			
Total Operating Expense	**1,713,151**	**1,713,151**	
Augmentation allowed.			
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,713,151**	**1,713,151**	
Augmentation allowed.			

All benefits to members shall be paid by warrant drawn on the treasurer of state by the auditor of state on the basis of claims filed and approved by the trustees of the state police pension and benefit funds created by IC 10-12-2.

SUPPLEMENTAL PENSION			
General Fund			
Total Operating Expense	**1,900,753**	**1,900,753**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,900,753**	**1,900,753**	
Augmentation allowed.			

If the above appropriations for supplemental pension for any one (1) year are greater than the amount actually required under the provisions of IC 10-12-5, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-12-5 is greater than the above appropriations, then, with the approval of the governor and the budget agency, those sums may be augmented from the general fund and the motor vehicle highway account.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
ACCIDENT REPORTING			
Accident Report Account (IC 9-29-11-1)			
Total Operating Expense	**84,760**	**84,760**	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7)			
Total Operating Expense	**273,420**	**273,420**	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION			
PROJECT SAFE-T			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**13,000,000**	**13,000,000**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Personal Services	**8,253,098**	**8,253,098**	
Other Operating Expense	**2,868,184**	**2,868,184**	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	**1**	**1**	
Augmentation allowed.			
MUTC - MUSCATATUCK URBAN TRAINING CENTER			
Total Operating Expense	**2,600,000**	**2,600,000**	
HOOSIER YOUTH CHALLENGE ACADEMY			
Total Operating Expense	**1,200,000**	**1,200,000**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**320,000**

The above appropriations for the adjutant general governor's civil and military contingency fund are made under IC 10-16-11-1.

FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMINISTRATIVE MATCH			
Total Operating Expense	**440,467**	**440,467**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**2,846,955**	**2,846,955**	
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	**630,902**	**630,902**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**386,000**	**386,000**	
Augmentation allowed.			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	**527,477**	**527,477**	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	**1,660,300**	**1,660,300**	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	**400,052**	**400,052**	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $1,317,000 is appropriated annually to provide grants to school corporations for school safe haven programs, emergency preparedness programs, and school safety programs, and $750,000 is appropriated annually for use in providing training to school safety specialists.

OFFICE OF TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**571,560**	**571,560**	
Other Operating Expense	**11,069,560**	**11,069,560**	
Augmentation allowed.			

The above appropriation for the office of traffic safety is from the motor vehicle highway account and may be used to fund traffic safety projects that are included in a current highway safety plan approved by the governor and the budget agency. The department shall apply to the national highway traffic safety administration for reimbursement of all eligible project costs. Any federal reimbursement received by the department for the highway safety plan shall be deposited into the motor vehicle highway account.

PROJECT IMPACT			
Total Operating Expense	**196,000**	**196,000**	
VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**142,988**	**195,890**	
Other Operating Expense	**2,318,098**	**2,331,298**	
Augmentation allowed.			
FOR THE CORONERS' TRAINING BOARD			
Coroners Training and Continuing Education Fund (IC 4-23-6.5-8)			
Personal Services	**10,000**	**10,000**	
Other Operating Expense	**390,000**	**390,000**	
Augmentation allowed.			
FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund	**2,190,935**	**2,190,935**	
From the Law Enforcement Academy Training Fund (IC 5-2-1-13(b))	**2,220,046**	**2,220,046**	
Augmentation allowed from the Law Enforcement Academy Training Fund.			

The amounts specified from the General Fund and the Law Enforcement Training Fund are for the following purposes:

Personal Services	**3,547,811**	**3,547,811**
Other Operating Expense	**863,170**	**863,170**

FOR THE NORTHWEST INDIANA LAW ENFORCEMENT TRAINING ACADEMY			
Total Operating Expense	**150,000**	**150,000**	
C. REGULATORY AND LICENSING			
FOR THE BUREAU OF MOTOR VEHICLES			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**20,312,250**	**20,312,250**	
Other Operating Expense	**15,357,889**	**15,357,889**	
Augmentation allowed.			
LICENSE PLATES			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**15,928,890**	**5,600,000**	
Augmentation allowed.			
DEALER INVESTIGATOR EXPENSES			
Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	**207,766**	**207,766**	
Augmentation allowed.			
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	**6,858,480**	**6,858,480**	
Augmentation allowed.			
ABANDONED VEHICLES			
Abandoned Vehicle Fund (IC 9-22-1-28)			
Total Operating Expense	**463,207**	**463,207**	
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16-1)			
Total Operating Expense	**5,424,425**	**5,424,425**	
Augmentation allowed.			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE DEPARTMENT OF LABOR			
Personal Services	918,171	918,171	
Other Operating Expense	124,192	124,192	
INDUSTRIAL HYGIENE			
Personal Services	1,256,421	1,256,421	
Other Operating Expense	152,287	152,287	
BUREAU OF MINES AND MINE SAFETY			
Personal Services	184,738	184,738	
Other Operating Expense	45,998	45,998	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	239,744	239,744	
Other Operating Expense	26,014	26,014	

The above funds are appropriated to occupational safety and health, industrial hygiene, and management information services research and statistics to provide the total program cost of the Indiana occupational safety and health plan as approved by the United States Department of Labor. Inasmuch as the state is eligible to receive from the federal government partial reimbursement of the state's total Indiana occupational safety and health plan program cost, it is the intention of the general assembly that the department of labor make application to the federal government for the federal share of the total program cost. Federal funds received shall be considered a reimbursement of state expenditures and as such shall be deposited into the state general fund.

The above appropriation for personal services to the Bureau of Mines and Mine Safety includes an amount for the employment of an additional mine safety inspector for the Bureau of Mines and Mine Safety at a salary of at least $53,000 and fringe benefits of $21,767. The above appropriation for other operating expense includes $30,000 for the purchase of additional mine rescue equipment. The amount provided for these purposes may not be used for any other purpose.

OCCUPATIONAL SAFETY AND HEALTH			
Personal Services	2,278,287	2,278,287	
Other Operating Expense	326,318	326,318	
EMPLOYMENT OF YOUTH			
Employment of Youth Fund (IC 20-33-3-42)			
Total Operating Expense	75,473	75,473	
Augmentation allowed.			
BUREAU OF SAFETY EDUCATION AND TRAINING			
Special Fund for Safety and Health Consultation Service (IC 22-8-1.1-48)			
Personal Services	856,406	856,406	
Other Operating Expense	227,884	227,884	
Augmentation allowed.			

Federal cost reimbursements for expenses attributable to the Bureau of Safety Education and Training appropriations shall be deposited into the special fund for safety and health consultation services.

The above appropriations for the Bureau of Safety Education and Training shall not be used to compete with consultation services provided by legitimate engineering firms, insurance companies, or professional consultants. The Bureau of Safety Education and Training shall limit training activities to private companies for which it has conducted an on-site consultation and shall limit training to only direct employees at that site.

FOR THE DEPARTMENT OF INSURANCE			
Department of Insurance Fund (IC 27-1-3-28)			
Personal Services	5,544,812	5,544,812	
Other Operating Expense	1,269,333	1,269,333	
Augmentation allowed.			
BAIL BOND DIVISION			
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)			
Personal Services	177,215	177,215	
Other Operating Expense	11,280	11,280	
Augmentation allowed.			
PATIENTS' COMPENSATION AUTHORITY			
Patient's Compensation Fund (IC 34-18-6-1)			
Personal Services	722,263	722,263	
Other Operating Expense	1,322,435	1,322,435	
Augmentation allowed.			
POLITICAL SUBDIVISION RISK MANAGEMENT			
Political Subdivision Risk Management Fund (IC 27-1-29-10)			
Personal Services	109,874	109,874	
Other Operating Expense	802,850	802,850	
Augmentation allowed.			
MINE SUBSIDENCE INSURANCE			
Mine Subsidence Insurance Fund (IC 27-7-9-7)			
Personal Services	119,154	119,154	
Other Operating Expense	802,060	802,060	
Augmentation allowed.			

FOR THE ALCOHOL AND TOBACCO COMMISSION			
Enforcement and Administration Fund (IC 7.1-4-10-1)			
Personal Services	8,348,642	8,589,036	
Other Operating Expense	2,424,940	2,424,940	
Augmentation allowed.			

The above appropriations for personal services include funds for a new 20-year pay matrix that increases the maximum annual salary for the officer rank to $60,000 phased in over the 2008-2009 biennium.

ALCOHOLIC BEVERAGE ENFORCEMENT OFFICERS' TRAINING			
Alcoholic Beverage Commission Enforcement			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Officers' Training Fund (IC 5-2-8-8)			
Total Operating Expense	3,500	3,500	
Augmentation allowed from the Alcoholic Beverage Enforcement Officers' Training Fund.			
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS			
Financial Institutions Fund (IC 28-11-2-9)			
Personal Services	6,787,643	6,787,643	
Other Operating Expense	1,764,048	1,703,411	
Augmentation allowed.			
FOR THE PROFESSIONAL LICENSING AGENCY			
Personal Services	4,769,078	4,769,078	
Other Operating Expense	1,130,056	1,130,056	
PRENEED CONSUMER PROTECTION			
Preneed Consumer Protection Fund (IC 30-2-13-28)			
Total Operating Expense	15,000	15,000	
Augmentation allowed.			
EMBALMERS' AND FUNERAL DIRECTORS' EDUCATION			
Funeral Service Education Fund (IC 25-15-9-13)			
Total Operating Expense	5,000	5,000	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	1,969,921	1,969,921	
Other Operating Expense	406,447	406,447	

It is the intention of the general assembly that the civil rights commission shall apply to the federal government for funding based upon the processing of employment and housing discrimination complaints by the civil rights commission. Such federal funds received by the state shall be considered as a reimbursement of state expenditures and shall be deposited into the state general fund.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
MARTIN LUTHER KING JR. HOLIDAY COMMISSION			
Total Operating Expense	20,000	20,000	
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	4,524,732	4,524,732	
Other Operating Expense	1,081,422	1,081,422	
Augmentation allowed.			
EXPERT WITNESS FEES AND AUDIT			
Public Utility Fund (IC 8-1-6-1)			
Total Operating Expense			1,550,000
Augmentation allowed.			
FOR THE UTILITY REGULATORY COMMISSION			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	6,454,330	6,454,330	
Other Operating Expense	2,192,411	2,192,411	
Augmentation allowed.			
FOR THE WORKERS' COMPENSATION BOARD			
From the General Fund	2,062,635	2,062,635	
Workers' Compensation Supplemental Administration Fund (IC 22-3-5-6)	114,210	114,210	
Augmentation allowed.			

The amounts specified from the general fund and the workers' compensation supplemental administrative fund are for the following purposes:

Personal Services	1,983,762	1,983,762	
Other Operating Expense	193,083	193,083	
FOR THE STATE BOARD OF ANIMAL HEALTH			
Personal Services	4,395,935	4,395,935	
Other Operating Expense	1,023,027	925,027	
INDEMNITY FUND			
Total Operating Expense			45,788
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	1,861,010	1,861,010	
FOR THE DEPARTMENT OF HOMELAND SECURITY			
From the General Fund	1,646,556	1,646,556	
From the Fire and Building Services Fund (IC 22-12-6-1)	14,996,403	14,996,403	
Augmentation allowed from the fire and building services fund.			

The amounts specified from the general fund and the fire and building services fund are for the following purposes:

Personal Services	12,649,394	12,649,394	
Other Operating Expense	3,993,565	3,993,565	
REGIONAL PUBLIC SAFETY TRAINING			
Regional Public Safety Training Fund (IC 10-15-3-12)			
Total Operating Expense	2,000,000	2,000,000	

Any unexpended balances in the FY 2006-2007 appropriation for regional public safety training remain appropriated and are available for expenditure.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
EMERGENCY MANAGEMENT CONTINGENCY FUND			
Total Operating Expense	242,500	242,500	

The above appropriations for the emergency management contingency fund are made under IC 10-14-3-28. The above appropriations shall be in addition to any unexpended balances in the fund as of June 30, 2007.

COMMUNICATIONS			
Total Operating Expense	30,182	30,182	
INDIANA HOMELAND SECURITY FUND			
From the Indiana Homeland Security Fund (IC 10-15-3-1)			
Total Operating Expense	520,000	520,000	
Augmentation allowed.			
INDIANA EMERGENCY RESPONSE COMMISSION			
From the Emergency Planning and Right to Know Fund (IC 6-6-10-5 & 7)			
Total Operating Expense	45,408	45,408	
Augmentation allowed.			
STATE DISASTER RELIEF FUND			
From the State Disaster Relief Fund (IC 10-14-4-5)			
Total Operating Expense	500,000	500,000	

Augmentation allowed, not to exceed revenues collected from the public safety fee imposed by IC 22-11-14-12.

Augmentation allowed from the general fund to match federal disaster relief funds.

INDIANA INTELLIGENCE FUSION CENTER			
From the Fire and Building Services Fund (IC 22-12-6-1)			
Total Operating Expense	399,585	2,110,730	
Augmentation allowed.			

SECTION 5. [EFFECTIVE JULY 1, 2007]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	7,778,972	7,778,972	
Other Operating Expense	1,185,019	1,185,019	
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	653,552	653,552	
Other Operating Expense	161,137	161,137	
ENTOMOLOGY AND PLANT PATHOLOGY FUND (IC 14-24-10-3)			
Total Operating Expense			693,756
Augmentation allowed.			
ENGINEERING DIVISION			
Personal Services	1,644,141	1,644,141	
Other Operating Expense	123,151	123,151	
STATE MUSEUM			
Personal Services	5,593,509	5,593,509	
Other Operating Expense	1,931,841	1,931,841	
HISTORIC PRESERVATION DIVISION			
Personal Services	879,579	879,579	
Other Operating Expense	72,484	72,484	
HISTORIC PRESERVATION - FEDERAL			
Total Operating Expense	70,000	70,000	
STATE HISTORIC SITES			
Personal Services	2,483,942	2,483,942	
Other Operating Expense	627,287	627,287	

From the above appropriations, $75,000 in each state fiscal year shall be used for the Grissom Museum.

WABASH RIVER HERITAGE CORRIDOR			
Total Operating Expense	91,000	91,000	
OUTDOOR RECREATION DIVISION			
Personal Services	625,218	625,218	
Other Operating Expense	42,800	42,800	
NATURE PRESERVES DIVISION			
Personal Services	906,847	906,847	
Other Operating Expense	76,303	76,303	
WATER DIVISION			
Personal Services	4,369,300	4,369,300	
Other Operating Expense	479,605	479,605	

All revenues accruing from state and local units of government and from private utilities and industrial concerns as a result of water resources study projects, and as a result of topographic and other mapping projects, shall be deposited into the state general fund, and such receipts are hereby appropriated, in addition to the foregoing amounts, for water resources studies.

GREAT LAKES COMMISSION			
Other Operating Expense	61,000	61,000	
DEER RESEARCH AND MANAGEMENT			
Deer Research and Management Fund (IC 14-22-5-2)			
Total Operating Expense	268,788	268,788	
Augmentation allowed.			
OIL AND GAS DIVISION			
From the General Fund	876,949	876,949	
From the Oil and Gas Fund (IC 6-8-1-27)	528,269	528,269	
Augmentation allowed from the Oil and Gas Fund.			

The amounts specified from the General Fund and the Oil and Gas Fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	1,145,545	1,145,545	
Other Operating Expense	259,673	259,673	
STATE PARKS AND RESERVOIRS			
From the General Fund	12,463,162	12,463,162	
From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)	20,340,440	20,340,440	
Augmentation allowed from the State Parks and Reservoirs Special Revenue Fund.			

The amounts specified from the General Fund and the State Parks and Reservoirs Special Revenue Fund are for the following purposes:

Personal Services	24,161,700	24,161,700
Other Operating Expense	8,641,902	8,641,902

DRAMATIC PRODUCTION OF YOUNG ABE LINCOLN			
Total Operating Expense			825,000
OFF-ROAD VEHICLE AND SNOWMOBILE FUND			
Off-Road Vehicle and Snowmobile Fund (IC 14-16-1-30)			
Total Operating Expense	300,000	300,000	
Augmentation allowed.			
LAW ENFORCEMENT DIVISION			
From the General Fund	10,274,159	10,745,768	
From the Fish and Wildlife Fund (IC 14-22-3-2)	12,322,819	12,888,397	
Augmentation allowed from the Fish and Wildlife Fund.			

The amounts specified from the General Fund and the Fish and Wildlife Fund are for the following purposes:

Personal Services	18,775,031	19,812,218
Other Operating Expense	3,821,947	3,821,947

The above appropriations for personal services law enforcement division include funds for a new 20-year pay matrix that increases the maximum annual salary for the officer rank to $60,000 phased in over the 2008-2009 biennium.

FISH AND WILDLIFE DIVISION			
Fish and Wildlife Fund (IC 14-22-3-2)			
Personal Services	12,516,802	12,516,802	
Other Operating Expense	5,306,937	5,306,937	
Augmentation allowed.			
FORESTRY DIVISION			
From the General Fund	1,087,227	1,087,227	
From the State Forestry Fund (IC 14-23-3-2)	11,327,465	11,327,465	
Augmentation allowed from the State Forestry Fund.			

The amounts specified from the General Fund and the State Forestry Fund are for the following purposes:

Personal Services	7,912,404	7,912,404
Other Operating Expense	4,502,288	4,502,288

All money expended by the division of forestry of the department of natural resources for the detention and suppression of forest, grassland, and wasteland fires shall be through the enforcement division of the department, and the employment with such money of all personnel, with the exception of emergency labor, shall be in accordance with IC 14-9-8.

RECLAMATION DIVISION		
From the General Fund	1,478	1,478
From the Natural Resources Reclamation Division Fund (IC 14-34-14-2)	4,931,999	4,931,999
Augmentation allowed from the Natural Resources Reclamation Division Fund.		

The amounts specified from the General Fund and the Natural Resources Reclamation Division Fund are for the following purposes:

Personal Services	4,253,559	4,253,559
Other Operating Expense	679,918	679,918

In addition to any of the foregoing appropriations for the department of natural resources, any federal funds received by the state of Indiana for support of approved outdoor recreation projects for planning, acquisition, and development under the provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

LAKE MICHIGAN COASTAL PROGRAM			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	134,547	134,547	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			4,685,856
Augmentation allowed.			
CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND			
Lake and River Enhancement Fund			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
(IC 6-6-11-12.5)			
Total Operating Expense	820,000	820,000	
Augmentation allowed.			
HERITAGE TRUST			
Total Operating Expense	2,000,000	2,000,000	
B. OTHER NATURAL RESOURCES			
FOR THE WORLD WAR MEMORIAL COMMISSION			
Personal Services	1,001,309	1,001,309	
Other Operating Expense	534,125	534,125	

All revenues received as rent for space in the buildings located at 777 North Meridian Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the costs of operation and maintenance of the space rented, shall be paid into the general fund. The American Legion shall provide for the complete maintenance of the interior of these buildings.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE INDIANA ABRAHAM LINCOLN BICENTENNIAL COMMISSION			
Total Operating Expense	737,500	737,500	
FOR THE WHITE RIVER PARK COMMISSION			
Total Operating Expense	1,218,267	1,218,267	
FOR THE MAUMEE RIVER BASIN COMMISSION			
Total Operating Expense	75,000	75,000	
FOR THE ST. JOSEPH RIVER BASIN COMMISSION			
Total Operating Expense	65,127	65,127	
FOR THE KANKAKEE RIVER BASIN COMMISSION			
Total Operating Expense	75,000	75,000	
C. ENVIRONMENTAL MANAGEMENT			
FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT			
ADMINISTRATION			
From the General Fund	4,320,865	4,320,865	
From the State Solid Waste Management Fund (IC 13-20-22-2)	111,482	122,493	
From the Waste Tire Management Fund (IC 13-20-13-8)	44,784	46,088	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	720,075	615,736	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	812,454	825,445	
From the Environmental Management Special Fund (IC 13-14-12-1)	83,604	93,766	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	199,570	206,379	
From the Asbestos Trust Fund (IC 13-17-6-3)	28,829	32,854	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	36,678	37,746	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	1,949,685	2,006,468	
From the Lead Trust Fund (IC 13-17-14-6)	1,330	1,516	

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	5,829,424	5,829,424	
Other Operating Expense	2,479,932	2,479,932	
LABORATORY CONTRACTS			
General Fund	244,886	113,746	
Environmental Management Special Fund (IC 13-14-12-1)	671,809	802,949	
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
	1,565,126	1,565,126	

Augmentation allowed from the Environmental Management Special Fund and the Hazardous Substances Response Trust Fund.

The amounts specified from the General Fund, Environmental Management Special Fund, and Hazardous Substances Response Trust Fund are for the following purpose:

Total Operating Expense	2,481,821	2,481,821

NORTHWEST REGIONAL OFFICE

From the General Fund	589,301	589,601
From the State Solid Waste Management Fund (IC 13-20-22-2)	34,569	40,242
From the Waste Tire Management Fund (IC 13-20-13-8)	18,810	20,232
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	434,188	393,452
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	280,387	297,510
From the Environmental Management Special Fund (IC 13-14-12-1)	29,198	34,682
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	81,723	88,280
From the Asbestos Trust Fund (IC 13-17-6-3)	17,383	20,993
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	15,405	16,570
From the Lead Trust Fund (IC 13-17-14-6)	802	969

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund are for the following purposes:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Personal Services	1,275,506	1,275,506	
Other Operating Expense	226,260	227,025	

NORTHERN REGIONAL OFFICE

From the General Fund	431,985	462,585
From the State Solid Waste Management Fund (IC 13-20-22-2)	45,014	55,768
From the Waste Tire Management Fund (IC 13-20-13-8)	12,246	14,019
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	376,914	363,498
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	288,572	326,712
From the Environmental Management Special Fund (IC 13-14-12-1)	29,549	36,621
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	57,061	65,943
From the Asbestos Trust Fund (IC 13-17-6-3)	15,090	19,395
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	10,030	11,481
From the Lead Trust Fund (IC 13-17-14-6)	696	895

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	1,082,790	1,082,790
Other Operating Expense	184,367	274,127

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
SOUTHWEST REGIONAL OFFICE			
From the General Fund	**424,876**	**424,876**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**121,800**	**126,933**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**16,630**	**17,443**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**191,931**	**169,603**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**190,303**	**196,487**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**40,662**	**44,735**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**87,872**	**91,902**	
From the Asbestos Trust Fund (IC 13-17-6-3)	**7,684**	**9,050**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**13,620**	**14,286**	
From the Lead Trust Fund (IC 13-17-14-6)	**355**	**418**	

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	**911,741**	**911,741**
Other Operating Expense	**183,992**	**183,992**

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
LEGAL AFFAIRS			
From the General Fund	**532,441**	**532,441**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**27,157**	**31,023**	
From the Waste Tire Management Fund (IC 13-20-13-8)	**8,708**	**9,158**	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	**111,467**	**99,121**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**167,294**	**174,261**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**17,879**	**20,559**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**39,744**	**42,151**	
From the Asbestos Trust Fund (IC 13-17-6-3)	**4,463**	**5,289**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**7,132**	**7,500**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**379,114**	**398,678**	
From the Lead Trust Fund (IC 13-17-14-6)	**206**	**244**	

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	**806,542**	**806,542**
Other Operating Expense	**489,063**	**513,883**

ENFORCEMENT		
From the General Fund	**1,093,915**	**1,093,915**
From the State Solid Waste		

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Management Fund (IC 13-20-22-2)	3,592	4,118	
From the Waste Tire Management Fund (IC 13-20-13-8)	77,266	80,138	
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	308,247	275,056	
From the Environmental Management Special Fund (IC 13-14-12-1)	78,809	92,721	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	312,003	323,089	
From the Asbestos Trust Fund (IC 13-17-6-3)	12,341	14,676	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	63,281	65,633	
From the Lead Trust Fund (IC 13-17-14-6)	569	677	

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	1,837,953	1,837,953
Other Operating Expense	112,070	112,070

INVESTIGATIONS

From the General Fund	191,714	191,714
From the State Solid Waste Management Fund (IC 13-20-22-2)	6,215	6,258
From the Waste Tire Management Fund (IC 13-20-13-8)	15,522	16,179
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	39,350	30,724
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	123,334	125,580
From the Environmental Management Special Fund (IC 13-14-12-1)	13,478	16,015
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	63,620	66,158
From the Asbestos Trust Fund (IC 13-17-6-3)	1,575	1,639
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	12,713	13,251
From the Lead Trust Fund (IC 13-17-14-6)	73	76

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	373,135	373,135
Other Operating Expense	94,459	94,459

MEDIA AND COMMUNICATIONS

From the General Fund	446,898	446,898
From the State Solid Waste Management Fund (IC 13-20-22-2)	10,068	10,137
From the Waste Tire Management Fund (IC 13-20-13-8)	5,710	5,941
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	63,743	49,770
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	78,335	79,708
From the Environmental Management Special Fund (IC 13-14-12-1)	8,391	9,403

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	24,734	25,637	
From the Asbestos Trust Fund (IC 13-17-6-3)	2,552	2,656	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	4,676	4,866	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	248,571	258,657	
From the Lead Trust Fund (IC 13-17-14-6)	118	123	

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	833,910	833,910
Other Operating Expense	59,886	59,886
COMMUNITY RELATIONS		
From the General Fund	462,989	462,989
From the State Solid Waste Management Fund (IC 13-20-22-2)	15,009	15,112
From the Waste Tire Management Fund (IC 13-20-13-8)	8,512	8,858
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	95,031	74,199
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	116,785	118,832
From the Environmental Management Special Fund (IC 13-14-12-1)	12,509	14,018
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	36,875	38,220
From the Asbestos Trust Fund (IC 13-17-6-3)	3,805	3,959
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	6,972	7,254
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	370,579	385,618
From the Lead Trust Fund (IC 13-17-14-6)	176	183

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Asbestos Trust Fund, Underground Petroleum Storage Tank Trust Fund, Underground Petroleum Storage Tank Excess Liability Trust Fund, and Lead Trust Fund are for the following purposes:

Personal Services	1,020,294	1,020,294
Other Operating Expense	108,948	108,948
OHIO RIVER VALLEY WATER SANITATION COMMISSION		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	252,500	252,500
Augmentation allowed.		
OFFICE OF ENVIRONMENTAL RESPONSE		
Personal Services	2,177,219	2,177,219
Other Operating Expense	321,248	353,248
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE		
Personal Services	1,300,207	1,300,207
Other Operating Expense	808,621	808,621
PCB INSPECTIONS		
Environmental		

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Management Permit Operation Fund (IC 13-15-11-1)			
Total Operating Expense	30,561	30,561	
Augmentation allowed.			
U.S. GEOLOGICAL SURVEY CONTRACTS			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	62,890	62,890	
Augmentation allowed.			
STATE SOLID WASTE GRANTS MANAGEMENT			
State Solid Waste Management Fund (IC 13-20-22-2)			
Personal Services	385,092	385,092	
Other Operating Expense	1,378,808	1,378,808	
Augmentation allowed.			
RECYCLING OPERATING			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Personal Services	259,711	259,711	
Other Operating Expense	90,292	90,292	
Augmentation allowed.			
VOLUNTARY CLEAN-UP PROGRAM			
Voluntary Remediation Fund (IC 13-25-5-21)			
Personal Services	665,627	665,627	
Other Operating Expense	229,900	229,900	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
Personal Services	7,265,027	7,265,027	
Other Operating Expense	4,501,920	1,564,171	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund	2,548,364	2,527,288	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	5,593,375	5,547,117	
Augmentation allowed from the Environmental Management Permit Operation Fund.			

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	6,882,416	6,882,416
Other Operating Expense	1,259,323	1,191,989

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
SOLID WASTE MANAGEMENT PERMITTING			
From the General Fund	2,337,961	2,311,961	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	3,656,812	3,163,482	
Augmentation allowed from the Environmental Management Permit Operation Fund.			

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	4,723,666	4,723,666
Other Operating Expense	1,271,107	751,777

CFO/CAFO INSPECTIONS		
Total Operating Expense	450,000	450,000

HAZARDOUS WASTE MANAGEMENT PERMITTING		
From the General Fund	2,380,469	2,370,335
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	2,899,411	2,487,311
Augmentation allowed from the Environmental Management Permit Operation Fund.		

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	4,245,060	4,245,060
Other Operating Expense	1,034,820	612,586

SAFE DRINKING WATER PROGRAM		
From the General Fund	438,561	415,228
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	2,280,509	2,159,176
Augmentation allowed from the Environmental Management Permit Operation Fund.		

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	1,955,356	1,955,356
Other Operating Expense	763,714	619,048

CLEAN VESSEL PUMPOUT		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	129,618	47,122

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Augmentation allowed.			
GROUNDWATER PROGRAM			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	128,839	128,839	
Augmentation allowed.			
UNDERGROUND STORAGE TANK PROGRAM			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Total Operating Expense	135,959	135,959	
Augmentation allowed.			
AIR MANAGEMENT OPERATING			
Personal Services	466,703	468,372	
Other Operating Expense	354,057	324,817	
WATER MANAGEMENT NONPERMITTING			
Personal Services	2,528,259	2,528,259	
Other Operating Expense	708,888	708,888	
GREAT LAKES INITIATIVE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	57,207	57,207	
Augmentation allowed.			
OUTREACH OPERATOR TRAINING			
General Fund			
Total Operating Expense	3,059	3,059	
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	6,116	6,116	
Augmentation allowed.			
LEAKING UNDERGROUND STORAGE TANKS			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	145,472	145,472	
Other Operating Expense	18,201	18,201	
Augmentation allowed.			
CORE SUPERFUND			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	28,337	20,737	
Augmentation allowed.			
AUTO EMISSIONS TESTING PROGRAM			
Personal Services	111,387	111,387	
Other Operating Expense	5,628,528	5,826,564	

The above appropriations for auto emissions testing are the maximum amounts available for this purpose. If it becomes necessary to conduct additional tests in other locations, the above appropriations shall be prorated among all locations.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
HAZARDOUS WASTE SITE - STATE CLEAN-UP			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	1,407,860	1,407,860	
Other Operating Expense	594,171	594,171	
Augmentation allowed.			
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	181,465	181,465	
Other Operating Expense	320,752	320,752	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	150,000	150,000	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Other Operating Expense	302,000	302,000	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	314,003	314,003	
Other Operating Expense	157,097	157,097	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	1,009,924	1,009,924	
Other Operating Expense	44,876,323	44,876,323	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	1,100,000	1,100,000	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	166,994	166,994	
Other Operating Expense	183,752	183,752	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	400,000	400,000	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	60,000	60,000	
Augmentation allowed.			
STATE INNOVATION - CLEAN COMMUNITIES CHALLENGE			
Total Operating Expense	21,682	0	
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	185,637	185,637	
Other Operating Expense	377,962	377,962	
Augmentation allowed.			
LEAD BASED PAINT ACTIVITIES PROGRAM			
Lead Trust Fund (IC 13-17-14-6)			
Total Operating Expense	21,736	21,736	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the Governor and the budget agency, the above appropriations for hazardous waste management permitting, wetlands protection, watershed management, groundwater program, underground storage tanks, air management operating, asbestos trust operating, lead based paint activities program, water management nonpermitting, pollution prevention incentives for states, safe drinking water program, and any other appropriation eligible to be included in a performance partnership grant may be used to fund activities incorporated into a performance partnership grant between the United States Environmental Protection Agency and the department of environmental management.

FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION			
Personal Services	361,013	361,013	
Other Operating Expense	108,158	90,282	

SECTION 6. [EFFECTIVE JULY 1, 2007]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE			
Personal Services	1,880,083	1,880,083	
Other Operating Expense	605,366	605,366	
VALUE ADDED RESEARCH			
Value Added Research Fund (IC 4-4-3.4-4)			
Total Operating Expense			1,311,000
CLEAN WATER INDIANA			
General Fund			
Total Operating Expense	500,000	500,000	
Cigarette Tax Fund (IC 6-7-1-29.3)			
Total Operating Expense	3,750,000	3,750,000	
Augmentation allowed.			
SOIL CONSERVATION DIVISION			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	1,937,652	1,937,652	
Augmentation allowed.			
GRAIN BUYERS AND WAREHOUSE LICENSING AGENCY			
Grain Buyers and Warehouse Licensing Agency Fund (IC 26-3-7-6.3)			
Total Operating Expense	160,000	160,000	
Augmentation allowed.			

B. COMMERCE

FOR THE LIEUTENANT GOVERNOR			
OFFICE OF RURAL AFFAIRS			
Personal Services	1,514,377	1,514,377	
Other Operating Expense	410,322	410,322	
RURAL ECONOMIC DEVELOPMENT FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	3,603,480	3,603,480	
OFFICE OF TOURISM			
Total Operating Expense	4,813,369	4,813,369	
RECYCLING PROMOTION AND ASSISTANCE PROGRAM			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Total Operating Expense	1,395,000	1,395,000	
Augmentation allowed.			
STATE ENERGY PROGRAM			
Total Operating Expense	263,788	263,788	
FOOD ASSISTANCE PROGRAM			
Total Operating Expense	145,506	145,506	
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION			
ADMINISTRATIVE AND FINANCIAL SERVICES			
From the General Fund	6,611,741	6,611,741	
From the Training 2000			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Fund (IC 5-28-7-5)	185,630	185,630	
From the Industrial Development Grant Fund (IC 5-28-25-4)	52,139	52,139	

The amounts specified from the General Fund, Training 2000 Fund, and Industrial Development Grant Fund are for the following purposes:

Total Operating Expense	6,849,510	6,849,510	
INDIANA LIFE SCIENCES			
Total Operating Expense	0	20,000,000	

The above appropriations are to provide grants of $15,000,000 to Indiana University School of Medicine and grants of $5,000,000 to Purdue University to support the recruitment and retention of world class scientists specializing in the life sciences.

21ST CENTURY RESEARCH AND TECHNOLOGY FUND			
Total Operating Expense	34,875,000	34,875,000	
IN HIGH GROWTH BUSINESS INCENTIVE FUND (IC 5-28)			
Total Operating Expense	3,000,000	3,000,000	
INTERNATIONAL TRADE			
Total Operating Expense	1,297,049	1,297,049	
ENTERPRISE ZONE PROGRAM			
Indiana Enterprise Zone Fund (IC 5-28-15-6)			
Total Operating Expense	241,860	241,860	
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			1,767,000
TRAINING 2000			
General Fund			
Total Operating Expense			21,529,536
Training 2000 Fund (IC 5-28-7-5)			
Total Operating Expense			4,470,464
Augmentation allowed.			
BUSINESS PROMOTION PROGRAM			
Total Operating Expense			2,112,502
TRADE PROMOTION PROGRAM			
Total Operating Expense	186,000	186,000	
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
General Fund			
Total Operating Expense			1,116,000
Economic Development Fund (IC 5-28-8-5)			
Total Operating Expense			384,000
Augmentation allowed.			
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
General Fund			
Total Operating Expense			6,500,000
Industrial Development Grant Fund (IC 5-28-25-4)			
Total Operating Expense			1,555,000
Augmentation allowed.			
TECHNOLOGY DEVELOPMENT GRANT PROGRAM			
Total Operating Expense	2,100,000	2,100,000	
STRATEGIC DEVELOPMENT FUND			
Strategic Development Fund			
Total Operating Expense			30,000
FOR THE INDIANA FINANCE AUTHORITY (IFA)			
CAPITAL ACCESS PROGRAM			
Total Operating Expense			1,155,524
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Total Operating Expense			2,325,000
PROJECT GUARANTY PROGRAM			
Total Operating Expense			1,674,000
BUSINESS DEVELOPMENT LOAN PROGRAM			
Total Operating Expense			1,860,000
FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY			
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	1,600,000	1,800,000	

The housing and community development authority shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

Family and social services administration, division of family resources shall apply all qualifying expenditures for individual development accounts deposits toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

MORTGAGE FORECLOSURE

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
COUNSELING			
Total Operating Expense	400,000	400,000	
C. EMPLOYMENT SERVICES			
FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
Total Operating Expense	1,681,603	1,681,603	
SEXUAL ASSAULT VICTIMS ASSISTANCE			
Sexual Assault Victims Assistance Account (IC 4-23-25-11(i))			
Total Operating Expense	49,000	49,000	

The full amount of the above appropriations shall be distributed to rape crisis centers in Indiana without any deduction of personal services or other operating expenses of any state agency.

WOMEN'S COMMISSION			
Personal Services	135,000	135,000	
Other Operating Expense	20,627	20,627	
NATIVE AMERICAN INDIAN AFFAIRS COMMISSION			
Total Operating Expense	100,000	100,000	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	145,000	145,000	

The above appropriations are in addition to any funding for the commission derived from funds appropriated to the department of workforce development.

D. OTHER ECONOMIC DEVELOPMENT			
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM			
I-LIGHT 2 - BLACK FIBER			
Total Operating Expense			11,000,000

The Indiana higher education telecommunications system shall administer the I-Light 2-Black Fiber project.

The above appropriation includes $7,000,000 of funding to the I-Light 2-Black Fiber and $4,000,000 of funding for I-Span.

SECTION 7. [EFFECTIVE JULY 1, 2007]

TRANSPORTATION

FOR THE DEPARTMENT OF TRANSPORTATION

For the conduct and operation of the department of transportation, the following sums are appropriated for the periods designated, from the state general fund, the public mass transportation fund, the industrial rail service fund, the state highway fund, the motor vehicle highway account, the distressed road fund, the state highway road construction and improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
INTERMODAL OPERATING			
From the State Highway Fund (IC 8-23-9-54)	491,232	491,232	
From the Department of Transportation Administration Fund	13,680	13,680	
From the Public Mass Transportation Fund (IC 8-23-3-8)	336,609	336,609	
From the Industrial Rail Service Fund (IC 8-3-1.7-2)	336,609	336,609	
Augmentation allowed from the State Highway Fund, Public Mass Transportation Fund, and Industrial Rail Service Fund.			

The amounts specified from the State Highway Fund, the Public Mass Transportation Fund, and the Industrial Rail Service Fund are for the following purposes:

Personal Services	1,096,965	1,096,965	
Other Operating Expense	81,165	81,165	
INTERMODAL GRANT PROGRAM			
Department of Transportation Administration Fund			
Total Operating Expense	42,000	42,000	
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	37,500	37,500	
Augmentation allowed from Public Mass Transportation Fund.			
RAILROAD GRADE CROSSING IMPROVEMENT			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	500,000	500,000	
HIGH SPEED RAIL			
Industrial Rail Service Fund			
Matching Funds			40,000
Augmentation allowed.			
PUBLIC MASS TRANSPORTATION			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	34,874,267	35,583,434	
Augmentation allowed.			

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In addition to the above appropriation from the public mass transportation fund, the increase in the deposits to the public transportation fund resulting from the amendment of IC 6-2.5-10-1 by this act are appropriated for public mass transportation, total operating expenses in the year the additional amount is deposited. Any unencumbered amount remaining from this appropriation at the end of a state fiscal year remains available in subsequent state fiscal years for the purposes for which it is appropriated.

The appropriations are to be used solely for the promotion and development of public transportation. The department of transportation shall allocate funds based on a formula approved by the commissioner of the department of transportation.

The department of transportation may distribute public mass transportation funds to an eligible grantee that provides public transportation in Indiana.

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 1601, et seq.), or local funds from a requesting grantee.

Before funds may be disbursed to a grantee, the grantee must submit its request for financial assistance to the department of transportation for approval. Allocations must be approved by the governor and the budget agency after review by the budget committee and shall be made on a reimbursement basis. Only applications for capital and operating assistance may be approved. Only those grantees that have met the reporting requirements under IC 8-23-3 are eligible for assistance under this appropriation.

HIGHWAY OPERATING		
State Highway Fund		
(IC 8-23-9-54)		
Personal Services	256,004,351	268,000,991
Other Operating Expense	54,953,221	56,348,993
HIGHWAY BUILDINGS AND GROUNDS		
State Highway Fund		
(IC 8-23-9-54)		
Total Operating Expense		25,000,000

The above appropriations for highway buildings and grounds may be used for land acquisition, site development, construction and equipping of new highway facilities and for maintenance, repair, and rehabilitation of existing state highway facilities after review by the budget committee.

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT		
State Highway Fund		
(IC 8-23-9-54)		
Other Operating Expense	20,420,600	20,420,600

The above appropriations for highway operating and highway vehicle and road maintenance equipment may be used for personal services, equipment, and other operating expense, including the cost of transportation for the governor.

HIGHWAY MAINTENANCE WORK PROGRAM		
State Highway Fund		
(IC 8-23-9-54)		
Other Operating Expense	75,480,000	76,989,600

The above appropriations for the highway maintenance work program may be used for:
(1) materials for patching roadways and shoulders;
(2) repairing and painting bridges;
(3) installing signs and signals and painting roadways for traffic control;
(4) mowing, herbicide application, and brush control;
(5) drainage control;
(6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
(7) materials for snow and ice removal;
(8) utility costs for roadway lighting; and
(9) other special maintenance and support activities consistent with the highway maintenance work program.

HIGHWAY CAPITAL IMPROVEMENTS		
State Highway Fund		
(IC 8-23-9-54)		
Right-of-Way Expense	30,000,000	43,200,000
Formal Contracts Expense	64,897,733	46,652,354
Consulting Services Expense	48,000,000	47,200,000
Institutional Road Construction	5,000,000	5,000,000

The above appropriations for the capital improvements program may be used for:
(1) bridge rehabilitation and replacement;
(2) road construction, reconstruction, or replacement;
(3) construction, reconstruction, or replacement of travel lanes, intersections, grade separations, rest parks, and weigh stations;
(4) relocation and modernization of existing roads;
(5) resurfacing;
(6) erosion and slide control;
(7) construction and improvement of railroad grade crossings, including the use of the appropriations to match federal funds for projects;
(8) small structure replacements;
(9) safety and spot improvements; and
(10) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

The appropriations for highway operating, highway vehicle and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:
(1) Funds distributed to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).
(2) Funds distributed to the state highway fund from the highway, road and street fund under IC 8-14-2-3.
(3) All fees and miscellaneous revenues deposited in or

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accruing to the state highway fund under IC 8-23-9-54.
(4) Any unencumbered funds carried forward in the state highway fund from any previous fiscal year.
(5) All other funds appropriated or made available to the department of transportation by the general assembly.

If funds from sources set out above for the department of transportation exceed appropriations from those sources to the department, the excess amount is hereby appropriated to be used for formal contracts with approval of the governor and the budget agency.

If there is a change in a statute reducing or increasing revenue for department use, the budget agency shall notify the auditor of state to adjust the above appropriations to reflect the estimated increase or decrease. Upon the request of the department, the budget agency, with the approval of the governor, may allot any increase in appropriations to the department for formal contracts.

If the department of transportation finds that an emergency exists or that an appropriation will be insufficient to cover expenses incurred in the normal operation of the department, the budget agency may, upon request of the department, and with the approval of the governor, transfer funds from revenue sources set out above from one (1) appropriation to the deficient appropriation. No appropriation from the state highway fund may be used to fund any toll road or toll bridge project except as specifically provided for under IC 8-15-2-20.

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	3,605,000	3,713,150
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
State Highway Road Construction Improvement Fund (IC 8-14-10-5)		
Lease Rental Payments Expense	63,487,461	64,806,454
Augmentation allowed.		

The above appropriations for the state highway road construction and improvement program are appropriated from the state highway road construction and improvement fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14.5. If any funds remain, the funds may be used for the following purposes.
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payment Expense	35,928,754	36,288,042
Augmentation allowed.		

The above appropriations for the crossroads 2000 program are appropriated from the crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds carried forward from any previous fiscal year. The funds shall be first used for payment of rentals and leases relating to projects under IC 8-14-10-9. If any funds remain, the funds may be used for the following purposes.
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, and grade separations;
(3) relocation and modernization of existing roads; and
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

MAJOR MOVES CONSTRUCTION PROGRAM		
Major Moves Construction Fund (IC 8-14-14-5)		
Formal Contracts Expense	421,000,000	611,000,000
FEDERAL APPORTIONMENT		
Right-of-Way Expense	64,000,000	74,700,000
Formal Contracts Expense	425,788,221	492,103,311
Consulting Engineers Expense	149,121,779	108,804,989
Highway Planning and Research	13,390,000	13,791,700
Local Government Revolving Acct.	180,000,000	180,000,000

The department may establish an account to be known as the "local government revolving account". The account is to be used to administer the federal-local highway construction program. All contracts issued and all funds received for federal-local projects under this program shall be entered into this account.

If the federal apportionments for the fiscal years covered by this act exceed the above estimated appropriations for the department or for local governments, the excess federal apportionment is hereby appropriated for use by the department with the approval of the governor and the budget agency.

The department shall bill, in a timely manner, the federal government for all department payments that are eligible for total or partial reimbursement.

The department may let contracts and enter into agreements for construction and preliminary engineering during each year of the 2007-2009 biennium that obligate not more than one-third (1/3) of the amount of state funds

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estimated by the department to be available for appropriation in the following year for formal contracts and consulting engineers for the capital improvements program.

Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct and maintain roadside parks and highways where highways will connect any state highway now existing, or hereafter constructed, with any state park, state forest preserve, state game preserve, or the grounds of any state institution. There is appropriated to the department of transportation an amount sufficient to carry out the provisions of this paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from the motor vehicle highway account before distribution to local units of government.

LOCAL TECHNICAL ASSISTANCE AND RESEARCH

Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount sufficient for:
(1) the program of technical assistance under IC 8-23-2-5(6); and
(2) the research and highway extension program conducted for local government under IC 8-17-7-4.

The department shall develop an annual program of work for research and extension in cooperation with those units being served, listing the types of research and educational programs to be undertaken. The commissioner of the department of transportation may make a grant under this appropriation to the institution or agency selected to conduct the annual work program. Under IC 8-14-1-3(6), appropriations for the program of technical assistance and for the program of research and extension shall be taken from the local share of the motor vehicle highway account.

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:
(1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
(2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

SECTION 8. [EFFECTIVE JULY 1, 2007]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE STATE BUDGET AGENCY

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
INDIANA PRESCRIPTION DRUG PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	7,900,000	7,900,000	

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
CHILDREN'S HEALTH INSURANCE PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	31,363,603	33,863,603	
FAMILY AND SOCIAL SERVICES ADMINISTRATION			
Total Operating Expense	23,653,777	25,253,777	
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION			
Total Operating Expense	7,147,309	7,147,309	
MEDICAID ADMINISTRATION			
Total Operating Expense	37,554,190	37,554,190	
MEDICAID - CURRENT OBLIGATIONS			
General Fund			
Total Operating Expense	1,540,350,000	1,617,367,500	

The auditor of state shall transfer thirty million dollars ($30,000,000) from the Indiana Medicaid reserve account to the state general fund before July 1, 2008. The transferred amount shall be used to fund the above appropriations.

The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

The foregoing appropriations include funds to serve former residents of the Ft. Wayne development center in alternative settings.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
HOSPITAL CARE FOR THE INDIGENT FUND			
Hospital Care for the Indigent Fund (IC 12-16-14-6)			
Total Operating Expense	56,900,000	56,900,000	
Augmentation allowed.			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

Subject to the approval of the governor and the budget agency, the foregoing appropriations for Medicaid - Current Obligations may be augmented or reduced based on revenues accruing to the hospital care for the indigent fund.

MEDICAID DISABILITY ELIGIBILITY EXAMS		
Total Operating Expense	1,597,500	1,597,500
MENTAL HEALTH ADMINISTRATION		
Other Operating Expense	4,164,368	3,945,313

Two hundred seventy-five thousand dollars ($275,000) of the above appropriation for the state fiscal year beginning July 1, 2007, and ending June 30, 2008, and two hundred seventy-five thousand dollars ($275,000) of the above appropriation for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, shall be distributed in the state fiscal year to neighborhood based community service programs.

SERIOUSLY EMOTIONALLY DISTURBED		
Total Operating Expense	16,469,493	16,469,493
SERIOUSLY MENTALLY ILL		
General Fund		
Total Operating Expense	93,862,579	93,862,579
Mental Health Centers Fund (IC 6-7-1)		
Total Operating Expense	4,445,000	4,445,000
Augmentation allowed.		
COMMUNITY MENTAL HEALTH CENTERS		
General Fund		
Total Operating Expense	2,500,000	2,500,000
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	4,500,000	4,500,000

The above appropriation from the Tobacco Master Settlement Agreement Fund is in addition to other funds. The above appropriations for comprehensive community mental health services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

The comprehensive community mental health centers shall submit their proposed annual budgets (including income and operating statements) to the budget agency on or before August 1 of each year. All federal funds shall be applied in augmentation of the foregoing funds rather than in place of any part of the funds. The office of the secretary, with the approval of the budget agency, shall determine an equitable allocation of the appropriation among the mental health centers.

GAMBLERS' ASSISTANCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	4,250,000	4,250,000
SUBSTANCE ABUSE TREATMENT		
Total Operating Expense	5,006,000	5,006,000

The above appropriation for total operating expense for Substance Abuse Treatment includes an amount of $12,500 each year of the biennium for the employment of a drug and alcohol abuse counselor for the Jefferson County Transitional Services, Inc. The amount provided for these purposes may not be used for any other purpose.

QUALITY ASSURANCE/ RESEARCH		
Total Operating Expense	838,000	838,000
PREVENTION		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	2,946,936	2,946,936
Augmentation allowed.		
METHADONE DIVERSION CONTROL OVERSIGHT (MDCO) PROGRAM		
MDCO Fund (IC 12-23-18)		
Total Operating Expense	470,000	470,000
Augmentation allowed.		
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	54,000	54,000
Augmentation allowed.		
EVANSVILLE STATE HOSPITAL		
General Fund	19,742,381	20,370,852
Mental Health Fund (IC 12-24-14-4)	1,148,082	1,184,515
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	16,109,469	16,641,954
Other Operating Expense	4,780,994	4,913,413

LARUE CARTER MEMORIAL HOSPITAL		
General Fund	19,720,483	20,055,861
Mental Health Fund (IC 12-24-14-4)	434,611	442,002
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	14,342,859	14,407,858
Other Operating Expense	5,812,235	6,090,005

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
LOGANSPORT STATE HOSPITAL			
General Fund	**38,505,491**	**38,505,491**	
Mental Health Fund (IC 12-24-14-4)	**1,772,867**	**1,772,867**	
Augmentation allowed.			

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**30,581,477**	**30,581,477**
Other Operating Expense	**9,696,881**	**9,696,881**

FARM REVENUE		
Total Operating Expense	**53,857**	**53,857**

MADISON STATE HOSPITAL		
General Fund	**24,446,358**	**25,076,297**
Mental Health Fund (IC 12-24-14-4)	**603,896**	**617,947**
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**19,507,771**	**19,894,862**
Other Operating Expense	**5,542,483**	**5,799,382**

RICHMOND STATE HOSPITAL		
General Fund	**30,492,519**	**30,492,519**
Mental Health Fund (IC 12-24-14-4)	**838,545**	**838,545**
Augmentation allowed.		

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**25,013,994**	**25,013,994**
Other Operating Expense	**6,317,070**	**6,317,070**

PATIENT PAYROLL		
Total Operating Expense	**294,624**	**294,624**

The federal share of revenue accruing to the state mental health institutions under IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP), shall be deposited in the mental health fund established by IC 12-24-14-1, and the remainder shall be deposited in the general fund.

In addition to the above appropriations, each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed $50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2007.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
DIVISION OF FAMILY RESOURCES ADMINISTRATION			
Personal Services	**7,032,357**	**7,032,357**	
Other Operating Expense	**1,097,402**	**1,097,402**	
COMMISSION ON THE SOCIAL STATUS OF BLACK MALES			
Total Operating Expense	**139,620**	**139,620**	
CHILD CARE LICENSING FUND			
Child Care Fund			
Total Operating Expense	**100,000**	**100,000**	
Augmentation allowed.			
ELECTRONIC BENEFIT TRANSFER PROGRAM			
Total Operating Expense	**2,568,096**	**2,568,096**	

The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

STATE WELFARE - COUNTY ADMINISTRATION		
Total Operating Expense	**71,671,317**	**68,982,957**
INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)		
Total Operating Expense	**7,507,050**	**7,507,050**
IMPACT PROGRAM		
Total Operating Expense	**2,449,580**	**2,449,683**
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)		
Total Operating Expense	**30,457,943**	**30,457,943**
IMPACT - TANF		
Total Operating Expense	**5,768,527**	**5,768,672**
CHILD CARE & DEVELOPMENT FUND		
Total Operating Expense	**35,056,200**	**35,056,200**

The foregoing appropriations for information systems/technology, education and training, temporary assistance to needy families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

BURIAL EXPENSES		
Total Operating Expense	**1,597,500**	**1,597,500**
DOMESTIC VIOLENCE PREVENTION AND TREATMENT		
General Fund		
Total Operating Expense	**1,015,462**	**1,015,462**
Domestic Violence Prevention and Treatment Fund		

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
(IC 12-18-4)			
Total Operating Expense	1,118,596	1,118,596	
Augmentation allowed.			
STEP AHEAD			
Total Operating Expense	1,789,082	1,789,312	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	850,000	950,000	
DIVISION OF AGING ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	250,904	250,904	
Other Operating Expense	1,253,140	1,253,140	

The above appropriations for the division of aging administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
ROOM AND BOARD ASSISTANCE (R-CAP)			
Total Operating Expense	11,421,472	11,421,472	
C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	48,765,643	48,765,643	

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver. The intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2007, and ending June 30, 2008, $10,900,000, and the intragovernmental transfers for use in the Medicaid aged and disabled waiver may not exceed in the state fiscal year beginning July 1, 2008, and ending June 30, 2009, $12,900,000. After July 1, 2007, and before August 1, 2009, the office (as defined in IC 12-7-2-135) shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the governor in each July, October, January, and April specifying the number of persons on the waiting list for C.H.O.I.C.E. In-Home Services at the end of the month preceding the date of the report, a schedule indicating the length of time persons have been on the waiting list, a description of the conditions or problems that contribute to the waiting list, the plan in the next six (6) months after the end of the reporting period to reduce the waiting list, and any other information that is necessary or appropriate to interpret the information provided in the report.

The division of aging shall conduct an annual evaluation of the cost effectiveness of providing home care. Before January of each year, the division shall submit a report to the budget committee, the budget agency, and the legislative council that covers all aspects of the division's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:
(1) the number and demographic characteristics of the recipients of home care during the preceding fiscal year;
(2) the total cost and per recipient cost of providing home care services during the preceding fiscal year;
(3) the number of recipients of home care services who would have been placed in long term care facilities had they not received home care services; and
(4) the total cost savings during the preceding fiscal year realized by the state due to recipients of home care services (including Medicaid) being diverted from long term care facilities.
The division shall obtain from providers of services data on their costs and expenditures regarding implementation of the program and report the findings to the budget committee, the budget agency, and the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.

The foregoing appropriations for C.H.O.I.C.E. In-Home Services do not revert to the state general fund or any other fund at the close of any state fiscal year but remain available for the purposes of C.H.O.I.C.E. In-Home Services in subsequent state fiscal years.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
OLDER HOOSIERS ACT			
Total Operating Expense	1,662,109	1,622,109	
ADULT PROTECTIVE SERVICES			
Total Operating Expense	2,021,540	2,021,540	
ADULT GUARDIANSHIP SERVICES			
Total Operating Expense	491,863	491,892	
TITLE V EMPLOYMENT GRANT (OLDER WORKERS)			
Total Operating Expense	228,256	228,256	
MEDICAID WAIVER			
Total Operating Expense	316,333	316,390	
OBRA/PASSARR			
Total Operating Expense	90,212	90,268	
TITLE III ADMINISTRATION GRANT			
Total Operating Expense	329,839	249,839	
OMBUDSMAN			
Total Operating Expense	305,226	305,226	
DIVISION OF DISABILITY AND REHABILITATIVE SERVICES ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	600,000	600,000	
VOCATIONAL REHABILITATION SERVICES			
Personal Services	3,690,009	3,690,009	
Other Operating Expense	12,058,917	12,058,917	

From the above appropriations, at least three hundred thirty-three thousand dollars ($333,000) in each state fiscal year shall be used for the Attain Program.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
ENDANGERED ADULT GUARDIANSHIP PROGRAM			
Total Operating Expense	400,000	600,000	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

The above appropriations are for six pilot programs, including Lake County and St. Joseph County.

AID TO INDEPENDENT LIVING			
Total Operating Expense	46,927	46,927	
INDIANAPOLIS RESOURCE CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	265,651	265,651	
SOUTHERN INDIANA CENTER FOR INDEPENDENT LIVING			
Total Operating Expense	265,651	265,651	
ATTIC, INCORPORATED			
Total Operating Expense	265,651	265,651	
LEAGUE FOR THE BLIND AND DISABLED			
Total Operating Expense	265,651	265,651	
FUTURE CHOICES, INC.			
Total Operating Expense	479,130	479,130	
THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.			
Total Operating Expense	479,130	479,130	
INDEPENDENT LIVING CENTER OF EASTERN INDIANA			
Total Operating Expense	479,130	479,130	

Notwithstanding any other law, the budget agency, the state board of finance, or the governor may not transfer or use any of the above appropriations to a particular purpose or facility than the above stated purpose or facility. The office (as defined in IC 12-7-2-135) shall act as the paymaster for the above appropriations.

OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	214,530	214,530	
Other Operating Expense	114,590	114,590	
BLIND VENDING OPERATIONS			
Total Operating Expense	129,879	129,905	
DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL			
Personal Services	2,970	2,970	
Other Operating Expense	13,168	13,168	
OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	48,973	48,973	
Other Operating Expense	32,663	32,663	
EMPLOYEE TRAINING			
Total Operating Expense	6,112	6,112	
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	1,919,027	1,919,027	
DAY SERVICES - DEVELOPMENTALLY DISABLED			
Other Operating Expense	12,500,000	12,500,000	
DIAGNOSIS AND EVALUATION			
Other Operating Expense	175,000	175,000	
SUPPORTED EMPLOYMENT			
Other Operating Expense	4,000,000	4,000,000	
EPILEPSY PROGRAM			
Other Operating Expense	460,954	460,954	
CAREGIVER SUPPORT			
Other Operating Expense	1,350,000	1,350,000	
RESIDENTIAL SERVICES - CASE MANAGEMENT			
General Fund			
Total Operating Expense	6,957,942	6,788,760	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	1,869,887	1,869,887	
Augmentation allowed.			
CENTRAL REIMBURSEMENT OFFICE PROGRAM ADMINISTRATION			
Total Operating Expense	6,399,705	6,339,705	
RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS			
General Fund			
Total Operating Expense	102,467,677	102,467,677	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	22,300,000	22,300,000	

The above appropriations for residential services for developmentally disabled persons include funds to serve former residents of the Silvercrest Children's Development Center in alternative settings.

The above appropriations for client services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid program for day services provided to residents of group homes and nursing facilities.

In the development of new community residential settings for persons with developmental disabilities, the division of disability and rehabilitative services must give priority to the appropriate placement of such persons who are eligible for Medicaid and currently residing in intermediate care or skilled nursing facilities and, to the extent permitted by law, such persons who reside with aged parents or guardians or families in crisis.

FOR THE DEPARTMENT OF CHILD SERVICES			
DEPARTMENT OF CHILD SERVICES - ADMINISTRATION			
Personal Services	84,381,332	87,984,838	
Other Operating Expense	19,266,922	18,512,996	

The above appropriations for the department of child services - administration include funds to add 400 new

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
caseworker positions over the 2008-2009 biennium.			
DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION			
Personal Services	8,437,193	8,437,193	
Other Operating Expense	814,900	787,540	
CHILD WELFARE SERVICES STATE GRANTS			
General Fund			
Total Operating Expense	10,048,884	10,048,884	
Excise and Financial Institution Taxes			
Total Operating Expense	6,275,000	6,275,000	
Augmentation allowed.			
TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)			
Total Operating Expense	5,282,841	5,282,841	

The foregoing appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 31-25-4-28.

YOUTH SERVICE BUREAU			
Total Operating Expense	1,650,000	1,650,000	
PROJECT SAFEPLACE			
Total Operating Expense	250,000	250,000	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	6,223,086	6,223,086	
CHILD WELFARE TRAINING			
Total Operating Expense	1,537,864	1,537,864	
SPECIAL NEEDS ADOPTION II			
Personal Services	342,669	342,669	
Other Operating Expense	377,009	377,009	
ADOPTION ASSISTANCE			
Total Operating Expense	12,159,147	13,883,265	

The foregoing appropriations for Title IV-B child welfare and adoption assistance represent the maximum state match for Title IV-B and Title IV-E.

SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	20,863,880	20,863,880	

The funds appropriated above to the social services block grant are allocated in the following manner during the biennium:

Division of Disability and Rehabilitative Services	343,481	343,481	
Division of Family Resources	12,168,423	12,168,423	
Division of Aging	687,396	687,396	
Department of Child Services	6,072,726	6,072,726	
Department of Health	296,504	296,504	
Department of Correction	1,295,350	1,295,350	
NON-RECURRING ADOPTION ASSISTANCE			
Total Operating Expense	625,000	625,000	
INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)			
Total Operating Expense	4,972,285	5,312,285	
CHILD PROTECTION AUTOMATION PROJECT (ICWIS)			
Total Operating Expense	5,421,817	5,421,817	

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH			
General Fund	23,648,061	32,448,061	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)	8,800,000	0	

The amounts specified from the General Fund and the Tobacco Master Settlement Agreement Fund are for the following purposes:

Personal Services	21,945,887	21,945,887	
Other Operating Expense	10,502,174	10,502,174	

All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund. Augmentation allowed in amounts not to exceed revenue from penalties or fees collected by the state department of health.

The above appropriations for the state department of health include funds to establish a medical adverse events reporting system.

CANCER REGISTRY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	648,739	648,739	
MINORITY HEALTH INITIATIVE			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	3,000,000	3,000,000	

The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition to work with the state department on the implementation of IC 16-46-11.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
SICKLE CELL			
Total Operating Expense	250,000	250,000	
AID TO COUNTY TUBERCULOSIS HOSPITALS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	99,879	99,879	

These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.

MEDICARE-MEDICAID CERTIFICATION			
Total Operating Expense	6,546,029	6,546,029	

Personal services augmentation allowed in amounts not to exceed revenue from health facilities license fees or from health care providers (as defined in IC 16-18-2-163) fee increases or those adopted by the Executive Board of the Indiana State Department of Health pursuant to IC 16-19-3.

AIDS EDUCATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	421,851	422,146	
Other Operating Expense	277,953	277,953	
HIV/AIDS SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	2,162,254	2,162,254	
TEST FOR DRUG AFFLICTED BABIES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	62,496	62,496	

The above appropriations for drug afflicted babies shall be used for the following purposes:

(1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:
(A) the infant's weight is less than two thousand five hundred (2,500) grams;
(B) the infant's head is smaller than the third percentile for the infant's gestational age; and
(C) there is no medical explanation for the conditions described in clauses (A) and (B).
(2) If a meconium test determines the presence of a controlled substance in the infant's meconium, the infant may be declared a child in need of services as provided in IC 31-34-1-10 through IC 31-34-1-13. However, the child's mother may not be prosecuted in connection with the results of the test.
(3) The state department of health shall provide forms on which the results of a meconium test performed on an infant under subdivision (1) must be reported to the state department of health by physicians and hospitals.
(4) The state department of health shall, at least semi-annually:
(A) ascertain the extent of testing under this chapter; and
(B) report its findings under subdivision (1) to:
(i) all hospitals;
(ii) physicians who specialize in obstetrics and gynecology or work with infants and young children; and
(iii) any other group interested in child welfare that requests a copy of the report from the state department of health.
(5) The state department of health shall designate at least one (1) laboratory to perform the meconium test required under subdivisions (1) through (8). The designated laboratories shall perform a meconium test on each infant described in subdivision (1) to detect the presence of a controlled substance.
(6) Subdivisions (1) through (7) do not prevent other facilities from conducting tests on infants to detect the presence of a controlled substance.
(7) Each hospital and physician shall:
(A) take or cause to be taken a meconium sample from every infant born under the hospital's and physician's care who meets the description under subdivision (1); and
(B) transport or cause to be transported each meconium sample described in clause (A) to a laboratory designated under subdivision (5) to test for the presence of a controlled substance as required under subdivisions (1) through (7).
(8) The state department of health shall establish guidelines to carry out this program, including guidance to physicians, medical schools, and birthing centers as to the following:
(A) Proper and timely sample collection and transportation under subdivision (7) of this appropriation.
(B) Quality testing procedures at the laboratories designated under subdivision (5) of this appropriation.
(C) Uniform reporting procedures.
(D) Appropriate diagnosis and management of affected newborns and counseling and support programs for newborns' families.
(9) A medically appropriate discharge of an infant may not be delayed due to the results of the test described in subdivision (1) or due to the pendency of the results of the test described in subdivision (1).

STATE CHRONIC DISEASES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Personal Services	49,014	49,014	
Other Operating Expense	1,031,286	1,031,286	

At least $82,560 of the above appropriations shall be for grants to community groups and organizations as provided in IC 16-46-7-8.

WOMEN, INFANTS, AND CHILDREN SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	176,700	176,700	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
MATERNAL AND CHILD HEALTH SUPPLEMENT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	176,700	176,700	

Notwithstanding IC 6-7-1-30.2, the above appropriations for the women, infants, and children supplement and maternal and child health supplement are the total appropriations provided for this purpose.

CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	93,000	93,000	
CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	93,000	93,000	
ADOPTION HISTORY			
Adoption History Fund (IC 31-19-18-6)			
Total Operating Expense	190,796	190,796	
Augmentation allowed.			
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
General Fund			
Total Operating Expense	1,700,000	1,700,000	
Children with Special Health Care Needs (IC 16-35-4-1)			
Total Operating Expense	8,297,591	8,297,591	
Augmentation allowed.			
NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17-11)			
Personal Services	357,071	357,071	
Other Operating Expense	1,003,887	1,003,887	
Augmentation allowed.			
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	12,700	12,700	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Personal Services	58,292	58,292	
Other Operating Expense	30,012	30,012	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	127,701	127,701	
Augmentation allowed.			
PROJECT RESPECT			
Total Operating Expense	554,540	554,540	
DONATED DENTAL SERVICES			
Total Operating Expense	42,932	42,932	

The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

OFFICE OF WOMEN'S HEALTH			
Total Operating Expense	133,463	133,463	
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Personal Services	9,100,938	9,100,938	
Other Operating Expense	1,322,500	1,322,500	
FARM REVENUE			
Total Operating Expense	22,715	22,715	
INDIANA VETERANS' HOME			
From the General Fund	13,917,781	13,399,178	
From the Comfort-Welfare Fund (IC 10-17-9-7(c))	9,764,000	9,764,000	
Augmentation allowed from the comfort-welfare fund in amounts not to exceed revenue collected for Medicaid and Medicare reimbursement.			

The amounts specified from the General Fund and the Comfort-Welfare Fund are for the following purposes:

Personal Services	19,880,493	19,880,493	
Other Operating Expense	3,801,288	3,282,685	
COMFORT AND WELFARE PROGRAM			
Comfort-Welfare Fund (IC 10-17-9-7(c))			
Total Operating Expense	111,000	111,000	
Augmentation allowed.			
WEIGHTS AND MEASURES FUND			
Weights and Measures Fund (IC 16-19-5-4)			
Total Operating Expense	25,300	25,300	
Augmentation allowed.			
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	750,000	750,000	
COMMUNITY HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	30,000,000	30,000,000	

Of the above appropriation for community health centers, $30,000,000 may be used for capital projects in fiscal year

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
2007-2008 and fiscal year 2008-2009.			
The office may not waive the prospective payment system for federally qualified health centers.			
PRENATAL SUBSTANCE USE & PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**150,000**	**150,000**	
LOCAL HEALTH MAINTENANCE FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,860,000**	**3,860,000**	
Augmentation allowed.			

The amount appropriated from the tobacco master settlement agreement fund is in lieu of the appropriation provided for this purpose in IC 6-7-1-30.5 or any other law. Of the above appropriations for the local health maintenance fund, $60,000 each year shall be used to provide additional funding to adjust funding through the formula in IC 16-46-10 to reflect population increases in various counties. Money appropriated to the local health maintenance fund must be allocated under the following schedule each year to each local board of health whose application for funding is approved by the state department of health:

COUNTY POPULATION	AMOUNT OF GRANT
over 499,999	94,112
100,000 - 499,999	72,672
50,000 - 99,999	48,859
under 50,000	33,139

LOCAL HEALTH DEPARTMENT ACCOUNT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,000,000**	**3,000,000**	

The foregoing appropriations for the local health department account are statutory distributions pursuant to IC 4-12-7.

FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD			
TOBACCO USE PREVENTION AND CESSATION PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,000,000**	**15,000,000**	

A minimum of 75% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

FOR THE INDIANA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**10,746,019**	**10,746,019**	
Other Operating Expense	**1,055,964**	**1,055,964**	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	**16,892,896**	**16,892,896**	
Other Operating Expense	**1,959,367**	**1,959,367**	
C. VETERANS' AFFAIRS			
FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	**527,049**	**527,049**	
Other Operating Expense	**134,632**	**134,632**	
DISABLED AMERICAN VETERANS OF WORLD WARS			
Total Operating Expense	**40,000**	**40,000**	
AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM			
Total Operating Expense	**30,000**	**30,000**	
VETERANS OF FOREIGN WARS			
Total Operating Expense	**30,000**	**30,000**	
VIETNAM VETERANS OF AMERICA			
Total Operating Expense			**20,000**
MILITARY FAMILY RELIEF FUND			
Total Operating Expense	**450,000**	**450,000**	

SECTION 9. [EFFECTIVE JULY 1, 2007]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	**193,813,007**	**202,202,196**	
Fee Replacement	**24,822,802**	**26,118,321**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**7,993,189**	**8,322,137**	
Fee Replacement	**2,038,168**	**2,001,956**	
KOKOMO			
Total Operating Expense	**10,357,262**	**10,817,455**	
Fee Replacement	**2,394,273**	**2,351,735**	
NORTHWEST			
Total Operating Expense	**17,811,296**	**18,061,296**	
Fee Replacement	**4,316,246**	**4,239,561**	
SOUTH BEND			
Total Operating Expense	**22,699,732**	**23,236,007**	
Fee Replacement	**5,967,558**	**7,220,812**	
SOUTHEAST			
Total Operating Expense	**19,892,774**	**20,848,802**	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Fee Replacement	5,266,033	5,172,474	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	98,736,531	102,272,235	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	107,493,576	112,236,327	
Fee Replacement	4,332,751	5,442,505	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON			
THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	1,542,312	1,610,361	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	1,418,830	1,481,430	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	2,015,642	2,104,574	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	1,799,244	1,878,629	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	1,617,814	1,689,194	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	1,500,329	1,566,525	
THE CAMPUS OF INDIANA STATE UNIVERSITY			
Total Operating Expense	1,788,716	1,867,636	

The Indiana University School of Medicine - Indianapolis shall submit to the Indiana commission for higher education before May 15 of each year an accountability report containing data on the number of medical school graduates who entered primary care physician residencies in Indiana from the school's most recent graduating class.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
GENERAL ACADEMIC DIVISIONS			
Total Operating Expense	79,980,030	83,311,562	
Fee Replacement	20,727,099	20,978,428	
TOTAL APPROPRIATIONS - IUPUI	224,216,343	234,167,171	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Indiana University can be made by the institution with the approval of the commission for higher education and the budget agency. Indiana University shall maintain current operations at all statewide medical education sites.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR INDIANA UNIVERSITY			
ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	842,027	867,288	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Total Operating Expense	530,168	546,073	
OPTOMETRY BOARD EDUCATION FUND			
Total Operating Expense	29,000	1,500	
STATE DEPARTMENT OF TOXICOLOGY			
Total Operating Expense	2,463,380	3,719,280	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	2,505,502	2,580,667	
GEOLOGICAL SURVEY			
Total Operating Expense	3,137,382	3,231,504	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	57,184	58,899	
REIMBURSEMENT OF SCHOLARSHIP COSTS			
Total Operating Expense	900,000	0	
INDIANA UNIVERSITY SCHOOL OF PUBLIC HEALTH			
Total Operating Expense			100,000
FOR PURDUE UNIVERSITY			
WEST LAFAYETTE			
Total Operating Expense	249,929,962	262,033,737	
Fee Replacement	23,928,533	26,084,329	
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES			
CALUMET			
Total Operating Expense	27,126,733	28,212,704	
Fee Replacement	1,549,834	1,614,058	
NORTH CENTRAL			
Total Operating Expense	11,135,246	11,969,824	
Fee Replacement	0	50,344	
TOTAL APPROPRIATION - PURDUE UNIVERSITY			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
REGIONAL CAMPUSES	39,811,813	41,846,930	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT FORT WAYNE (IPFW)			
Total Operating Expense	37,116,951	38,449,705	
Fee Replacement	4,223,331	5,352,031	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Purdue University can be made by the institution with the approval of the commission for higher education and the budget agency.

FOR PURDUE UNIVERSITY			
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	3,488,781	3,593,444	

The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease testing service at West Lafayette, and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 15-2.1-5-6. Notwithstanding IC 15-2.1-5-5, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

STATEWIDE TECHNOLOGY			
Total Operating Expense	5,733,029	6,702,020	
COUNTY AGRICULTURAL EXTENSION EDUCATORS			
Total Operating Expense	7,316,550	7,536,047	
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS			
Total Operating Expense	7,320,956	7,540,584	
CENTER FOR PARALYSIS RESEARCH			
Total Operating Expense	528,477	544,331	
UNIVERSITY-BASED BUSINESS ASSISTANCE			
Total Operating Expense	1,133,737	1,967,749	
FOR INDIANA STATE UNIVERSITY			
Total Operating Expense	74,899,462	76,911,131	
Fee Replacement	9,465,483	10,224,769	
Nursing Program	250,000	250,000	
FOR UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	37,675,499	40,387,429	
Fee Replacement	9,488,222	10,996,853	
HISTORIC NEW HARMONY			
Total Operating Expense	565,184	576,488	
FOR BALL STATE UNIVERSITY			
Total Operating Expense	125,383,857	130,381,244	
Fee Replacement	12,408,664	14,064,079	
ENTREPRENEURIAL COLLEGE			
Total Operating Expense	1,000,000	1,000,000	
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES			
Total Operating Expense	4,322,246	4,451,913	
FOR VINCENNES UNIVERSITY			
Total Operating Expense	37,427,299	38,967,141	
Fee Replacement	5,364,551	6,700,593	
FOR IVY TECH COMMUNITY COLLEGE			
Total Operating Expense	153,209,449	162,415,053	
Fee Replacement	20,738,001	27,967,850	

Of the above appropriations for Ivy Tech Community College total operating expense, $135,000 each year shall be used for the Community Learning Center in Portage.

VALPO NURSING PARTNERSHIP			
Total Operating Expense	101,622	104,671	
FT. WAYNE PUBLIC SAFETY TRAINING CENTER			
Total Operating Expense	1,000,000	1,000,000	
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Total Operating Expense	4,827,208	4,972,024	

The above appropriations do not include funds for the course development grant program.

The sums herein appropriated to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech Community College, and the Indiana Higher Education Telecommunications System (IHETS) are in addition to all income of said institutions and IHETS, respectively, from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

All such income and all such fees, earnings, and receipts on hand June 30, 2007, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses'

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

The foregoing appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech Community College, and IHETS include the employers' share of Social Security payments for university and IHETS employees under the public employees' retirement fund, or institutions covered by the Indiana state teachers' retirement fund. The funds appropriated also include funding for the employers' share of payments to the public employees' retirement fund and to the Indiana state teachers' retirement fund at a rate to be established by the retirement funds for both fiscal years for each institution and for IHETS employees covered by these retirement plans.

The treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College shall, at the end of each three (3) month period, prepare and file with the auditor of state a financial statement that shall show in total all revenues received from any source, together with a consolidated statement of disbursements for the same period. The budget director shall establish the requirements for the form and substance of the reports.

The reports of the treasurer also shall contain in such form and in such detail as the governor and the budget agency may specify, complete information concerning receipts from all sources, together with any contracts, agreements, or arrangements with any federal agency, private foundation, corporation, or other entity from which such receipts accrue.

All such treasurers' reports are matters of public record and shall include without limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech Community College on the basis of vouchers stating the total amount claimed against each fund or account, or both, but not to exceed the legally made appropriations.

Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency. Each institution shall retain the applications for a reasonable period of time and submit a list of all grant applications, at least monthly, to the commission for higher education for informational purposes.

For all university special appropriations, an itemized list of intended expenditures, in such form as the governor and the budget agency may specify, shall be submitted to support the allotment request. All budget requests for university special appropriations shall be furnished in a like manner and as a part of the operating budgets of the state universities.

The trustees of Indiana University, the trustees of Purdue University, the trustees of Indiana State University, the trustees of University of Southern Indiana, the trustees of Ball State University, the trustees of Vincennes University, the trustees of Ivy Tech Community College, and the directors of IHETS are hereby authorized to accept federal grants, subject to IC 4-12-1.

Fee replacement funds are to be distributed as requested by each institution, on payment due dates, subject to available appropriations.

If an early payment of an amount appropriated to any of the aforementioned institutions or IHETS is made in either state fiscal year of the biennium to eliminate an otherwise authorized payment delay to a later state fiscal year, the amount may be used only for the purposes approved by the budget agency after review by the budget committee.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE MEDICAL EDUCATION BOARD FAMILY PRACTICE RESIDENCY FUND			
Total Operating Expense	2,294,787	2,340,683	

Of the foregoing appropriations for the medical education board-family practice residency fund, $1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE COMMISSION FOR HIGHER EDUCATION			
Total Operating Expense	1,508,104	1,538,266	
STATEWIDE TRANSFER WEBSITE			
Total Operating Expense	1,055,045	671,139	
INDIANA CAREER AND POSTSECONDARY ADVANCEMENT CENTER			
Total Operating Expense	1	1	
FOR THE DEPARTMENT OF ADMINISTRATION			
ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL			
Total Operating Expense	1,045,623	1,045,623	
ANIMAL DISEASE DIAGNOSTIC LABORATORY (BSL-3) LEASE RENTAL			
Total Operating Expense	0	2,600,000	

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
COLUMBUS LEARNING CENTER LEASE PAYMENT			
Total Operating Expense	3,865,950	3,944,050	
FOR THE STATE BUDGET AGENCY			
GIGAPOP PROJECT			
Total Operating Expense	749,467	771,951	
SOUTH CENTRAL EDUCATION SERVICES BEDFORD SERVICE AREA			
Total Operating Expense	395,266	403,172	
SOUTHEAST INDIANA EDUCATION SERVICES			
Total Operating Expense	695,226	709,130	

The above appropriation for southeast Indiana education services may be expended with the approval of the budget agency after review by the commission for higher education.

DEGREE LINK			
Total Operating Expense	541,465	552,294	

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech Community College and Vincennes University locations through Degree Link. Distributions shall be made upon the recommendation of the Indiana commission for higher education and with approval by the budget agency after review by the budget committee.

WORKFORCE CENTERS			
Total Operating Expense	862,110	887,973	
MIDWEST HIGHER EDUCATION COMMISSION			
Total Operating Expense	90,000	95,000	
FOR THE STATE STUDENT ASSISTANCE COMMISSION			
Total Operating Expense	1,306,618	1,332,750	
FREEDOM OF CHOICE GRANTS			
Total Operating Expense	46,804,751	47,583,031	
HIGHER EDUCATION AWARD PROGRAM			
Total Operating Expense	135,017,565	139,515,254	
NURSING SCHOLARSHIP PROGRAM			
Total Operating Expense	410,185	418,389	
HOOSIER SCHOLAR PROGRAM			
Total Operating Expense	408,000	416,160	

For the higher education awards and freedom of choice grants made for the 2007-2009 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:
(1) Financial Need: For purposes of these awards, financial need shall be limited to actual undergraduate tuition and fees for the prior academic year as established by the commission.
(2) Maximum Base Award: The maximum award shall not exceed the lesser of:
(A) eighty percent (80%) of actual prior academic year undergraduate tuition and fees; or
(B) eighty percent (80%) of the sum of the highest prior academic year undergraduate tuition and fees at any public institution of higher education and the lowest appropriation per full-time equivalent (FTE) undergraduate student at any public institution of higher education.
(3) Minimum Award: No actual award shall be less than $200.
(4) Award Size: A student's maximum award shall be reduced one (1) time:
(A) for dependent students, by the expected contribution from parents based upon information submitted on the financial aid application form; and
(B) for independent students, by the expected contribution derived from information submitted on the financial aid application form.
(5) Award Adjustment: The maximum base award may be adjusted by the commission, for any eligible recipient who fulfills college preparation requirements defined by the commission.
(6) Adjustment:
(A) If the dollar amounts of eligible awards exceed appropriations and program reserves, all awards may be adjusted by the commission by reducing the maximum award under subdivision (2)(A) or (2)(B).
(B) If appropriations and program reserves are sufficient and the maximum awards are not at the levels described in subdivision (2)(A) and (2)(B), all awards may be adjusted by the commission by proportionally increasing the awards to the maximum award under that subdivision so that parity between those maxima is maintained but not exceeded.

For the Hoosier scholar program for the 2007-2009 biennium, each award shall not exceed five hundred dollars ($500) and shall be made available for one (1) year only. Receipt of this award shall not reduce any other award received under any state funded student assistance program.

STATUTORY FEE REMISSION			
Total Operating Expense	20,304,707	20,557,932	
PART-TIME STUDENT GRANT DISTRIBUTION			
Total Operating Expense	5,355,000	5,462,100	

Priority for awards made from the above appropriation shall be given first to eligible students meeting TANF income eligibility guidelines as determined by the family and social services administration and second to eligible students who received awards from the part-time grant fund during the school year associated with the biennial budget year. Funds remaining shall be distributed according to procedures established by the commission. The maximum grant that an applicant may receive for a particular academic term shall be established by the commission but shall in no case be greater than a grant for which an applicant would be eligible under IC 20-12-21 if the applicant were a full-time student. The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

The family and social services administration, division of family resources, shall apply all qualifying expenditures for the part-time grant program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA		
Total Operating Expense	615,475	627,785
MINORITY TEACHER SCHOLARSHIP FUND		
Total Operating Expense	407,763	415,919
COLLEGE WORK STUDY PROGRAM		
Total Operating Expense	821,293	837,719
21ST CENTURY ADMINISTRATION		
Total Operating Expense	2,061,420	2,102,648
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	24,810,428	26,519,274

Augmentation for 21st Century Scholar Awards allowed from the general fund.

The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR 265.

Family and social services administration, division of family resources, shall apply all qualifying expenditures for the 21st century scholars program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.)

NATIONAL GUARD SCHOLARSHIP		
Total Operating Expense	3,332,819	3,366,477

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2007, shall be the total allowable state expenditure for the program in the 2007-2009 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall develop a plan to ensure that the total dollar amount does not exceed the above appropriations and any program reserves.

INSURANCE EDUCATION SCHOLARSHIPS		
Insurance Education Scholarship Fund (IC 20-12-22.3)		
Total Operating Expense	100,000	100,000

Augmentation allowed.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
STATE BOARD OF EDUCATION			
Total Operating Expense	3,152,112	3,152,112	

The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-19-4; for the academic standards project to distribute copies of the academic standards and provide teachers with curriculum frameworks; for special evaluation and research projects including national and international assessments; and for state board and roundtable administrative expenses.

SUPERINTENDENT'S OFFICE		
Personal Services	1,201,402	1,201,402
Other Operating Expense	1,473,322	1,473,322
PUBLIC TELEVISION DISTRIBUTION		
Total Operating Expense	3,500,000	3,500,000

These appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc. shall submit a distribution plan for the eight Indiana public education television stations that shall be approved by the budget agency after review by the budget committee. The above appropriation includes the costs of transmission for the "GED-on-TV" program. Of the above appropriations, $500,000 each year shall be distributed equally among the eight radio stations.

RESEARCH AND DEVELOPMENT PROGRAMS		
Personal Services	86,958	86,959
Other Operating Expense	300,390	300,390

Of the foregoing appropriations for Research and Development Programs, up to $140,000 each year is dedicated for the Center for Evaluation and Education Policy.

RILEY HOSPITAL		
Total Operating Expense	27,900	27,900
BEST BUDDIES		
Total Operating Expense	250,000	250,000
ADMINISTRATION AND FINANCIAL MANAGEMENT		
Personal Services	2,143,064	2,144,538
Other Operating Expense	420,270	418,834
MOTORCYCLE OPERATOR SAFETY EDUCATION FUND		
Safety Education Fund (IC 20-30-13-11)		
Personal Services	132,303	132,397
Other Operating Expense	892,177	892,087

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-30-13-11.

SCHOOL TRAFFIC SAFETY

Motor Vehicle Highway

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Account (IC 8-14-1)			
Personal Services	242,813	242,989	
Other Operating Expense	30,405	30,236	
Augmentation allowed.			
EDUCATION LICENSE PLATE FEES			
Education License Plate Fees Fund (IC 9-18-31)			
Total Operating Expense	141,200	141,200	
CENTER FOR SCHOOL ASSESSMENT			
Personal Services	310,777	311,004	
Other Operating Expense	706,025	705,800	
ACCREDITATION SYSTEM			
Personal Services	471,390	471,732	
Other Operating Expense	489,547	489,210	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	24,750,000	24,750,000	

The foregoing appropriations for special education are made under IC 20-35-6-2.

CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS			
Personal Services	234,467	234,580	
Other Operating Expense	78,988	78,879	
SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-35-4-4)			
Personal Services	344,177	344,351	
Augmentation allowed.			
GED-ON-TV PROGRAM			
Other Operating Expense	229,500	229,500	

The foregoing appropriation is for grants to provide GED-ON-TV programming. The GED-ON-TV Program shall submit for review by the budget committee an annual report on utilization of this appropriation.

CAREER AND TECHNICAL EDUCATION			
Personal Services	1,318,379	1,319,338	
Other Operating Expense	40,532	39,599	
ADVANCED PLACEMENT PROGRAM			
Other Operating Expense	953,284	953,284	

The above appropriations for the Advanced Placement program are to provide funding for students of accredited public and nonpublic schools.

PSAT PROGRAM			
Other Operating Expense	717,449	717,449	

The above appropriations for the PSAT program are to provide funding for students of accredited public and nonpublic schools.

CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE			
Personal Services	1,701,420	1,701,447	
Other Operating Expense	978,089	978,089	
PRINCIPAL LEADERSHIP ACADEMY			
Personal Services	320,628	320,632	
Other Operating Expense	142,204	142,204	
EDUCATION SERVICE CENTERS			
Total Operating Expense	2,321,287	2,321,287	

No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars ($3) per student for fiscal year 2007-2008 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2006, and at least three dollars ($3) per student for fiscal year 2008-2009, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2007. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)			
Total Operating Expense	50,000	50,000	

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-26-11-10 and IC 20-26-11-8.

TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION			
Total Operating Expense	2,403,792	2,403,792	

The foregoing appropriations shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area career and technical education schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

DISTRIBUTION FOR TUITION SUPPORT			
General Fund			
Total Operating Expense	2,167,287,741	2,244,062,741	
Property Tax Replacement Fund			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
(IC 6-1.1-21) Total Operating Expense	1,719,412,259	1,796,187,259	

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2007 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, any excess shall revert to the general fund.

The above appropriations for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each calendar year shall equal the amount required under the statute enacted for the purpose referred to above.

ADDITIONAL TUITION SUPPORT DISTRIBUTION		
Total Operating Expense	2,000,000	2,000,000

The definitions in IC 20-43-1 apply to the above appropriations. IC 20-43-2-2 does not apply to the above appropriations.

The department shall make an additional distribution not later than January 2008 to each school corporation that has a current ADM for 2008 that is at least one hundred fifty (150) students more than the school corporation's current ADM for 2007. The amount of the distribution is equal to the amount of the above appropriation available for distribution in the calendar year, as determined by the budget agency, multiplied by a fraction. The numerator of the fraction is the number of students by which current ADM increased for 2008 for the school corporation. The denominator of the fraction is the sum of the number of students by which current ADM increased for 2008 for all school corporations that had an increase of at least one hundred fifty (150) students.

The department shall make an additional distribution to each school corporation before January 2009 that has a current ADM for 2009 that is at least one hundred fifty (150) students more than the school corporation's current ADM for 2008. The amount of the distribution is equal to the amount of the above appropriation available for distribution in the calendar year multiplied by a fraction. The numerator of the fraction is the number of students by which current ADM increased for 2009 for the school corporation. The denominator of the fraction is the sum of the number of students by which current ADM increased for 2009 for all school corporations that had an increase of at least one hundred fifty (150) students.

Virtual charter school" means any entity that provides for the delivery of more than fifty percent (50%) of instruction to students through virtual distance learning, online technologies, or computer based instruction. A virtual charter school is not entitled to any funding from the state of Indiana during the biennium and is not entitled to a distribution of property taxes. This paragraph expires June 30, 2009.

DISTRIBUTION FOR SUMMER SCHOOL		
Other Operating Expense	18,360,000	18,360,000

It is the intent of the 2007 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

EARLY INTERVENTION PROGRAM AND READING DIAGNOSTIC ASSESSMENT		
Total Operating Expense	4,720,000	4,720,000

The above appropriations for the early intervention program are for grants to local school corporations for grant proposals for early intervention programs, including reading recovery and the Waterford method.

The foregoing appropriations shall be used by the department for the reading diagnostic assessment and subsequent remedial programs or activities. The reading diagnostic assessment program, as approved by the board, is to be made available on a voluntary basis to all Indiana public and nonpublic school first and second grade students upon the approval of the governing body of school corporations. The board shall determine how the funds will be distributed for the assessment and related remediation. The department or its representative shall provide progress reports on the assessment as requested by the board and the education roundtable.

ADULT EDUCATION DISTRIBUTION		
Total Operating Expense	14,000,000	14,000,000

It is the intent of the 2007 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

NATIONAL SCHOOL LUNCH PROGRAM		
Total Operating Expense	5,400,000	5,400,000
MARION COUNTY DESEGREGATION COURT ORDER		
Total Operating Expense	18,200,000	18,200,000

The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT		
Total Operating Expense	39,000,000	39,000,000

Before a school corporation or an accredited nonpublic school may receive a distribution under the textbook reimbursement program, the school corporation or accredited nonpublic school shall provide to the department the requirements established in IC 20-33-5-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

FULL-DAY KINDERGARTEN		
Total Operating Expense	33,500,000	58,500,000

The above appropriations for full day kindergarten are available to school corporations and charter schools that apply to the department of education for funding of full day kindergarten. The amount available to a school corporation or charter school equals the amount appropriated divided by the total full day kindergarten enrollment of all participating school corporations and charter schools (as defined in IC 21-3-1.6-1.1) for the current year, and then multiplied by the school corporation's or charter school's full day kindergarten enrollment (as defined in IC 21-3-1.6-1.1) for the current year. However, a school corporation or charter school may not receive more than $2,500 dollars per student for full day kindergarten. A school corporation or charter school that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation or charter school.

To provide full day kindergarten programs, a school corporation or charter school that determines there is inadequate space to offer a program in the school corporation's or charter school's existing facilities may offer the program in any suitable space located within the geographic boundaries of the school corporation or, in the case of a charter school, a location that is in the general vicinity of the charter school's existing facilities. A full day kindergarten program offered by a school corporation or charter school must meet the academic standards and other requirements of IC 20.

A school corporation or charter school that receives a grant must meet the academic standards and other requirements of IC 20.

In awarding grants from the above appropriations, the department of education may not refuse to make a grant to a school corporation or reduce the award that would otherwise be made to the school corporation because the school corporation used federal grants or loans, including Title I grants, to fund part or all of the school corporation's full day kindergarten program in a school year before the school year in which the grant will be given or because the school corporation intends to use federal grants or loans, including Title I grants, to fund part of the school corporation's full day kindergarten program in a school year in which the grant will be given.

The state board and department shall provide support to school corporations and charter schools in the development and implementation of child centered and learning focused programs using the following methods:

(1) Targeting professional development funds to provide teachers in kindergarten through grade 3 education in:
(A) scientifically proven methods of teaching reading;
(B) the use of data to guide instruction; and
(C) the use of age appropriate literacy and mathematics assessments.

(2) Making uniform, predictively valid, observational assessments that:
(A) provide frequent information concerning the student's progress to the student's teacher; and
(B) measure the student's progress in literacy;
available to teachers in kindergarten through grade 3. Teachers shall monitor students participating in a program, and the school corporation or charter school shall report the results of the assessments to the parents of a child completing an assessment and to the department.

(3) Undertaking a longitudinal study of students in programs in Indiana to determine the achievement levels of the students in kindergarten and later grades.

The above appropriations for full day kindergarten include $25,000 dollars in fiscal year 2008 for the state board and department to contract with national experts on academic standards to conduct a review of current kindergarten standards to ensure the standards:

(1) are adequate for full day kindergarten programs;
(2) align with state standards through grade 3; and
(3) ensure success in subsequent grades. The school corporation or charter school may use any funds otherwise allowable under state and federal law, including the school corporation's general fund, any funds available to the charter school, or voluntary parent fees, to provide full day kindergarten programs.

TESTING AND REMEDIATION		
Other Operating Expense	41,000,000	41,000,000

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency.

The above appropriation for testing and remediation shall be used by school corporations to provide remediation programs for students who attend public and nonpublic schools. For purposes of tuition support, these students are not to be counted in the average daily membership.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
GRADUATION EXAM REMEDIATION			
Other Operating Expense	4,958,910	4,958,910	

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and approval of the formula and components shall be made by the budget agency.

SPECIAL EDUCATION PRESCHOOL			
Total Operating Expense	32,400,000	32,400,000	

The above appropriations shall be distributed to guarantee a minimum of $2,750 per child enrolled in special education preschool programs from state and local sources in school corporations that levy the maximum special education tax rate for this purpose. It is the intent of the 2007 general assembly that the above appropriations for special education preschool shall be the total allowable expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

NON-ENGLISH SPEAKING PROGRAM			
Other Operating Expense	6,929,246	6,965,055	

The above appropriations for the non-English speaking program are for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is two hundred dollars ($200) per pupil. It is the intent of the 2007 general assembly that the above appropriations for the non-English speaking program shall be the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

GIFTED AND TALENTED EDUCATION PROGRAM			
Personal Services	211,199	211,348	
Other Operating Expense	12,788,801	12,788,652	
DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION			
Total Operating Expense	250,000	250,000	

The distribution for adult career and technical education programs shall be made in accordance with the state plan for vocational education.

PRIMETIME			
Personal Services	172,564	172,566	
Other Operating Expense	34,467	34,467	
DRUG FREE SCHOOLS			
Personal Services	52,360	52,361	
Other Operating Expense	20,093	20,093	
PROFESSIONAL DEVELOPMENT DISTRIBUTION			
Other Operating Expense	13,812,500	13,812,500	

The foregoing appropriations for professional development distributions include schools defined under IC 20-31-2-8.

ALTERNATIVE SCHOOLS			
Total Operating Expense	6,380,059	6,380,319	
EDUCATIONAL TECHNOLOGY PROGRAM AND FUND (INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)			
Total Operating Expense	2,109,031	2,109,036	

Of the foregoing appropriations, $825,000 shall be allocated to the buddy system each state fiscal year during the biennium. The remaining amounts shall be allocated for technology programs and resources for kindergarten through twelfth grade, and the operation of the office of the special assistant to the superintendent of public instruction for technology.

TECHNOLOGY PLAN GRANT PROGRAM (IC 20-20-13)			
Total Operating Expense			5,000,000

Notwithstanding IC 20-20-13-17, the department of education may adjust the grant amount to reflect available funding.

PROFESSIONAL STANDARDS DIVISION			
General Fund			
Personal Services	1,053,602	1,054,199	
Other Operating Expense	262,900	1,762,303	
Professional Standards Board Licensing Fund			
Total Operating Expense	1,500,000	1,500,000	
Augmentation allowed.			

The above appropriations for the Professional Standards Division do not include funds to pay stipends for mentor teachers.

SCHOOL CORPORATION CONSOLIDATION STUDIES			
Total Operating Expense	100,000	100,000	

A school corporation which desires to study the feasibility of consolidating or merging services with another corporation may apply to the department for a grant not exceeding $25,000 to offset the costs of the study.

SCHOOL BUSINESS OFFICIALS ACADEMY			
Total Operating Expense	150,000	150,000	

The department shall make the foregoing appropriations available to the Indiana Association of School Business

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

Officials to assist in the creation of an academy designed to strengthen the management and leadership skills of practicing Indiana school business officials.

FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND		
POSTRETIREMENT PENSION INCREASES		
Other Operating Expense	52,784,909	55,952,004

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 5-10.4 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION		
Other Operating Expense	568,372,000	602,474,320
Augmentation allowed.		

If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefits for the Post Retirement Pension Increases that are funded on a "pay as you go" basis plus the base benefits under the pre-1996 account of the teachers' retirement fund is:
(1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 5-10.4; or
(2) less than the above appropriations for a year, the excess shall be retained in the general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD		
Personal Services	617,646	617,646
Other Operating Expense	68,940	68,940
PUBLIC EMPLOYEE RELATIONS BOARD		
Total Operating Expense	32,550	32,550
FOR THE STATE LIBRARY		
Personal Services	3,058,971	3,058,971
Other Operating Expense	727,967	697,917
STATEWIDE LIBRARY SERVICES		
Total Operating Expense	1,996,228	1,996,228

The foregoing appropriations for statewide library services will be used to provide services to libraries across the state. These services may include, but will not be limited to, programs including Wheels, I*Ask, and professional development. The state library shall identify statewide library services that are to be provided by a vendor. Those services identified by the library shall be procured through a competitive process using one or more requests for proposals covering the service.

LIBRARY SERVICES		
FOR THE BLIND - ELECTRONIC NEWSLINES		
Other Operating Expense	40,000	40,000
ACADEMY OF SCIENCE		
Total Operating Expense	8,811	8,811
FOR THE ARTS COMMISSION		
Personal Services	406,217	406,217
Other Operating Expense	3,596,742	3,596,742

The foregoing appropriation to the arts commission includes $625,000 each year to provide grants under IC 4-23-2.5 to:
(1) the arts organizations that have most recently qualified for general operating support as major arts organizations as determined by the arts commission; and
(2) the significant regional organizations that have most recently qualified for general operating support as mid-major arts organizations, as determined by the arts commission and its regional re-granting partners.

FOR THE HISTORICAL BUREAU		
Personal Services	392,583	392,583
Other Operating Expense	6,875	6,875
HISTORICAL MARKER PROGRAM		
Total Operating Expense		31,898
FOR THE COMMISSION ON PROPRIETARY EDUCATION		
Personal Services	447,806	448,129
Other Operating Expense	6,865	6,865

SECTION 10. [EFFECTIVE JULY 1, 2007]

DISTRIBUTIONS

FOR THE PROPERTY TAX REPLACEMENT FUND BOARD		
Property Tax Replacement Fund (IC 6-1.1-21)		
Total Operating Expense	2,142,477,622	2,133,991,675

Notwithstanding IC 6-1.1-21, the foregoing appropriations are the maximum amount that may be distributed.

Not more than $2,028,509,197 shall be distributed as property tax replacement credits and homestead credits for calendar year 2008 from the above appropriations. The distribution from the above appropriations for property tax replacement credits and homestead credits for 2009 may not, when added to any amount distributed after June 30, 2009, exceed $2,028,509,197.

If the amount determined under IC 6-1.1-21 exceeds the amount to be distributed in the calendar year from the above appropriations, the board shall reduce the property tax replacement credit percentages proportionately so that the distributions equal the amount to be distributed.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

Upon the recommendation of the budget agency, the property tax replacement fund board established by IC 6-1.1-21-10 may increase or decrease the distribution percentage specified in IC 6-1.1-21-10 for May in order to distribute the appropriation. If the property tax replacement fund board increases or decreases the May distribution percentage for property tax replacement credits and homestead credits, it must increase or reduce the percentage used in determining the next distribution such that the sum of the calendar year percentages equals one hundred percent (100.00%).

PROPERTY TAX REFUNDS			
Property Tax Reduction Trust Fund (IC 4-35-8-2)			
Total Operating Expense	300,000,000		0

The above appropiation is for state paid refunds of payments of property tax liability (as defined in IC 6-1.1-21-5) imposed on property eligible for a homestead credit under IC 6-1.1-20.9 in 2007.

If the amount distributed to a county from the above appropriation exceeds the amount needed to pay the property tax refunds payable from the above appropriation, the county treasurer shall transfer the excess to the auditor of state for deposit in the property tax reduction trust fund. The transfer shall be made as part of the December settlement under IC 6-1.1-21. The amount returned to the auditor of state shall be used to increase the following appropriation for additional homestead credits in calendar year 2008.

ADDITIONAL HOMESTEAD CREDIT			
Property Tax Reduction Trust Fund (IC 4-35-8-2)			
Total Operating Expense	112,000,000	138,000,000	

The above appropriations are for additional homestead credits for property taxes paid in 2008.

The above appropriations are to reimburse local taxing units for the revenue lost from the granting of an additional credit against property tax liability (as defined in IC 6-1.1-21-5) imposed on property eligibile for a homestead credit under IC 6-1.1-20.9 for 2008.

SECTION 11. [EFFECTIVE JULY 1, 2007]

The following allocations of federal funds are available for vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301, et seq. for Vocational and Technical Education) (20 U.S.C. 2371 for Tech Prep Education). These funds shall be received by the department of workforce development, commission on vocational and technical education, and shall be allocated by the budget agency after consultation with the commission on vocational and technical education, the department of education, the commission for higher education, and the department of correction. Funds shall be allocated to these agencies in accordance with the allocations specified below:

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
STATE PROGRAMS AND LEADERSHIP	2,655,188	2,655,188	
SECONDARY VOCATIONAL PROGRAMS	14,878,845	14,878,845	
POSTSECONDARY VOCATIONAL PROGRAMS	8,522,925	8,522,925	
TECHNOLOGY - PREPARATION EDUCATION	2,465,494	2,465,494	

SECTION 12. [EFFECTIVE JULY 1, 2007]

In accordance with IC 22-4.1-13, the budget agency, with the advice of the commission on vocational and technical education and the budget committee, may augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2007]

Utility bills for the month of June, travel claims covering the period June 16 to June 30, payroll for the period of the last half of June, any interdepartmental bills for supplies or services for the month of June, and any other miscellaneous expenses incurred during the period June 16 to June 30 shall be charged to the appropriation for the succeeding year. No interdepartmental bill shall be recorded as a refund of expenditure to any current year allotment account for supplies or services rendered or delivered at any time during the preceding June period.

SECTION 14. [EFFECTIVE JULY 1, 2007]

The budget agency, under IC 4-10-11, IC 4-12-1-13, and IC 4-13-1, in cooperation with the Indiana department of administration, may fix the amount of reimbursement for traveling expenses (other than transportation) for travel within the limits of Indiana. This amount may not exceed actual lodging and miscellaneous expenses incurred. A person in travel status, as defined by the state travel policies and procedures established by the Indiana department of administration and the budget agency, is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service.

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

established by the federal Internal Revenue Service for properly approved travel within the continental United States and a minimum of $50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than $90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than $85 for any twenty-four (24) hour period. While traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than $65 for any twenty-four (24) hour period.

In the case of the state supported institutions of postsecondary education, approval for out-of-state travel may be given by the chief executive officer of the institution, or the chief executive officer's authorized designee, for the chief executive officer's respective personnel.

Before reimbursing overnight travel expenses, the auditor of state shall require documentation as prescribed in the state travel policies and procedures established by the Indiana department of administration and the budget agency. No appropriation from any fund may be construed as authorizing the payment of any sum in excess of the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service when used in the discharge of state business. The Indiana department of administration and the budget agency may adopt policies and procedures relative to the reimbursement of travel and moving expenses of new state employees and the reimbursement of travel expenses of prospective employees who are invited to interview with the state.

SECTION 15. [EFFECTIVE JULY 1, 2007]

Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions, and councils who are entitled to a salary per diem is $50 per day. However, members of boards, commissions, or councils who receive an annual or a monthly salary paid by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

SECTION 16. [EFFECTIVE JULY 1, 2007]

No payment for personal services shall be made by the auditor of state unless the payment has been approved by the budget agency or the designee of the budget agency.

SECTION 17. [EFFECTIVE JULY 1, 2007]

No warrant for operating expenses, capital outlay, or fixed charges shall be issued to any department or an institution unless the receipts of the department or institution have been deposited into the state treasury for the month. However, if a department or an institution has more than $10,000 in daily receipts, the receipts shall be deposited into the state treasury daily.

SECTION 18. [EFFECTIVE JULY 1, 2007]

In case of loss by fire or any other cause involving any state institution or department, the proceeds derived from the settlement of any claim for the loss shall be deposited in the state treasury, and the amount deposited is hereby reappropriated to the institution or department for the purpose of replacing the loss. If it is determined that the loss shall not be replaced, any funds received from the settlement of a claim shall be deposited into the general fund.

SECTION 19. [EFFECTIVE JULY 1, 2007]

If an agency has computer equipment in excess of the needs of that agency, then the excess computer equipment may be sold under the provisions of surplus property sales, and the proceeds of the sale or sales shall be deposited in the state treasury. The amount so deposited is hereby reappropriated to that agency for other operating expenses of the then current year, if approved by the director of the budget agency.

SECTION 20. [EFFECTIVE JULY 1, 2007]

If any state penal or benevolent institution other than the Indiana state prison, Pendleton correctional facility, or Putnamville correctional facility shall, in the operation of its farms, produce products or commodities in excess of the needs of the institution, the surplus may be sold through the division of industries and farms, the director of the supply division of the Indiana department of administration, or both. The proceeds of any such sale or sales shall be deposited in the state treasury. The amount deposited is hereby reappropriated to the institution for expenses of the then current year if approved by the director of the budget agency. The exchange between state penal and benevolent institutions of livestock for breeding purposes only is hereby authorized at valuations agreed upon between the superintendents or wardens of the institutions. Capital outlay expenditures may be made from the institutional industries and farms revolving fund if approved by the budget agency and the governor.

SECTION 21. [EFFECTIVE JULY 1, 2007]

This act does not authorize any rehabilitation and repairs to any state buildings, nor does it allow that any obligations be incurred for lands and structures, without the prior approval of the budget director or the director's designee. This SECTION does not apply to contracts for the state universities supported in whole or in part by state funds.

SECTION 22. [EFFECTIVE JULY 1, 2007]

If an agency has an annual appropriation fixed by law, and if the agency also receives an appropriation in this act for the same function or program, the appropriation in this act supersedes any other appropriations and is the total appropriation for the agency for that program or function.

SECTION 23. [EFFECTIVE JULY 1, 2007]

The balance of any appropriation or funds heretofore placed or remaining to the credit of any division of the state of Indiana, and any appropriation or funds provided in this act placed to the credit of any division of the state of Indiana, the powers, duties, and functions whereof are assigned and transferred to any department for salaries, maintenance, operation, construction, or other expenses in the exercise of such powers, duties, and functions, shall be transferred to the credit of the department to which such

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.

assignment and transfer is made, and the same shall be available for the objects and purposes for which appropriated originally.

SECTION 24. [EFFECTIVE JULY 1, 2007]

The director of the division of procurement of the Indiana department of administration, or any other person or agency authorized to make purchases of equipment, shall not honor any requisition for the purchase of an automobile that is to be paid for from any appropriation made by this act or any other act, unless the following facts are shown to the satisfaction of the commissioner of the Indiana department of administration or the commissioner's designee:
(1) In the case of an elected state officer, it shall be shown that the duties of the office require driving about the state of Indiana in the performance of official duty.
(2) In the case of department or commission heads, it shall be shown that the statutory duties imposed in the discharge of the office require traveling a greater distance than one thousand (1,000) miles each month or that they are subject to official duty call at all times.
(3) In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment.

In computing the number of miles required to be driven by a department head or an employee, the distance between the individual's home and office or designated official station is not to be considered as a part of the total. Department heads shall annually submit justification for the continued assignment of each vehicle in their department, which shall be reviewed by the commissioner of the Indiana department of administration, or the commissioner's designee. There shall be an insignia permanently affixed on each side of all state owned cars, designating the cars as being state owned. However, this requirement does not apply to state owned cars driven by elected state officials or to cases where the commissioner of the Indiana department of administration or the commissioner's designee determines that affixing insignia on state owned cars would hinder or handicap the persons driving the cars in the performance of their official duties.

SECTION 25. [EFFECTIVE JULY 1, 2007]

When budget agency approval or review is required under this act, the budget agency may refer to the budget committee any budgetary or fiscal matter for an advisory recommendation. The budget committee may hold hearings and take any actions authorized by IC 4-12-1-11, and may make an advisory recommendation to the budget agency.

SECTION 26. [EFFECTIVE JULY 1, 2007]

The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

SECTION 27. [EFFECTIVE JULY 1, 2007]

Federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d).

SECTION 28. [EFFECTIVE JULY 1, 2007]

A contract or an agreement for personal services or other services may not be entered into by any agency or department of state government without the approval of the budget agency or the designee of the budget director.

SECTION 29. [EFFECTIVE JULY 1, 2007]

Except in those cases where a specific appropriation has been made to cover the payments for any of the following, the auditor of state shall transfer, from the personal services appropriations for each of the various agencies and departments, necessary payments for Social Security, public employees' retirement, health insurance, life insurance, and any other similar payments directed by the budget agency.

SECTION 30. [EFFECTIVE JULY 1, 2007]

Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2007-2009 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE JULY 1, 2006 (RETROACTIVE)]

The following deficiency appropriation for the state fiscal year beginning July 1, 2006, and ending June 30, 2007, is made in addition to the appropriations in P.L.246-2005, SECTION 9:

FOR THE DEPARTMENT
OF EDUCATION
DISTRIBUTION FOR
TUITION SUPPORT
General Fund
Total Operating
Expense 56,100,000

The deficiency appropriation made by this SECTION is not subject to transfer to any other fund or subject to transfer, assignment, or reassignment for any other use or purpose by the state board of finance, notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23, or by the budget agency, notwithstanding IC 4-12-1-12, or any other law.

SECTION 32. [EFFECTIVE JULY 1, 2007]

CONSTRUCTION

For the 2007-2009 biennium, the following amounts, from the funds listed as follows, are hereby appropriated to

provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals, and the purchase and sale of land, including equipment for such properties and other projects as specified.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
State General Fund - Lease Rentals			194,059,832
State General Fund - Construction			275,199,919
State Police Building Commission Fund (IC 9-29-1-4)			6,200,000
Law Enforcement Academy Building Fund (IC 5-2-1-13)			1,319,300
Cigarette Tax Fund (IC 6-7-1-29.1)			3,600,000
Veterans' Home Building Fund (IC 10-17-9-7)			5,269,167
Postwar Construction Fund (IC 7.1-4-8-1)			37,560,000
Regional Health Care Construction Account (IC 4-12-8.5)			11,964,998
Build Indiana Fund (IC 4-30-17)			889,490
TOTAL			536,062,706

The allocations provided under this SECTION are made from the state general fund, unless specifically authorized from other designated funds by this act. The budget agency, with the approval of the governor, in approving the allocation of funds pursuant to this SECTION, shall consider, as funds are available, allocations for the following specific uses, purposes, and projects:

A. GENERAL GOVERNMENT

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FOR THE HOUSE OF REPRESENTATIVES			
Repair and Rehabilitation			425,000
FOR THE SENATE			
Senate Renovation			1,500,000
FOR THE STATE BUDGET AGENCY			
Health and safety contingency			5,000,000
Aviation Technology Center			2,428,284
Airport Facilities Lease			52,991,552
DEPARTMENT OF ADMINISTRATION - PROJECTS			
Preventive Maintenance			6,691,790
Repair and Rehabilitation			13,905,000
DEPARTMENT OF ADMINISTRATION - LEASES			
General Fund			
Lease - Government Center North			27,491,755
Lease - Government Center South			29,796,249
Lease - State Museum			15,234,934
Lease - McCarty Street Warehouse			1,458,200
Lease - Parking Garages			11,151,141
Lease - Toxicology Lab			11,070,106
Lease - Wabash Valley Correctional			26,229,390
Lease - Rockville Correctional			11,040,071
Lease - Miami Correctional			28,358,823
Lease - Pendleton Juvenile Correctional			8,800,168
Lease - New Castle Correctional			23,428,995
Regional Health Care Construction Account (IC 4-12-8.5)			
Lease - Evansville State Hospital			3,284,468
Lease - Southeast Regional Treatment			5,297,588
Lease - Logansport State Hospital			3,382,942

B. PUBLIC SAFETY

(1) LAW ENFORCEMENT

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
INDIANA STATE POLICE			
State Police Building Commission Fund (IC 9-29-1-4)			
Preventive Maintenance			1,015,000
Repair and Rehabilitation			5,185,000
Postwar Construction Fund (IC 7.1-4-8-1)			
Two State Police Posts			7,000,000
LAW ENFORCEMENT TRAINING BOARD			
Law Enforcement Academy Building Fund (IC 5-2-1-13)			
Preventive Maintenance			936,000
Repair and Rehabilitation			383,300
ADJUTANT GENERAL			
Preventive Maintenance			250,000
Johnson County Land Acquisition			1,900,000
Repair and Rehabilitation			1,650,000

(2) CORRECTIONS

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
DEPARTMENT OF CORRECTION - PROJECTS			
Postwar Construction Fund (IC 7.1-4-8-1)			
Environmental Response			150,000
Repair and Rehabilitation			200,000
CORRECTIONAL UNITS			
Preventive Maintenance			1,515,598
Postwar Construction Fund (IC 7.1-4-8-1)			
Administration/Program Bldg.-Henryville			100,000
Repair and Rehabilitation			400,000
STATE PRISON			
Preventive Maintenance			954,492
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			5,200,000
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			1,257,064
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			1,200,000
WOMEN'S PRISON			
Preventive Maintenance			538,832
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			100,000
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			350,388
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			864,822
Postwar Construction Fund (IC 7.1-4-8-1)			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
Central Water Softener System			300,000
Repair and Rehabilitation			140,000
PLAINFIELD EDUCATION RE-ENTRY FACILITY			
Preventive Maintenance			322,804
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			395,510
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			100,000
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			272,932
Postwar Construction Fund (IC 7.1-4-8-1)			
Education building addition			1,800,000
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			806,330
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			3,500,000
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			357,296
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance			663,704
Postwar Construction Fund (IC 7.1-4-8-1)			
Steam distribution center			12,000,000
Repair and Rehabilitation			420,000
RECEPTION-DIAGNOSTIC CENTER			
Preventive Maintenance			214,464
Postwar Construction Fund (IC 7.1-4-8-1)			
Fire egress stairwell			400,000
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			584,172
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			750,000
WORK RELEASE CENTERS			
Preventive Maintenance			76,828
WABASH VALLEY CORRECTIONAL FACILITY			
Preventive Maintenance			608,820
Postwar Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			2,800,000
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			664,560
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			228,738
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Preventive Maintenance			300,000
Repair and Rehabilitation			1,500,000
FISH AND WILDLIFE			
Preventive Maintenance			2,000,000
Health and Safety Projects			1,150,000
Public Access Projects			350,000
FORESTRY			
Preventive Maintenance			2,000,000
Repair and Rehabilitation			6,500,000
MUSEUMS AND HISTORIC SITES			
Preventive Maintenance			365,559
Repair and Rehabilitation			4,500,000
Tippecanoe Battlefield - Fence Restoration			430,000
NATURE PRESERVES			
Preventive Maintenance			200,000
Repair and Rehabilitation			1,350,000
OUTDOOR RECREATION			
Preventive Maintenance			50,000
Repair and Rehabilitation			375,000
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			2,900,000
Repair and Rehabilitation			7,110,000
Nature Education Center			2,500,000
Water and Wastewater			3,000,000
Inn Rehabilitation			3,500,000
Campground Rehabilitation			3,890,000
Marina Rehabilitation			3,000,000
Pool Rehabilitation			6,000,000
Lincoln State Park Amphitheater Maintenance			810,000
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			3,600,000
DIVISION OF WATER			
Preventive Maintenance			250,000
Repair and Rehabilitation			8,925,000
Dredging Cedar Lake - Lake County			2,000,000
ENFORCEMENT			
Preventive Maintenance			250,000
STATE MUSEUM			
Preventive Maintenance			650,000
Repair and Rehabilitation			300,000
OIL AND GAS			
Repair and Rehabilitation			400,000
ENTOMOLOGY			
Invasive Species			1,000,000
Hydrilla Eradication			500,000
WHITE RIVER STATE PARK			
Preventive Maintenance			500,000
Repair and Rehabilitation			480,000
WAR MEMORIALS COMMISSION			
Preventive Maintenance			1,512,094
Civil War Battle Flags			238,500
Repair and Rehabilitation			815,300
INDIANA STATE FAIR			
Ice Skating Academy			4,000,000
LITTLE CALUMET RIVER BASIN COMMISSION			
Repair and Rehabilitation			2,000,000
D. TRANSPORTATION			

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
AIRPORT DEVELOPMENT			
Airport Development			3,650,000

Of the foregoing allocation for the Indiana department of transportation, two million four hundred thousand dollars ($2,400,000) are for airport development and shall be used for the purpose of assisting local airport authorities and local units of government in matching available federal funds under the airport improvement program and for matching federal grants for airport planning and for the other airport studies. Matching grants of aid shall be made in accordance with the approved annual capital improvements program of the Indiana department of transportation and with the approval of the governor and the budget agency.

Of the foregoing allocation for the Indiana department of transportation, one million two hundred and fifty thousand dollars ($1,250,000) are for construction of a terminal building at Hulman International Airport.

E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
FSSA CONSTRUCTION			
Repair and Rehabilitation			1,000,000
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance			45,000
Repair and Rehabilitation			100,000
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance			500,000
Consult/Design for Forensic Pts.			100,000
Repair and Rehabilitation			858,000
MADISON STATE HOSPITAL			
Preventive Maintenance			971,409
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance			963,144
Repair and Rehabilitation			4,228,000
RICHMOND STATE HOSPITAL			
Preventive Maintenance			1,210,724
Operational Support Building			649,250
Repair and Rehabilitation			3,329,000
LARUE CARTER MEMORIAL HOSPITAL			
Preventive Maintenance			5,000,000

(2) PUBLIC HEALTH

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
DEPARTMENT OF HEALTH			
Preventive Maintenance			15,303
Repair and Rehabilitation			1,684,697
SCHOOL FOR THE BLIND			
Preventive Maintenance			565,714
Repair and Rehabilitation			2,964,671
SCHOOL FOR THE DEAF			
Preventive Maintenance			553,120
Repair and Rehabilitation			3,046,357
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Preventive Maintenance			400,000
Repair and Rehabilitation			925,000

(3) VETERANS' AFFAIRS

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance			1,000,000
Replacement of Busses			485,000
Repair and Rehabilitation			3,784,167

F. EDUCATION

HIGHER EDUCATION

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
INDIANA UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			25,202,564
PURDUE UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			19,777,318
Indiana Purdue Ft. Wayne-Northeast Indiana Innovation Center			5,000,000
INDIANA STATE UNIVERSITY			
General Repair and Rehab			4,681,980
UNIVERSITY OF SOUTHERN INDIANA			
General Repair and Rehab			1,121,925
BALL STATE UNIVERSITY			
General Repair and Rehab			6,726,301
VINCENNES UNIVERSITY			
General Repair and Rehab			2,272,968
IVY TECH COMMUNITY COLLEGE			
General Repair and Rehab			2,287,041
A&E Phase 2 Bloomington			350,000

G. OTHER PROJECTS

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
MARTIN COUNTY 4-H BOARD			
Build Indiana Fund (IC 4-30-17)			
Martin County Community Building			39,490

The above appropriation shall be paid from funds remaining after the transfers required under IC 4-30-17-3.5.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
DEPARTMENT OF NATURAL RESOURCES			
Build Indiana Fund (IC 4-30-17)			
Lake Shafer & Lake Freeman Dredging			850,000

The above appropriation shall be paid from funds remaining after the transfers required under IC 4-30-17-3.5.

	FY 2007-08 Appro.	FY 2008-09 Appro.	Biennial Appro.
TOWN OF ROCKVILLE			
Postwar Construction Fund (IC 7.1-4-8-1)			
Rockville Sewer Upgrade Serving the Rockville Correctional Facility			1,000,000

In addition to any other use of money from the postwar construction fund, the budget agency, after review by the budget committee shall allot and distribute the above appropriation from the postwar construction fund to the Town of Rockville. The Town of Rockville may use the distributed amount for an upgrade to the sewer system

serving Rockville and the Rockville Correctional Facility, including any reserve requirements or expenses related to issuing bonds or entering into loans to finance an upgrade of the sewer system.

SECTION 33. [EFFECTIVE JULY 1, 2007]

The budget agency may employ one (1) or more architects or engineers to inspect construction, rehabilitation, and repair projects covered by the appropriations in this act or previous acts.

SECTION 34. [EFFECTIVE JULY 1, 2007]

If any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of two (2) biennia, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

SECTION 35. [EFFECTIVE UPON PASSAGE]

The budget agency may retain balances in the mental health fund at the end of any fiscal year to ensure there are sufficient funds to meet the service needs of the developmentally disabled and the mentally ill in any year.

SECTION 36. [EFFECTIVE JULY 1, 2007]

If the budget director determines at any time during the biennium that the executive branch of state government cannot meet its statutory obligations due to insufficient funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with the approval of the governor and after review by the budget committee, may transfer from the counter-cyclical revenue and economic stabilization fund to the general fund an amount necessary to maintain a positive balance in the general fund.

SECTION 37. IC 5-1-14-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION
TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 15. (a) A county or municipality may issue bonds, notes, or other obligations for the purpose of providing funds to pay pension benefits under IC 36-8-6, IC 36-8-7, or IC 36-8-7.5.**

(b) Notwithstanding any other law:

(1) bonds, notes, or other obligations issued for the purpose described in this section may have a final maturity date up to, but not exceeding, forty (40) years from the date of original issuance;

(2) the amount of bonds, notes, or other obligations that may be issued for the purpose described in this section may not exceed two percent (2%) of the true tax value of property located within the county or municipality; and

(3) the proceeds of bonds, notes, or other obligations issued for the purpose described in this section may be deposited to the issuing county's or municipality's separate account described in IC 5-10.3-11-6.

(c) This section is supplemental to all other laws but does not relieve a county or municipality from complying with other procedural requirements for the issuance of bonds, notes, or other obligations.

SECTION 38. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, ~~2009.~~ **2007.** Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a general reassessment of real property under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 39. IC 6-1.1-12.4-3, AS AMENDED BY HEA 1084-2007, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, ~~2009.~~ **2007.** Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory

(as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

(1) was never before used by its owner for any purpose in Indiana; and

(2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the purchase of the personal property; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

(1) identify the personal property eligible for the deduction to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

SECTION 40. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

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

(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) Forty-nine and ~~one hundred ninety-two~~ **sixty-seven** thousandths percent ~~(49.192%)~~ **(49.067%)** of the collections shall be paid into the state general fund.

(3) ~~Six hundred thirty-five thousandths~~ **Seventy-six hundredths** of one percent ~~(0.635%)~~ **(0.76%)** of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(4) Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(5) Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 41. IC 6-3-1-11, AS AMENDED BY P.L.184-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2006.~~ **2007.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2006,~~ **2007,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2006,~~ **2007,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2006,~~ **2007,** that is effective for any taxable year that began before January 1, ~~2006,~~ **2007,** and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 42. IC 6-8-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 12. Eligible Event; Exemption from Taxation

Sec. 1. As used in this chapter, "eligible entity" means the National Football League and its affiliates as defined in the National Football League document titled "SUPER BOWL XLV HOST CITY BID SPECIFICATIONS & REQUIREMENTS" dated October 2006.

Sec. 2. As used in this chapter, "eligible event" means an event known as the Super Bowl that is conducted by an eligible entity described in section 1 of this chapter.

Sec. 3. All property owned by an eligible entity, revenues of an eligible entity, and expenditures and transactions of an eligible entity:

(1) in connection with an eligible event; and

(2) resulting from holding an eligible event in Indiana or making preparatory advance visits to Indiana in connection with an eligible event;

are exempt from taxation in Indiana for all purposes.

Sec. 4. The excise tax under IC 6-9-13 does not apply to an eligible event.

Sec. 5. The general assembly finds that:

(1) this chapter has been enacted as a requirement to host an eligible event in Indiana and that an eligible event would not be held in Indiana without the exemptions provided in this chapter;

(2) notwithstanding the exemptions provided in this chapter, an eligible event held in Indiana would generate a significant economic impact for Indiana and additional revenues from taxes affected by this chapter; and

(3) the exemptions provided in this chapter will not reduce or adversely affect the levy and collection of taxes pledged to the payment of bonds, notes, leases, or subleases payable from those taxes.

SECTION 43. IC 9-29-5-2, AS AMENDED BY P.L.1-2005, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The fee for the registration of a motorcycle is ~~seventeen~~ **twenty-seven** dollars ~~($17).~~ **($27).** The revenue from this fee shall be allocated as follows:

(1) Seven dollars ($7) to the motorcycle operator safety education fund established by IC 20-30-13-11.

(2) An amount prescribed as a license branch service charge under IC 9-29-3.

(3) Ten dollars ($10) to the spinal cord and brain injury fund under IC 16-41-42-4.

~~(3)~~ **(4)** The balance to the state general fund for credit to the motor vehicle highway account.

SECTION 44. IC 16-18-2-37.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 37.5. **(a)** "Board" for purposes of IC 16-22-8, has the meaning set forth in IC 16-22-8-2.1.

(b) "Board" for purposes of IC 16-41-42, has the meaning set forth in IC 16-41-42-1.

SECTION 45. IC 16-18-2-143 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 143. (a) "Fund", for purposes of IC 16-26-2, has the meaning set forth in IC 16-26-2-2.

(b) "Fund", for purposes of IC 16-31-8.5, has the meaning set forth in IC 16-31-8.5-2.

(c) "Fund", for purposes of IC 16-46-5, has the meaning set forth in IC 16-46-5-3.

(d) "Fund", for purposes of IC 16-46-12, has the meaning set forth in IC 16-46-12-1.

(e) "Fund", for purposes of IC 16-41-42, has the meaning set forth in IC 16-41-42-2.

SECTION 46. IC 16-18-2-315.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 315.5. "Registry", for purposes of IC 16-41-42, has the meaning set forth in IC 16-41-42-3.**

SECTION 47. IC 16-41-42 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 42. Spinal Cord and Brain Injury

Sec. 1. As used in this chapter, "board" refers to the spinal cord and brain injury research board created by section 6 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the spinal cord and brain injury fund established by section 3 of this chapter.

Sec. 3. (a) The spinal cord and brain injury fund is established to fund research on spinal cord and brain injuries.

(b) The fund shall be administered by the state department.

(c) The fund consists of:

(1) appropriations;

(2) gifts and bequests;

(3) fees deposited in the fund under IC 9-29-5-2; and

(4) grants received from the federal government or private sources.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Of the money in the fund is continually appropriated to the state department to fund spinal cord and brain injury research programs.

Sec. 4. The fund is to be used for the following purposes:

(1) Establishing and maintain a state medical surveillance registry for traumatic spinal cord and brain injuries.

(2) Fulfilling the duties of the board under section 6 of this chapter.

(3) Funding research related to treatment and cure of spinal cord and brain injuries, including acute management, medical complications, rehabilitative techniques, and neuronal recovery. Research must be conducted in compliance with all state and federal laws.

Sec. 5. (a) The spinal cord and brain injury research board is created for the purpose of administering the fund. The board is composed of nine (9) members.

(b) The following four (4) members of the board shall be appointed by the governor:

(1) One (1) member who has a spinal cord or head injury or who has a family member with a spinal cord or head injury.

(2) One (1) member who is a physician licensed under IC 25-22.5 who has specialty training in neuroscience and surgery.

(3) One (1) member who is a physiatrist holding a board certification from the American Board of Physical Medicine and Rehabilitation.

(4) One (1) member representing the technical life sciences industry.

(c) The following five (5) members of the board shall be appointed as follows:

(1) One (1) member representing Indiana University to be appointed by Indiana University.

(2) One (1) member representing Purdue University to be appointed by Purdue University.

(3) One (1) member representing the National Spinal Cord Injury Association to be appointed by the National Spinal Cord Injury Association.

(4) One (1) member representing the largest freestanding rehabilitation hospital for brain and spinal cord injuries in Indiana to be appointed by the Rehabilitation Hospital of Indiana located in Indianapolis.

(5) One (1) member representing the American Brain Injury Association to be appointed by the Brain Injury Association of Indiana.

(d) The term of a member is four (4) years. A member serves until a successor is appointed and qualified. If a vacancy occurs on the board before the end of a member's term, the appointing authority appointing the vacating member shall appoint an individual to serve the remainder of the vacating member's term.

(e) A majority of the members appointed to the board constitutes a quorum. The affirmative votes of a majority of the members are required for the board to take action on any measure.

(f) Each member of the board is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) The board shall annually elect a chairperson who shall be the presiding officer of the board. The board may establish other officers and procedures as the board determines necessary.

(h) The board shall meet at least two (2) times each year. The chairperson may call additional meetings.

(i) The state department shall provide staff for the board. The state department shall maintain a registry of the members of the board. An appointing authority shall provide written confirmation of an appointment to the board to the state department in the form and manner specified by the state department.

(j) The board shall do the following:

(1) Consider policy matters relating to spinal cord and brain injury research projects and programs under this chapter.

(2) Consider research applications and make grants for approved research projects under this chapter.

(3) Formulate policies and procedures concerning the operation of the board.

(4) Review and authorize spinal cord and brain injury research projects and programs to be financed under this chapter. For purposes of this subdivision, the board may establish an independent scientific advisory panel composed of scientists and clinicians who are not members of the board to review proposals submitted to the board and make recommendations to the board. Collaborations are encouraged with other Indiana-based researchers as well as researchers located outside Indiana, including researchers in other countries.

(5) Review and approve progress and final research reports on projects authorized under this chapter.

(6) Review and make recommendations concerning the expenditure of money from the fund.

(7) Take other action necessary for the purpose stated in subsection (a).

(8) Provide to the governor, the general assembly, and the legislative council an annual report not later than January 30 of each year showing the status of funds appropriated under this chapter. The report to the general assembly and the legislative council must be in an electronic format under IC 5-14-6.

(k) A member of the board is exempt from civil liability arising or thought to arise from an action taken in good faith as a member of the board.

Sec. 6. The state department shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 48. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "board" refers to the spinal cord and brain injury research board created by IC 16-41-42-6, as added by this act.**

(b) Notwithstanding IC 16-41-42-6, as added by this act, members initially appointed to the board under IC 16-41-42-6(b)(1), IC 16-42-41-6(c)(1), and IC 16-42-41-6(c)(2), as added by this act, are appointed for a term of four (4) years.

(c) Notwithstanding IC 16-41-42-6, as added by this act, members initially appointed to the board under IC 16-41-42-6(c)(3) and IC 16-41-42-6(c)(4), as added by this act, are appointed for a term of three (3) years.

(d) Notwithstanding IC 16-41-42-6, as added by this act, members initially appointed to the board under IC 16-41-42-6(b)(4) and IC 16-41-42-6(c)(5), as added by this act, are appointed for a term of two (2) years.

(e) Notwithstanding IC 16-41-42-6, as added by this act, members initially appointed to the board under IC 16-41-42-6(b)(2) and IC 16-41-42-6(b)(3), as added by this act, are appointed for a term of one (1) year.

(f) This SECTION expires July 1, 2011.

SECTION 49. IC 21-16-2-2, AS ADDED BY SEA 526, SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 2. (a) The college work study fund is established to provide reimbursement to eligible employers who enter into agreements with the commission under this chapter.

(b) The fund consists of appropriations from the state general fund and contributions from private sources.

(c) The expenses of administering the fund shall be paid from money in the fund.

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

(e) Money in the fund at the end of a particular fiscal year does not revert to the state general fund **but remains available to be used for providing reimbursements under this chapter.**

SECTION 50. IC 21-16-4-11, AS ADDED BY SEA 526-2007, SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. Funds received under the loan program shall be deposited with the treasurer of state in a separate account known as the "student loan program fund". The money remaining in the student loan program fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing student loans under this chapter.** After consultation with the program director of the loan program, the treasurer of state shall invest the funds. The income earned on the invested amount is part of the fund.

SECTION 51. IC 21-16-5-17, AS ADDED BY SEA 526-2007, SECTION 257, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) The secondary market sale fund is established to provide money for school assessment testing and remediation, including reading recovery programs. The fund shall be administered by the budget agency.

(b) The expenses of administering the fund shall be paid from money in the fund. The fund consists of proceeds from the sale of assets of the Indiana Secondary Market for Education Loans, Incorporated.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest earned from these investments shall be credited to the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing money for school assessment testing and remediation, including reading recovery programs as allowed under this chapter.**

SECTION 52. IC 21-13-3-2, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds. Interest that accrues from those investments must be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund **but remains available to be used for providing money for nursing scholarships under this chapter.**

SECTION 53. IC 21-12-8-1, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The part-time student grant fund is established to make awards authorized under this chapter to eligible applicants.

(b) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the state to achieve the purposes of the fund.

(c) The fund shall be administered by the commission.

(d) The fund must be separate and distinct from other funds administered by the commission and money in the fund may not be exchanged with or transferred to other funds.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds are invested.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing money for part-time student grants under this chapter.**

SECTION 54. IC 21-45-2-1, AS ADDED BY SEA 526-2007, SECTION 286, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: Sec. 1. The board of trustees of Indiana University may establish ~~in the Indiana University School of Medicine~~ a ~~department~~ **school** of public health. ~~and~~ **The board of trustees shall** provide adequate equipment and competent personnel ~~to carry out~~ **for** the ~~purpose of this chapter.~~ **school of public health. The school of public health may use any property acquired before July 1, 2007, by Indiana University for the medical school department of public health.**

SECTION 55. IC 21-45-2-3, AS ADDED BY SEA 526-2007, SECTION 286, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The ~~Indiana University~~ school of ~~Medicine~~ **public health** may charge and collect a tuition fee for courses provided under section 2 of this chapter. The amount of the tuition fee for a course may not exceed the actual cost of providing the course. However, if, in the discretion of the board of trustees acting in conjunction with the state department of health, a tuition fee at cost would discourage attendance in any course provided under section 2 of this chapter, the tuition fee may be decreased or waived entirely for all persons taking the course.

SECTION 56. IC 21-38-8-2, AS ADDED BY SEA 526-2007, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The Indiana excellence in teaching endowment is established to provide state educational institutions with grants to match interest income generated by an endowment to attract and retain distinguished teachers. The fund shall be administered by the council.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of the state fiscal year does not revert to the state general fund **but remains available to be used for providing money for grants as allowed under this chapter.**

SECTION 57. IC 21-12-6-2, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The twenty-first century scholars fund is established to provide the financial resources necessary to award the scholarships authorized under the program.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing money for twenty-first century scholarships under this chapter.**

SECTION 58. IC 21-12-7-1, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The twenty-first century scholars program support fund is established to provide reimbursements to scholarship recipients to offset educational support costs incurred by scholarship recipients.

(b) The commission shall administer the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing money for twenty-first century scholarships under this chapter.**

SECTION 59. IC 21-13-4-1, AS ADDED BY SEA 526-2007, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The National Guard tuition supplement program fund is established to provide the financial resources necessary to award the tuition scholarships authorized under the program.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for national guard tuition supplement scholarships under this chapter.

SECTION 60. IC 21-43-6-2, AS ADDED BY SEA 526-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 2. **(a)** To be eligible to earn a high school diploma, an individual must be either:

(1) at least nineteen (19) years of age and not enrolled in a high school; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently.

(b) The school corporation in which an individual described in this subdivision has legal settlement shall pay the individual's ~~tuition~~ **costs** for high school level courses taken at Ivy Tech Community College during each year the individual is included in the school corporation's ADM.

SECTION 61. IC 21-17-3-8, AS ADDED BY SEA 526-2007, SECTION 258, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary educational institution who suffers loss or damage as a result of an occurrence described in section 5(c) of this chapter if the occurrence transpired after June 30, 1992, and as provided in section 25 of this chapter.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund **but remains available to be used for providing money for reimbursements allowed under this chapter.**

(f) Upon the fund acquiring fifty thousand dollars ($50,000), the balance in the fund must not become less than fifty thousand dollars ($50,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than fifty thousand dollars ($50,000); and

(2) the commission determines that the student is eligible for a reimbursement under the fund;

the commission shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than fifty thousand dollars ($50,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

SECTION 62. IC 20-20-35 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 35. Prekindergarten Grant Pilot Program

Sec. 1. As used in this chapter, "eligible provider" means any of the following:

(1) School corporations.
(2) Any entity providing a prekindergarten program that is accredited by the National Association for the Education of Young Children.
However, the term does not include a charter school or an entity affiliated with a charter school.

Sec. 2. As used in this chapter, "pilot program" refers to the pilot program established under section 3 of this chapter.

Sec. 3. (a) The department shall establish a pilot program to provide grants to eligible providers selected by the department to implement prekindergarten programs.

(b) The department shall administer the pilot program.

Sec. 4. (a) To be eligible for selection as a pilot program grant recipient, an eligible provider must do the following:
(1) Apply to the department for a grant, on forms provided by the department, and include a detailed description of the eligible provider's proposed prekindergarten program. The description must include at least the following information:
(A) An estimate of the number of students likely to participate.
(B) A description of the prekindergarten curriculum that will be instituted by the eligible provider. The prekindergarten curriculum must be consistent with the Foundations to the Indiana Academic Standards for Young Children (or successor standards adopted by the department of education).
(C) A description of how the curriculum of the proposed prekindergarten program aligns with existing programs and standards for students in kindergarten through grade 3.
(D) An estimate of the cost of implementing the prekindergarten program.
(2) Demonstrate a commitment by teachers, parents, and school administrators toward carrying out the proposed prekindergarten program.
(3) Comply with any other requirements set forth by the department.

(b) Subject to section 6 of this chapter, after review of the applications submitted under this section, the department shall do the following:
(1) Select the eligible providers that will participate in the pilot program.
(2) Provide grants to the eligible providers selected to participate in the pilot program.

(c) The education roundtable shall provide recommendations to the department concerning the criteria to be used by the department in selecting the eligible providers that will participate in the pilot program.

(d) The criteria to be used by the department in selecting the eligible providers that will participate in the pilot program must do the following:
(1) Include at least an evaluation of the following:
(A) The information submitted by the eligible provider under subsection (a).
(B) The coordination of the proposed prekindergarten program with local health services and social services.
(2) Take into consideration the requirements of section 6 of this chapter.

Sec. 5. A prekindergarten program that is part of the pilot program and is funded by a grant under this chapter:
(1) may serve only prekindergarten students who are at least four (4) years of age on September 1 of the school year; and
(2) may be a half-day or full-day program.

Sec. 6. The department shall:
(1) select a representative sample of eligible providers, determined through an application procedure, to participate in the pilot program;
(2) give priority to the selection of:
(A) lower performing school corporations; and
(B) private providers of prekindergarten programs located in areas served by lower performing school corporations; and
(3) to the extent possible, select eligible providers so that the pilot program will:
(A) achieve a geographic balance throughout Indiana;
(B) include urban, suburban, and rural eligible providers; and
(C) include both public eligible providers and private eligible providers.

Sec. 7. Subject to the approval of the department, an eligible provider participating in the pilot program may enter into a contract with an individual or a nonprofit entity for the operation and management of all or any part of a prekindergarten program funded by a grant under this chapter.

Sec. 8. Unexpended money appropriated to the department for the department's use in implementing the pilot program at the end of a state fiscal year does not revert to the state general fund but remains available to the department for the department's continued use under this chapter.

Sec. 9. The department shall adopt rules under IC 4-22-2 to implement this chapter. The rules must include the following:
(1) Minimum requirements concerning the prekindergarten curriculum that must be used by an eligible provider participating in the pilot program. The prekindergarten curriculum must be consistent with the Foundations to the Indiana Academic Standards for Young Children (or successor standards adopted by the department of education).
(2) The maximum class size of a prekindergarten program funded by a grant under this chapter.
(3) A requirement that each class in a prekindergarten program funded by a grant under this chapter must be taught by a teacher who has any of the following:
(A) A prekindergarten teacher's license.
(B) An early childhood education teacher's license.
(C) A degree in early childhood education, child development, elementary education, or early childhood special education.

Sec. 10. (a) Each eligible provider that participates in the pilot program shall annually prepare a written report detailing all the pertinent information concerning the implementation of the pilot program, including any recommendations made and conclusions drawn from the pilot program. The eligible provider must submit the report to the department before July 1 of each year.

(b) Before November 1 of each year, the department shall submit a report to the governor and the general assembly on the pilot program. The report must include the following:
(1) Any conclusions and recommendations made by the department concerning prekindergarten programs.
(2) Information concerning the cost of expanding the pilot program statewide.
(3) A description of any social programs or health programs that could be provided efficiently with prekindergarten programs.
A report submitted under this subsection to the general assembly must be in an electronic format under IC 5-14-6.

(c) The department shall monitor the performance of students who participate in the pilot program as those students continue their education in elementary school.

Sec. 11. This chapter expires July 1, 2014.

SECTION 63. IC 20-43-4-8, AS ADDED BY SEA 526-2007, SECTION 241, IS AMENDED TO READ AS FOLLOWS:

[EFFECTIVE JULY 1, 2007]: Sec. 8. A student who participates in:

(1) a postsecondary enrollment program under IC 21-43-4 is considered a student enrolled in the school corporation where the student has legal settlement for the purposes of computing ADM;

(2) a double up for college program under IC 21-43-5 is considered a student enrolled in the school corporation where the student has legal settlement for the purposes of computing ADM;

~~(2)~~ **(3)** a high school fast track to college program under IC 21-43-6 shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation; or

~~(3)~~ **(4)** a high school fast track to college program under IC 21-43-7 shall be counted in the ADM of the school corporation where the student has legal settlement if the student would be counted in the ADM of the school corporation had the student enrolled in the school corporation.

SECTION 64. IC 21-43-5-2, AS ADDED BY SEA 526-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The double up for college program is established for secondary school students in grades 11 and 12. School corporations and state educational institutions may collaborate to offer:

(1) early college;
(2) dual credit; or
(3) dual enrollment;

programs that meet the educational objectives of the school corporation and are offered by the state educational institutions **in secondary school locations.**

SECTION 65. IC 21-43-5-6, AS ADDED BY SEA 526-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) ~~The~~ **Courses offered under the** program ~~may include a course that is~~ **must be** listed in the:

(1) statewide core transfer library courses that are transferable on all campuses of the state educational institutions in accordance with the principles in IC 21-42-5-4; or

(2) articulation agreements that apply to any campus in the Ivy Tech Community College of Indiana system and to Vincennes University and draw from liberal arts and the technical, professional, and occupational fields.

(b) If a student passes a course through the program that is part of an articulation agreement between the state educational institution offering the course and other state educational institutions, the course shall transfer under the terms and standards of the articulation agreement between the state educational institutions.

SECTION 66. IC 21-43-5-10, AS ADDED BY SEA 526-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. A state educational institution may grant financial assistance, **including a waiver of tuition not otherwise covered by IC 21-14-8,** to a student for courses taken under this program based on:

(1) the student's financial need;
(2) the student's academic achievement; or
(3) any other criteria.

SECTION 67. 21-43-5-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 14. Ivy Tech Community College is entitled to reimbursement for the costs incurred to deliver courses under this chapter that are taken:**

(1) at an Ivy Tech Community College site; and

(2) by a student for whom Ivy Tech Community College has waived tuition under this chapter or IC 21-14-8.

The school corporation in which the student described in subdivision (2) resides shall pay the individual's tuition to Ivy Tech Community College for each year the student is included in the school corporation's ADM.

SECTION 68. IC 22-4-26-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Money credited to the account of this state in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to 42 U.S.C. 1103, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this article and public employment offices pursuant to a specific appropriation by the general assembly, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation statute which:

(1) specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(2) except as provided in subsection (i), limits the period within which such money may be obligated to a period ending not more than two (2) years after the date of the enactment of the appropriation statute; and

(3) limits the total amount which may be obligated during a twelve (12) month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which:

(A) the aggregate of the amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, during such twelve (12) month period and the twenty-four (24) preceding twelve (12) month periods; exceeds

(B) the aggregate of the amounts obligated by this state pursuant to this section and amounts paid out for benefits and charged against the amounts credited to the account of this state during such twenty-five (25) twelve (12) month periods.

(b) For the purposes of this section, amounts obligated by this state during any such twelve (12) month period shall be charged against equivalent amounts which were first credited and which have not previously been so charged, except that no amount obligated for administration of this article and public employment offices during any such twelve (12) month period may be charged against any amount credited during such twelve (12) month period earlier than the fourteenth preceding such twelve (12) month period.

(c) Amounts credited to the account of this state pursuant to 42 U.S.C. 1103, as amended, may not be obligated except for the payment of cash benefits to individuals with respect to their unemployment and for the payment of expenses incurred for the administration of this article and public employment offices pursuant to this section.

(d) Money appropriated as provided in this section for the payment of expenses incurred for the administration of this article and public employment offices pursuant to this section shall be requisitioned as needed for payment of obligations incurred under such appropriation and upon requisition shall be deposited in the employment and training services administration fund but, until expended, shall remain a part of the unemployment insurance benefit fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for any reason not to be expended for the purpose for which it was appropriated, or if it remains unexpended at the end of the period specified by the statute appropriating such money, it shall be withdrawn and returned to the Secretary of the Treasury of the United States for credit to this state's account in the unemployment trust fund.

(e) There is appropriated out of the funds made available to Indiana under Section 903 of the Social Security Act, as

amended by Section 209 of the Temporary Extended Unemployment Compensation Act of 2002 (which is Title II of the federal Jobs Creation and Worker Assistance Act of 2002, Pub.L107-147), seventy-two million two hundred thousand dollars ($72,200,000) to the department of workforce development. The appropriation made by this subsection is available for ten (10) state fiscal years beginning with the state fiscal year beginning July 1, 2003. Unencumbered money at the end of a state fiscal year does not revert to the state general fund.

(f) Money appropriated under subsection (e) is subject to the requirements of IC 22-4-37-1.

(g) Money appropriated under subsection (e) may be used only for the following purposes:

(1) The administration of the Unemployment Insurance (UI) program and the Wagner Peyser public employment office program.

(2) Acquiring land and erecting buildings for the use of the department of workforce development.

(3) Improvements, facilities, paving, landscaping, and equipment repair and maintenance that may be required by the department of workforce development.

(h) In accordance with the requirements of subsection (g), the department of workforce development may allocate up to the following amounts from the amount described in subsection (e) for the following purposes:

(1) Thirty-nine million two hundred thousand dollars ($39,200,000) to be used for the modernization of the Unemployment Insurance (UI) system beginning July 1, 2003, and ending June 30, 2013.

(2) For:

(A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, five million dollars ($5,000,000);

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, five million dollars ($5,000,000);

(C) the state fiscal year beginning after June 30, 2005, and ending before July 1, 2006, five million dollars ($5,000,000);

(D) the state fiscal year beginning after June 30, 2006, and ending before July 1, 2007, five million dollars ($5,000,000); ~~and~~

(E) the state fiscal year beginning after June 30, 2007, and ending before July 1, 2008, five million dollars ($5,000,000); **and**

(F) state fiscal years beginning after June 30, 2008, and ending before July 1, 2012, the unused part of any amount allocated in any year for any purpose under this subsection;

for the JOBS proposal to meet the workforce needs of Indiana employers in high wage, high skill, high demand occupations.

(3) For:

(A) the state fiscal year beginning after June 30, 2003, and ending before July 1, 2004, four million dollars ($4,000,000);

(B) the state fiscal year beginning after June 30, 2004, and ending before July 1, 2005, four million dollars ($4,000,000);

to be used by the workforce investment boards in the administration of Indiana's public employment offices.

(i) The amount appropriated under subsection (e) for the payment of expenses incurred in the administration of this article and public employment is not required to be obligated within the two (2) year period described in subsection (a)(2).

SECTION 69. IC 33-37-5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 21. (a) This section applies to all civil, criminal, infraction, and ordinance violation actions.

(b) The clerk shall collect ~~the following~~ **a seven dollar ($7)** automated record keeping fee.

(1) Seven dollars ($7) after June 30, 2003, and before July 1, ~~2009.~~ **2011.**

(2) Four dollars ($4) after June 30, ~~2009.~~ **2011.**

SECTION 70. IC 34-30-2-83.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 83.5. IC 16-41-42-6 (Concerning members of the spinal cord and brain injury research board).**

SECTION 71. IC 35-38-4-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) This section applies to state reimbursement of expenses for conducting a new trial if:**

(1) a defendant is convicted of an offense in a criminal proceeding conducted in a trial court;

(2) the defendant appeals the defendant's conviction to the Indiana court of appeals or Indiana supreme court; and

(3) the court of appeals or supreme court remands the case to the trial court for a new trial.

(b) Subject to subsection (d), the state shall reimburse the trial court, the prosecuting attorney, and, if the defendant is represented by a public defender, the public defender for expenses:

(1) incurred by the trial court, prosecuting attorney, and public defender in conducting a new trial described in subsection (a); and

(2) that would ordinarily be paid by the county in which the trial court is located.

(c) The expenses of a trial court, prosecuting attorney, and public defender reimbursed under this section:

(1) may not include any salary or other remuneration paid to a trial court judge, prosecuting attorney, deputy prosecuting attorney, or public defender; and

(2) must be paid from money in the state general fund.

(d) The office division of state court administration (IC 33-24-6-1) shall administer a program to pay claims for reimbursement under this section. The maximum amount that may be reimbursed for all proceedings and all offenses arising out of the same facts is fifty thousand dollars ($50,000). The maximum amount that may paid in any particular year for all expenses otherwise eligible for reimbursement under this section is one million dollars ($1,000,000). If the total of all claims that would otherwise be eligible for reimbursement under this section exceed the maximum amount that may be reimbursed under this subsection, the division of state court administration shall prorate reimbursement of eligible expenses, as determined by the division of state court administration.

SECTION 72. IC 4-13-2-20, AS AMENDED BY SEA 526-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) Except as otherwise provided in this section, IC 12-17-19-19, or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

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

(1) War surplus property.

(2) Property purchased or leased from the United States government or its agencies.

(3) Dues and subscriptions.

(4) License fees.

(5) Insurance premiums.

(6) Utility connection charges.

(7) Federal grant programs where advance funding is not prohibited and, except as provided in subsection (i), the

contracting party posts sufficient security to cover the amount advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the Indiana economic development corporation and that are located outside Indiana.

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

(14) Maintenance of equipment and maintenance of software if there are appropriate contractual safeguards for refunds as determined by the budget agency.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any agency and any state educational institution may make advance payments to its employees for duly accountable expenses exceeding ten dollars ($10) incurred through travel approved by:

(1) the employee's respective agency director, in the case of an agency; and

(2) a duly authorized person, in the case of any state educational institution.

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

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

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

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

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

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.

(3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.

(4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.

(f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.

(g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:

(1) is authorized to make the disbursement; and

(2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.

(h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:

(1) the officer complies with the procedures described in subsection (g); and

(2) funds are appropriated and available to pay the warrant.

(i) For contracts entered into between the department of workforce development or the Indiana commission ~~on vocational~~ **for career** and technical education and:

(1) a school corporation (as defined in IC 20-18-2-16); or

(2) a state educational institution;

the contracting parties are not required to post security to cover the amount advanced.

SECTION 73. IC 4-23-20-3, AS AMENDED BY P.L.161-2006, SECTION 2, AND AS AMENDED BY P.L.141-2006, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The committee consists of at least six (6) members appointed by the governor and must include representatives of the following:

(1) The Indiana economic development corporation.

(2) The department of workforce development.

(3) The division of disability ~~*aging,*~~ and rehabilitative services.

(4) The commission ~~on vocational~~ **for career** and technical education of the department of workforce development.

(5) The state ~~*human resource investment*~~ *workforce innovation* council.

(6) The department of education.

SECTION 74. IC 21-18-1-7, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. ~~"Vocational~~ **"Career and technical** education" means any postsecondary vocational, agricultural, occupational, manpower, employment, or technical training or retraining of less than a baccalaureate level that:

(1) is offered by a state educational institution; and

(2) enhances an individual's career potential.

SECTION 75. IC 21-18-6-1, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The general purposes of the commission are the following:

(1) Plan for and coordinate Indiana's state supported system of postsecondary education.

(2) Review appropriation requests of state educational institutions.

(3) Make recommendations to the governor, budget agency, or the general assembly concerning postsecondary education.

(4) Perform other functions assigned by the governor or the general assembly, except those functions specifically assigned by law to the commission ~~on vocational~~ **for career** and technical education.

SECTION 76. IC 21-18-10-1, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The commission may consult with and make recommendations to the commission ~~on vocational~~ **for career** and technical education on all postsecondary ~~vocational~~ **career and technical** education programs.

SECTION 77. IC 21-18-10-2, AS ADDED BY SEA

526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 2. The commission shall biennially prepare a plan for implementing postsecondary ~~vocational~~ **career and technical** education programming after considering the long range state plan developed under IC 22-4.1-13-9. The commission shall submit the ~~vocational education~~ plan to the commission ~~on vocational~~ **for career** and technical education for its review and recommendations. The commission shall specifically report on how the ~~vocational education~~ plan addresses preparation for employment.

SECTION 78. IC 21-18-10-3, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 3. The commission may also make recommendations to the general assembly concerning the ~~vocational education~~ plan **under section 2 of this chapter.**

SECTION 79. IC 21-18-10-4, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 4. The commission may submit to the commission ~~on vocational~~ **for career** and technical education for its review under IC 22-4.1-13-15 the legislative budget requests prepared by state educational institutions for state and federal funds for ~~vocational~~ **career and technical** education. These budget requests must:

(1) be prepared upon request of the budget director;

(2) cover the period determined by the budget director; and

(3) be made available to the commission ~~on vocational~~ **for career** and technical education before review by the budget committee.

SECTION 80. IC 21-18-10-5, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 5. The commission may:

(1) make or cause to be made studies of the needs for various types of postsecondary ~~vocational~~ **career and technical** education; and

(2) submit to the commission ~~on vocational~~ **for career** and technical education the commission's findings in this regard.

SECTION 81. IC 21-18-10-6, AS ADDED BY SEA 526-2007, SECTION 259, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 6. (a) The commission may develop a definition for and report biennially to the:

(1) general assembly;

(2) governor; and

(3) commission ~~on vocational~~ **for career** and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state ~~vocational~~ **career and technical** education.

(b) A report under this section to the general assembly must be in an electronic format under IC 5-14-6.

SECTION 82. IC 21-43-30-5, AS ADDED BY SEA 526-2007, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 5. The Indiana commission ~~on vocational~~ **for career** and technical education shall do the following:

(1) Provide opportunities for adult learners to achieve a postsecondary level certificate of achievement.

(2) Adopt rules under IC 4-22-2 to implement this chapter in accordance with the recommendations of the workforce proficiency panel concerning standards for the certificates of achievement.

SECTION 83. IC 21-42-2-2, AS ADDED BY SEA 526-2007, SECTION 283, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 2. A state educational institution may award advanced standing to a student who has successfully completed ~~vocational~~ **career and technical** education courses at another postsecondary institution or at a secondary school. However, the state educational institution may require the student to successfully complete:

(1) equivalency testing;

(2) testing of competency; or

(3) an additional course;

in the subject area before awarding credit for those ~~vocational~~ **career and technical** education courses.

SECTION 84. IC 21-42-2-3, AS ADDED BY SEA 526-2007, SECTION 283, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 3. A state educational institution and:

(1) a school corporation; or

(2) another postsecondary institution;

may enter into a contract providing the terms and conditions under which the state educational institution will award advanced standing to a student who has successfully completed ~~vocational~~ **career and technical** education courses offered by the school corporation or other postsecondary institution.

SECTION 85. IC 21-22-6-8, AS ADDED BY SEA 526-2007, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 8. A regional board shall do the following:

(1) Make a careful analysis of the educational needs and opportunities of the region.

(2) Develop and recommend to the state board of trustees, a plan for providing postsecondary:

(A) general education;

(B) liberal arts education; and

(C) occupational and technical education;

for the residents of that region.

(3) Develop and recommend a budget for regional programs and operations.

(4) Identify and recommend alternative methods of acquiring or securing facilities and equipment necessary for the delivery of effective regional programs.

(5) Facilitate and develop regional cooperation with employers, community leaders, economic development efforts, area ~~vocational~~ **career and technical education** centers, and other public and private education and training entities in order to provide postsecondary general, liberal arts, and occupational and technical education and training in an efficient and cost effective manner and to avoid duplication of services.

(6) Determine through evaluation, studies, or assessments the degree to which the established training needs of the region are being met.

(7) Make recommendations to the state board of trustees concerning policies that appear to substantially affect the regional board's capacity to deliver effective and efficient programming.

SECTION 86. IC 20-18-2-26, AS ADDED BY P.L.1-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. (a) "Transferred student" means a student attending school in a school corporation in which the student does not have legal settlement.

(b) For purposes of subsection (a), a student is considered attending school in a school corporation when:

(1) the student is confined by a disability to a place outside the school corporation's facilities and receives instruction from school corporation personnel;

(2) the student attends a special **education school** or ~~vocational~~ **career and technical** education school in which the school corporation of the student's legal settlement provides cooperatively a portion of the cost; or

(3) the student is in another similar situation.

SECTION 87. IC 20-19-2-17, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: Sec. 17. The provisions of an act of Congress entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the states in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the states in the preparation of teachers of ~~vocational~~ **career and technical education** subjects; and to appropriate money and regulate its expenditure," are accepted by the state as to the following:

(1) Appropriations for the salaries of:
(A) teachers;
(B) supervisors; or
(C) directors;
of agricultural subjects.

(2) Appropriations for salaries for teachers of trade and industrial subjects.

(3) Appropriations for the training of teachers of ~~vocational~~ **career and technical education** subjects.

SECTION 88. IC 20-19-2-18, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) The treasurer of state is designated as the custodian for ~~vocational~~ **career and technical** education.

(b) The treasurer of state shall do the following:

(1) Receive money paid to the state from the United States treasury under the act of Congress described in section 17 of this chapter.

(2) Pay the money described in subdivision (1), upon the warrant of the auditor of state, when the money is certified by the state board.

SECTION 89. IC 20-19-2-19, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. The state board:

(1) is designated as the state agency to carry out the provisions of the act of Congress described in section 17 of this chapter, so far as the act relates to the cooperation of the state and federal government; and

(2) may take all necessary steps in:
(A) forming plans to promote education in agriculture, trades, and industries; and
(B) forming and executing plans to prepare teachers of ~~vocational~~ **career and technical** subjects.

SECTION 90. IC 20-20-1-2, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) As used in this chapter, "educational service center" means an extended agency of school corporations that:

(1) operates under rules established by the state board;

(2) is the administrative and operational unit that serves a definitive geographical boundary; and

(3) allows school corporations to voluntarily cooperate and share programs and services that the school corporations cannot individually provide but collectively may implement.

(b) Programs and services collectively implemented through an educational service center may include, but are not limited to, the following:

(1) Curriculum development.
(2) Pupil personnel and special education services.
(3) In-service education.
(4) State-federal liaison services.
(5) Instructional materials and multimedia services.
(6) ~~Vocational and~~ Career **and technical** education.
(7) Purchasing and financial management.
(8) Needs assessment.
(9) Computer use.
(10) Research and development.

SECTION 91. IC 20-20-8-8, AS AMENDED BY P.L.185-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. The report must include the following information:

(1) Student enrollment.
(2) Graduation rate (as defined in IC 20-26-13-6).
(3) Attendance rate.
(4) The following test scores, including the number and percentage of students meeting academic standards:
(A) ISTEP program test scores.
(B) Scores for assessments under IC 20-32-5-21, if appropriate.
(C) For a freeway school, scores on a locally adopted assessment program, if appropriate.
(5) Average class size.
(6) The number and percentage of students in the following groups or programs:
(A) Alternative education, if offered.
(B) ~~Vocational~~ **Career and technical** education.
(C) Special education.
(D) Gifted or talented **education,** if offered.
(E) Remediation.
(F) Limited English language proficiency.
(G) Students receiving free or reduced price lunch under the national school lunch program.
(H) School flex program, if offered.
(7) Advanced placement, including the following:
(A) For advanced placement tests, the percentage of students:
(i) scoring three (3), four (4), and five (5); and
(ii) taking the test.
(B) For the Scholastic Aptitude Test:
(i) test scores for all students taking the test;
(ii) test scores for students completing the academic honors diploma program; and
(iii) the percentage of students taking the test.
(8) Course completion, including the number and percentage of students completing the following programs:
(A) Academic honors diploma.
(B) Core 40 curriculum.
(C) ~~Vocational~~ **Career and technical** programs.
(9) The percentage of grade 8 students enrolled in algebra I.
(10) The percentage of graduates who pursue higher education.
(11) School safety, including:
(A) the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons; and
(B) the number of incidents reported under IC 20-33-9.
(12) Financial information and various school cost factors, including the following:
(A) Expenditures per pupil.
(B) Average teacher salary.
(C) Remediation funding.
(13) Technology accessibility and use of technology in instruction.
(14) Interdistrict and intradistrict student mobility rates, if that information is available.
(15) The number and percentage of each of the following within the school corporation:
(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).
(B) Teachers who teach the subject area for which the teacher is certified and holds a license.
(C) Teachers with national board certification.
(16) The percentage of grade 3 students reading at grade 3 level.
(17) The number of students expelled, including the number participating in other recognized education programs during their expulsion.
(18) Chronic absenteeism, which includes the number of

students who have been absent more than ten (10) days from school within a school year without being excused.

(19) The number of students who have dropped out of school, including the reasons for dropping out.

(20) The number of student work permits revoked.

(21) The number of student driver's licenses revoked.

(22) The number of students who have not advanced to grade 10 due to a lack of completed credits.

(23) The number of students suspended for any reason.

(24) The number of students receiving an international baccalaureate diploma.

(25) Other indicators of performance as recommended by the education roundtable under IC 20-19-4.

SECTION 92. IC 20-20-13-6, AS AMENDED BY P.L.2-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The educational technology program and fund is established to provide and extend educational technologies to elementary and secondary schools for:

(1) the 4R's technology grant program to assist school corporations (on behalf of public schools) in purchasing technology equipment:

(A) for kindergarten and grade 1 students, to learn reading, writing, and arithmetic using technology;

(B) for students in all grades, to understand that technology is a tool for learning; and

(C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;

(2) providing educational technologies, including computers in the homes of students;

(3) conducting educational technology training for teachers; and

(4) other innovative educational technology programs.

(b) The department may also use money in the fund under contracts entered into with the office of technology established by IC 4-13.1-2-1 to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:

(1) Elementary and secondary schools.

(2) Institutions of higher learning.

(3) ~~Vocational~~ **Career and technical** educational **centers and** institutions.

(4) Libraries.

(5) Any other agencies offering education and training programs.

(c) The fund consists of:

(1) state appropriations;

(2) private donations to the fund;

(3) money directed to the fund from the corporation for educational technology under IC 20-20-15; or

(4) any combination of the amounts described in subdivisions (1) through (3).

(d) The program and fund shall be administered by the department.

(e) Unexpended money appropriated to or otherwise available in the fund for the department's use in implementing the program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.

(f) Subject to section 7 of this chapter, a school corporation may use money from the school corporation's capital projects fund as permitted under IC 20-40-8 for educational technology equipment.

SECTION 93. IC 20-20-20-1, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "commission" refers to the Indiana commission ~~on vocational~~ **for career** and technical education of the department of workforce development established by IC 22-4.1-13-6.

SECTION 94. IC 20-20-20-2, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, ~~"vocational~~ **"career and technical** education" means any secondary level vocational, agricultural, occupational, manpower, or technical training or retraining that:

(1) enhances an individual's career potential and further education; and

(2) is accessible to individuals who desire to explore and learn for economic and personal growth leading to employment opportunities.

SECTION 95. IC 20-20-20-3, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The state board shall do the following:

(1) Establish and monitor the operation of secondary level ~~vocational~~ **career and technical** education in Indiana in accordance with the comprehensive long range state plan developed by the commission under IC 22-4.1-13-9.

(2) Establish a list of approved secondary level ~~vocational~~ **career and technical** education courses in accordance with the workforce partnership plans under IC 22-4.1-14.

(b) The state board may authorize the department, whenever practical or necessary, to assist in carrying out the duties prescribed by this chapter.

(c) The state board shall do the following:

(1) Implement, to the best of its ability, its ~~vocational~~ **career and technical** education plan prepared under section 4 of this chapter.

(2) Investigate the funding of ~~vocational~~ **career and technical** education on a cost basis.

(3) Cooperate with the commission in implementing the long range plan prepared by the commission under IC 22-4.1-13-9.

SECTION 96. IC 20-20-20-4, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The state board shall biennially prepare a plan for implementing ~~vocational~~ **career and technical** education and shall submit the plan to the commission for its review and recommendations.

SECTION 97. IC 20-20-20-5, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The state board shall make recommendations to the commission on all secondary level ~~vocational~~ **career and technical** education.

SECTION 98. IC 20-20-20-6, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Upon request of the budget director, the department shall prepare a legislative budget request for state and federal funds for ~~vocational~~ **career and technical** education. The budget director shall determine the period to be covered by the budget request. This budget request shall be made available to the commission under IC 22-4.1-13-15 before review by the budget committee.

SECTION 99. IC 20-20-20-7, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The department shall distribute state funds made available for ~~vocational~~ **career and technical** education that have been appropriated by the general assembly in accordance with the general assembly appropriation and the plan prepared by the state board under section 4 of this chapter.

SECTION 100. IC 20-20-20-8, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: Sec. 8. The state board shall develop a definition for and report biennially to the:

(1) general assembly;

(2) governor; and

(3) commission;

on attrition and persistence rates by students enrolled in secondary ~~vocational~~ **career and technical** education. A biennial report under this section to the general assembly must be in an electronic format under IC 5-14-6.

SECTION 101. IC 20-22-2-12, AS ADDED BY P.L.1-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. The school may establish a ~~vocational~~ **career and technical** work-study program.

SECTION 102. IC 20-25-4-17, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) If a school city acquires title to or possession of real estate, buildings, and personal property in the school city by gift or donation, and the real estate, building, or personal property was used as an industrial or trade school for the education of youths in the trades of:

(1) printing;

(2) lithography;

(3) machine making;

(4) molding;

(5) typesetting;

(6) bricklaying;

(7) tile setting;

(8) pattern making;

(9) pharmacy; or

(10) other trades or occupations;

the board may, by the use of the board's school funds, maintain and operate the industrial or trade school or schools.

(b) If real estate, a building, or personal property is acquired by the school city under subsection (a), the board shall:

(1) perform any conditions incident to the school city's acquisition of the property;

(2) maintain and operate the trade school and real estate, building, or personal property;

(3) employ competent instructors in the various subjects to be taught;

(4) purchase all necessary tools, implements, supplies, and apparatus; and

(5) establish general rules and requirements for:

(A) admission of pupils to the school or schools;

(B) the courses of instruction; and

(C) the conduct of the trade or industrial schools;

that, in the board's judgment, will produce the best results and give instruction to the largest practicable number of students.

The school city may also use the real estate, building, or personal property acquired under subsection (a) for other school purposes, but not for any purpose that will materially interfere with the conduct of the trade or industrial schools.

(c) The transfer tuition charge for each student who:

(1) is transferred to the school city from another school corporation in Indiana; and

(2) receives trade or industrial instruction in a trade or industrial school located on property acquired under subsection (a);

must be the actual per capita cost of operating the school the student attends. However, the costs of permanent improvements or additions, the salaries of the superintendents, or the costs of apparatus or repairing broken or damaged apparatus may not be used in computing the actual per capita cost.

(d) If the school city admits a student to a trade school acquired by means described in this section and the student is not, by law, entitled to school privileges, the tuition charge for the student may not be greater than the per capita cost of operating the school the student attends. The cost of permanent improvements and additions may not be included in computing the cost under this subsection.

(e) A school city may admit to the school city's ~~vocational,~~ **career and technical,** trade, or industrial schools nonresidents of Indiana. A nonresident student must pay reasonable laboratory and shop fees and a tuition fee of not more than the per student cost to the school city conducting the ~~vocational,~~ **career and technical,** trade, or industrial schools. A return on capital invested in buildings, grounds, or equipment may not be included in computing the per student cost under this subsection.

SECTION 103. IC 20-25-4-18, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) A school city may accept property in trust to be used for common school or ~~vocational,~~ **career and technical,** trade, or industrial school purposes. The school city, whether made trustee by appointment of a court or by the founder of the trust, may carry out the terms of the trust in conducting common schools or ~~vocational,~~ **career and technical,** trade, or industrial schools.

(b) If a school city by:

(1) resolution of; or

(2) other formal corporate action of;

the board accepts real estate or other property in trust under subsection (a), the school city shall perform all requirements made conditions of the trust performable by the trustee.

SECTION 104. IC 20-26-10-1, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in sections 2 through 9 of this chapter, "joint program" means the joint employment of personnel, joint purchase of supplies or other material, or joint purchase or lease of equipment, joint lease of land or buildings, or both, or joint construction of, remodeling of, or additions to school buildings, by two (2) or more school corporations, for a particular program or purpose. The term includes the joint investment of money under IC 5-13, data processing operations, ~~vocational~~ **career and technical** education, psychological services, audiovisual services, guidance services, special education, and joint purchasing related to the acquisition of supplies or equipment that are not to be used jointly.

SECTION 105. IC 20-26-11-13, AS AMENDED BY P.L.2-2006, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, ~~vocational training,~~ **career and technical education,** or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of

school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (½) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

(1) be entered into for a period of not more than five (5) years with an option to renew;

(2) specify a maximum number of students to be transferred; and

(3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) ~~If the~~ **A** school corporation ~~can meet the requirements of IC 20-43-9-8, it~~ may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

(1) be for one (1) year or longer; and

(2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.

SECTION 106. IC 20-26-11-20, AS AMENDED BY P.L.2-2006, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) As used in sections 19 through 29 of this chapter, "class of school" refers

to a classification of each school in the transferee corporation by the grades taught therein (generally denominated as elementary schools, middle schools or junior high schools, high schools, and special schools such as schools for special education, ~~vocational training,~~ **career and technical education,** or career education). Elementary schools include schools containing kindergarten, but for purposes of this chapter, a kindergarten student shall be counted as one-half (½) student.

(b) As used in sections 19 through 29 of this chapter, "transferee corporation" means the school corporation receiving students under a court order described in section 19 of this chapter.

(c) As used in sections 19 through 29 of this chapter, "transferor corporation" means the school corporation transferring students under a court order described in section 19 of this chapter.

(d) As used in sections 19 through 29 of this chapter, "transferred student" means any student transferred under a court order described in section 19 of this chapter.

SECTION 107. IC 20-28-2-2, AS ADDED BY P.L.246-2005, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The advisory board of the division of professional standards is established to advise the superintendent, the board, the department, and the division on matters concerning teacher education, licensing, and professional development. The advisory board consists of nineteen (19) voting members.

(b) Except as otherwise provided, each voting member of the advisory board described in this subsection must be actively employed by a school corporation. Eighteen (18) members shall be appointed by the governor as follows:

(1) One (1) member must hold a license and be actively employed in a public school as an Indiana school superintendent.

(2) Two (2) members must:

(A) hold licenses as public school principals;

(B) be actively employed as public school principals; and

(C) be employed at schools having dissimilar grade level configurations.

(3) One (1) member must:

(A) hold a license as a special education director; and

(B) be actively employed as a special education director in:

(i) a school corporation; or

(ii) a public school special education cooperative.

(4) One (1) member must be a member of the governing body of a school corporation but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(5) Three (3) members must meet the following conditions:

(A) Represent Indiana teacher education units within Indiana public and private institutions of higher education.

(B) Hold a teacher's license but not necessarily an Indiana teacher's license.

(C) Be actively employed by the respective teacher education units.

The members described in this subdivision are not required to be employed by a school corporation.

(6) Nine (9) members must be licensed and actively employed as Indiana public school teachers in the following categories:

(A) At least one (1) member must hold an Indiana standard early childhood education license.

(B) At least one (1) member must hold an Indiana teacher's license in elementary education.

(C) At least one (1) member must hold an Indiana teacher's license for middle/junior high school education.

(D) At least one (1) member must hold an Indiana teacher's license in high school education.

(7) One (1) member must be a member of the business community in Indiana but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(c) Each member described in subsection (b)(6) must be licensed and actively employed as a practicing teacher in at least one (1) of the following areas to be appointed:

(1) At least one (1) member must be licensed in special education.

(2) At least one (1) member must be licensed in ~~vocational~~ **career and technical** education.

(3) At least one (1) member must be employed and licensed in student services, which may include school librarians or psychometric evaluators.

(4) At least one (1) member must be licensed in social science education.

(5) At least one (1) member must be licensed in fine arts education.

(6) At least one (1) member must be licensed in English or language arts education.

(7) At least one (1) member must be licensed in mathematics education.

(8) At least one (1) member must be licensed in science education.

(d) At least one (1) member described in subsection (b) must be a parent of a student enrolled in a public preschool or public school within a school corporation in either kindergarten or any of grades 1 through 12.

(e) The state superintendent shall serve as an ex officio voting member of the advisory board. The state superintendent may make recommendations to the governor as to the appointment of members on the advisory board.

SECTION 108. IC 20-28-11-2, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. Each:

(1) school corporation;

(2) school created by an interlocal agreement under IC 36-1-7;

(3) special education cooperative under IC 20-35-5; and

(4) cooperating school corporation for ~~vocational~~ **career and technical** education under IC 20-37-1;

shall develop and implement a plan to evaluate the performance of each certificated employee (as defined in IC 20-29-2-4).

SECTION 109. IC 20-29-2-12, AS ADDED BY P.L.1-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. "School corporation" means a local public school corporation established under Indiana law. The term includes any:

(1) school city;

(2) school town;

(3) school township;

(4) consolidated school corporation;

(5) metropolitan school district;

(6) township school corporation;

(7) county school corporation;

(8) united school corporation;

(9) community school corporation; and

(10) public ~~vocational~~ **career and technical education center or** school or school for children with disabilities established or maintained by two (2) or more school corporations.

SECTION 110. IC 20-30-9-7, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The state superintendent may assist and stimulate school corporations in developing and establishing bilingual-bicultural educational services and

programs specifically designed to improve educational opportunities for non-English dominant students. Funds may be used for the following:

(1) To provide educational services not available to the non-English dominant students in sufficient quantity or quality, including:

(A) remedial and compensatory instruction, psychological, and other services designed to assist and encourage non-English dominant students to enter, remain in, or reenter elementary or secondary school;

(B) comprehensive academic **instruction** and ~~vocational~~ **career and technical** instruction;

(C) instructional materials (such as library books, textbooks, and other printed or published or audiovisual materials) and equipment;

(D) comprehensive guidance, counseling, and testing services;

(E) special education programs for persons with disabilities;

(F) preschool programs; and

(G) other services that meet the purposes of this subdivision.

(2) ~~For the establishment and operation of~~ **To establish and operate** exemplary and innovative educational programs and resource centers that involve new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for non-English dominant students.

SECTION 111. IC 21-43-1-5, AS ADDED BY SEA 526-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. "Postsecondary credit":

(1) for purposes of IC 21-43-2, means credit toward:

(A) an associate degree;

(B) a baccalaureate degree; or

(C) a ~~vocational~~ **career and technical education** certification;

granted by a state educational institution upon the successful completion of a course taken under a program established under IC 21-43-2; and

(2) for purposes of IC 21-43-5, means credit toward:

(A) an associate degree;

(B) a baccalaureate degree; or

(C) a ~~vocational~~ **career and technical education** certification;

granted by a state educational institution upon the successful completion of a course taken under a program established under IC 21-43-5.

SECTION 112. IC 20-30-15-1, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "agricultural education" means the form of ~~vocational~~ **career and technical** education that prepares an individual for the occupations connected with:

(1) the tillage of soil;

(2) the care of domestic animals;

(3) forestry; and

(4) other wage earning or productive work on the farm.

SECTION 113. IC 20-30-15-3, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "home economics education" means the form of ~~vocational~~ **career and technical** education that prepares an individual for occupations connected with the household.

SECTION 114. IC 20-30-15-4, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "industrial education" means the form of ~~vocational~~ **career and technical** education that prepares an individual for the trades, crafts, and wage earning pursuits. The term includes the occupations performed in stores, workshops, and other establishments.

SECTION 115. IC 20-30-15-5, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, ~~"vocational~~ **"career and technical** education" means any education that has the major purpose of preparing an individual for profitable employment.

SECTION 116. IC 20-32-3-13, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The state board shall, in cooperation with the Indiana commission ~~on vocational~~ **for career** and technical education within the department of workforce development, adopt rules under IC 4-22-2 to implement this chapter, including rules concerning the administration of the secondary level certificates of achievement by the department of workforce development.

SECTION 117. IC 20-33-1-1, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The following is the public policy of the state:

(1) To provide equal, nonsegregated, nondiscriminatory educational opportunities and facilities for all, regardless of race, creed, national origin, color, or sex.

(2) To provide and furnish public schools and common schools equally open to all and prohibited and denied to none because of race, creed, color, or national origin.

(3) To reaffirm the principles of the Bill of Rights, civil rights, and the Constitution of the State of Indiana.

(4) To provide for the state and the citizens of Indiana a uniform democratic system of public and common school education.

(5) To abolish, eliminate, and prohibit segregated and separate schools or school districts on the basis of race, creed, or color.

(6) To eliminate and prohibit segregation, separation, and discrimination on the basis of race, color, or creed in the public kindergartens, common schools, public schools, ~~vocational~~ **career and technical education centers or** schools, colleges, and universities of Indiana.

SECTION 118. IC 20-33-3-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. A child who is at least sixteen (16) years of age and less than eighteen (18) years of age may be employed the same daily and weekly hours and at the same times of day as adults if the child is a member of any of the following categories:

(1) The child is a high school graduate.

(2) The child has completed an approved ~~vocational~~ **career and technical education program** or special education program.

(3) The child is not enrolled in a regular school term.

SECTION 119. IC 20-33-8-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. (a) As used in this section, "special school" includes the following:

(1) A ~~vocational~~ **career and technical education** school.

(2) A special education school or program.

(3) An alternative school or program.

(b) To the extent possible, this chapter applies to a special school.

(c) The governing body of a special school may make necessary modifications to the responsibilities of school personnel under this chapter to accommodate the administrative structure of a special school.

(d) In addition to a disciplinary action imposed by a special school, the principal of the school where a student is enrolled may without additional procedures adopt a disciplinary action or

decision of a special school as a disciplinary action of the school corporation.

SECTION 120. IC 20-34-3-19, AS ADDED BY P.L.1-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) Each public school student and teacher shall wear industrial quality eye protective devices at all times while participating in any of the following courses:

(1) ~~Vocational or industrial arts shops or laboratories~~ **Career and technical education** involving experience with:

(A) hot molten metals;

(B) milling, sawing, turning, shaping, cutting, or stamping of any solid material;

(C) heat treatment, tempering, or kiln firing of any metal or material;

(D) gas or electric arc welding;

(E) repair or servicing of any vehicle; or

(F) caustic or explosive materials.

(2) Chemical or combined chemical-physical laboratories involving caustic or explosive chemicals or hot liquids or solids.

(b) Eye protective devices are of industrial quality if the devices meet the standards of the American standard safety code for head, eye, and respiratory protection, Z2.1-1959, promulgated by the American Standards Association, Inc.

SECTION 121. IC 20-35-2-1, AS AMENDED BY P.L.93-2006, SECTION 16, AND AS AMENDED BY P.L.141-2006, SECTION 96, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) There is established under the state board a division of special education. The division shall exercise all the power and duties set out in this chapter, IC 20-35-3 through IC 20-35-6, and IC 20-35-8.

(b) The governor shall appoint, upon the recommendation of the state superintendent, a director of special education who serves at the pleasure of the governor. The amount of compensation of the director shall be determined by the budget agency with the approval of the governor. The director has the following duties:

(1) To do the following:

(A) Have general supervision of all programs, classes, and schools for children with disabilities, including those conducted by public schools, the Indiana School for the Blind and Visually Impaired, the Indiana School for the Deaf, the department of correction, the state department of health, the division of disability ~~*aging,*~~ and rehabilitative services, and the division of mental health and addiction.

(B) Coordinate the work of schools described in clause (A).

For programs for preschool children with disabilities as required under IC 20-35-4-9, have general supervision over programs, classes, and schools, including those conducted by the schools or other state or local service providers as contracted for under IC 20-35-4-9. However, general supervision does not include the determination of admission standards for the state departments, boards, or agencies authorized to provide programs or classes under this chapter.

(2) To adopt, with the approval of the state board, rules governing the curriculum and instruction, including licensing of personnel in the field of education, as provided by law.

(3) To inspect and rate all schools, programs, or classes for children with disabilities to maintain proper standards of personnel, equipment, and supplies.

(4) With the consent of the state superintendent and the budget agency, to appoint and determine salaries for any assistants and other personnel needed to enable the director to accomplish the duties of the director's office.

(5) To adopt, with the approval of the state board, the following:

(A) Rules governing the identification and evaluation of children with disabilities and their placement under an individualized education program in a special education program.

(B) Rules protecting the rights of a child with a disability and the parents of the child with a disability in the identification, evaluation, and placement process.

(6) To make recommendations to the state board concerning standards and case load ranges for related services to assist each teacher in meeting the individual needs of each child according to that child's individualized education program. The recommendations may include the following:

(A) The number of teacher aides recommended for each exceptionality included within the class size ranges.

(B) The role of the teacher aide.

(C) Minimum training recommendations for teacher aides and recommended procedures for the supervision of teacher aides.

(7) To cooperate with the interagency coordinating council established by ~~*IC 12-17-15-7*~~ IC *12-12.7-2-7* to ensure that the preschool special education programs required **by** IC 20-35-4-9 are consistent with the early intervention services program described in ~~*IC 12-17-15.*~~ IC *12-12.7-2.*

(c) The director or the state board may exercise authority over ~~vocational~~ **career and technical education** programs for children with disabilities through a letter of agreement with the department of workforce development.

SECTION 122. IC 20-35-7-3, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) As used in this chapter, "transition services" means a coordinated set of activities for a student with a disability that:

(1) is designed within an outcome oriented process; and

(2) promotes movement from the public agency to postsecondary school activities, including the following:

(A) Postsecondary education.

(B) ~~Vocational training.~~ **Career and technical education.**

(C) Integrated employment (including supported employment).

(D) Continuing and adult education.

(E) Adult services.

(F) Independent living.

(G) Community participation.

(b) The coordinated set of activities described in subsection (a) must:

(1) be based on the individual student's needs, taking into account the student's preferences and interests; and

(2) include the following:

(A) Instruction.

(B) Related services.

(C) Community experiences.

(D) The development of employment and other postsecondary school adult living objectives.

(E) Where appropriate, acquisition of daily living skills and a functional vocational evaluation.

SECTION 123. IC 20-37-1-1, AS AMENDED BY P.L.2-2006, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Two (2) or more school corporations may cooperate to:

(1) establish; and

(2) maintain or supervise;

schools or departments for ~~vocational~~ **career and technical** education if the governing bodies of the school corporations

agree to cooperate and apportion the cost of the schools or departments among the school corporations.

(b) If the cooperating school corporations agree to:

(1) establish; and

(2) maintain or supervise;

the schools or departments under subsection (a), the designated representatives of the school corporations constitute a board for the management of the schools or departments. The board may adopt a plan of organization, administration, and support for the schools or departments. The plan, if approved by the state board, is a binding contract between the cooperating school corporations.

(c) The governing bodies of the cooperating school corporations may cancel or annul the plan described in subsection (b) by the vote of a majority of the governing bodies and upon the approval of the state board. However, if a school corporation desires to withdraw a course offering from the cooperative agreement after:

(1) attempting to withdraw the course offering under a withdrawal procedure authorized by the school corporation's cooperative agreement or bylaw; and

(2) being denied the authority to withdraw the course offering;

the school corporation may appeal the denial to the state board. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the state board for approval.

(d) The proposal under subsection (c) must do the following:

(1) Describe how the school corporation intends to implement the particular ~~vocational~~ **career and technical** education course.

(2) Include a provision that provides for at least a two (2) year phaseout of the educational program or course offering from the cooperative agreement.

Upon approval of the proposal by the state board, the school corporation may proceed with the school corporation's withdrawal of the course offering from the cooperative agreement and shall proceed under the proposal.

(e) The withdrawal procedure under subsections (c) and (d) may not be construed to permit a school corporation to change any other terms of the plan described in subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

(f) The board described in subsection (b) may do the following:

(1) Enter into an agreement to acquire by lease or purchase:

(A) sites;

(B) buildings; or

(C) equipment;

that is suitable for these schools or departments. This authority extends to the acquisition of facilities available under IC 20-47-2.

(2) By resolution adopted by a majority of the board, designate three (3) or more individuals from the board's membership to constitute an executive committee.

(g) To the extent provided in a resolution adopted under subsection (f)(2), an executive committee shall do the following:

(1) Exercise the authority of the full board in the management of the schools or departments.

(2) Submit a written summary of its actions to the full board at least semiannually.

SECTION 124. IC 20-37-2-2, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A governing body may:

(1) establish ~~vocational~~ **career and technical education centers,** schools, or departments in the manner approved by the state board; and

(2) maintain these schools or departments from the general fund.

(b) The governing body may include in the high school curriculum without additional state board approval any secondary level ~~vocational~~ **career and technical** education course that is:

(1) included on the list of approved courses that the state board establishes under IC 20-20-20-3; and

(2) approved under section 11 of this chapter, if applicable.

(c) The governing body shall notify the department and the department of workforce development whenever the governing body:

(1) includes an approved course for; or

(2) removes an approved course from;

the high school curriculum.

SECTION 125. IC 20-37-2-3, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The governing body of a school corporation may contract with a nonprofit corporation to establish and maintain a ~~vocational~~ **career and technical education** program in the building trades solely to teach the principles of building construction to students enrolled in grades 9 through 12.

(b) A ~~vocational~~ **career and technical education** program established under this section is limited to the construction of buildings upon real property owned by the nonprofit corporation.

SECTION 126. IC 20-37-2-4, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) ~~Vocational~~ **Career and technical education centers,** schools, or departments for industrial, agricultural, or home economics education may offer instruction in:

(1) day;

(2) part-time; and

(3) evening;

classes so that instruction in the principles and practice of the arts can occur together. The instruction must be less than college grade, and the instruction must be designed to meet the vocational needs of a person who can profit by the instruction.

(b) Evening classes in:

(1) an industrial;

(2) an agricultural; or

(3) a home economics;

school or department must offer training for a person employed during the working day. This training, in order to be considered ~~vocational,~~ **career and technical training,** must deal with and relate to the subject matter of the day employment. However, evening classes in home economics must be open to all individuals.

(c) Part-time classes in an industrial, agricultural, or home economics school or department are for persons giving a part of each working day, week, or longer period to a part-time class when it is in session. This part-time instruction must be:

(1) complementary to the particular work conducted in the employment;

(2) in subjects offered to enlarge civic or vocational intelligence; or

(3) in trade preparation subjects.

SECTION 127. IC 20-37-2-6, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. If a governing body has established an approved ~~vocational~~ **career and technical education center,** school, or department for instruction in part-time classes for regularly employed persons who are at least fourteen (14) years of age, the governing body may formally choose to require regularly employed persons who are less than nineteen (19) years of age to attend part-time classes:

(1) between the hours of 8 a.m. and 5 p.m. during the school term; and

(2) for not less than four (4) hours and not more than eight (8) hours per week.

SECTION 128. IC 20-37-2-7, AS ADDED BY P.L.1-2005,

SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A school corporation, through the school corporation's appropriate officials, may enter into cooperative programs with employers. These programs must include an agreement by the employer to provide employment for students enrolled in school directed ~~vocational~~ **career and technical** education to learn the manipulative skills or manual processes of an occupation.

(b) The employer may employ the students in otherwise restricted occupations for the purpose of ~~vocational~~ **career and technical** education ~~training~~ under the following conditions:

(1) That training in the occupation is approved by a proper school authority and is school supervised.

(2) That safety instructions are given by the school and integrated with on-the-job training by the employer.

(3) That the student is assigned to competent adults designated by the employer for instruction and supervision in the manipulative skills or manual processes of the occupation according to a written training schedule developed by the employer and a representative of the school.

SECTION 129. IC 20-37-2-8, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A student in ~~vocational~~ **career and technical** education and employed under section 7 of this chapter:

(1) is entitled to the rights of recovery of a worker of at least seventeen (17) years of age under the worker's compensation and occupational diseases laws (IC 22-3-2 through IC 22-3-7); and

(2) may not recover any additional benefit otherwise payable as a result of being less than seventeen (17) years of age under the definition of a minor in IC 22-3-6-1.

The student is considered the employee of the employer while performing services for the employer under section 7 of this chapter.

(b) A student performing services for an employer under section 7 of this chapter is considered a full-time employee in computing compensation for permanent impairment under the worker's compensation law (IC 22-3-2 through IC 22-3-6).

(c) Employers and students under section 7 of this chapter are exempt from IC 20-33-3-35.

SECTION 130. IC 20-37-2-9, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A ~~vocational~~ **career and technical education** youth organization fund is established to assist in carrying out the purposes of this chapter. The fund shall be administered by the state superintendent.

(b) The state superintendent may award grants from the ~~vocational~~ **career and technical education** youth organization fund for combined ~~vocational~~ **career and technical** activities of the organizations that are an integral part of the instructional program in ~~vocational~~ **career and technical** education. Areas of ~~vocational~~ **career and technical** instruction for which grants may be awarded include:

(1) agriculture;

(2) business and office occupations;

(3) health occupations;

(4) distributive education;

(5) home economics; and

(6) trade industrial education.

(c) There is appropriated from the state general fund to the state superintendent a sum to be determined annually by the general assembly to implement this section.

SECTION 131. IC 20-37-2-11, AS ADDED BY P.L.1-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) As used in this section, ~~"vocational~~ **"career and technical** education course" means a ~~vocational~~ **career and technical** education course that is:

(1) an approved high school course under the rules of the state board; and

(2) included on the list of approved courses that the state board develops and approves under IC 20-20-20-3.

(b) A school corporation that has entered into an agreement for a joint program of ~~vocational~~ **career and technical** education with one (1) or more other school corporations may not add a new ~~vocational~~ **career and technical** education course to its curriculum unless the course has been approved in the following manner:

(1) In the case of an agreement under IC 20-37-1, the course must be approved by the management board for the joint program.

(2) In the case of an agreement under IC 20-26-10, the course must be approved by the governing body of the school corporation that is designated to administer the joint program under IC 20-26-10-3. However, if that governing body refuses to approve the course, the course may be approved by a majority of the governing bodies of the school corporations that are parties to the agreement.

SECTION 132. IC 20-42-3-10, AS ADDED BY P.L.2-2006, SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. The trustee, with the advice and consent of the township board, shall use the account for the following educational purposes:

(1) Each year the trustee shall pay to the parent or legal guardian of any child whose residence is within the township, the initial cost for the rental of textbooks used in any elementary or secondary school that has been accredited by the state. The reimbursement for the rental of textbooks shall be for the initial yearly rental charge only. Textbooks subsequently lost or destroyed may not be paid for from this account.

(2) Students who are residents of the township for the last two (2) years of their secondary education and who still reside within the township are entitled to receive financial assistance in an amount not to exceed an amount determined by the trustee and the township board during an annual review of higher education fees and tuition costs of post-high school education at any accredited college, university, junior college, or ~~vocational~~ **career and technical education center or school** or trade school. Amounts to be paid to each eligible student shall be set annually after this review. The amount paid each year must be:

(A) equitable for every eligible student without regard to race, religion, creed, sex, disability, or national origin; and

(B) based on the number of students and the amount of funds available each year.

(3) A person who has been a permanent resident of the township continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

(4) If all the available funds are not used in any one (1) year, the unused funds shall be retained in the account by the trustee for use in succeeding years.

SECTION 133. IC 20-43-1-30, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 30. ~~"Vocational~~ **"Career and technical** education grant" refers to the amount determined under IC 20-43-8-9 as adjusted under IC 20-43-8-10.

SECTION 134. IC 20-43-2-3, AS AMENDED BY P.L.162-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as

provided in subsection (b), if the total amount to be distributed:

(1) as basic tuition support;

(2) for academic honors diploma awards;

(3) for primetime distributions;

(4) for special education grants; and

(5) for ~~vocational~~ **career and technical** education grants;

for a particular year exceeds the maximum state distribution for a calendar year, the amount to be distributed for state tuition support under this article to each school corporation during each of the last six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount of the excess.

(b) The department of education shall distribute the full amount of tuition support to school corporations in the second six (6) months of 2006 in accordance with this article without a reduction under this section.

SECTION 135. IC 20-43-3-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support for the year that precedes the current year.

(B) The school corporation's maximum permissible tuition support levy for the calendar year that precedes the current year, made in determining the school corporation's adjusted tuition support levy for the calendar year.

(C) The school corporation's excise tax revenue for the year that precedes the current year by two (2) years.

STEP TWO: Subtract from the STEP ONE result an amount equal to the sum of the following:

(A) The reduction in the school corporation's state tuition support under any combination of subsection (b), subsection (c), IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.

(B) In 2006, the amount of the school corporation's maximum permissible tuition support levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 20-46-1-6.

(b) A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special **education** or ~~vocational~~ **career and technical** education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special **education programs** or ~~vocational~~ **career and technical** education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special **education** and ~~vocational~~ **career and technical** education because of the overstatement.

(c) A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-5.5-11 before July 1, 2005, or IC 20-24-11 after June 30, 2005. The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-5.5-7-3.5(c) and IC 20-5.5-7-3.5(d) before July 1, 2005, and IC 20-24-7-3(c) and IC 20-24-7-3(d) after June 30, 2005; multiplied by

(2) two (2).

SECTION 136. IC 20-43-4-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) An individual is an eligible pupil if the individual is a pupil enrolled in a school corporation and:

(1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-26-11, because the pupil is transferred for education to another school corporation;

(3) the pupil is enrolled in a school corporation as a transfer student under IC 20-26-11-6 or entitled to be counted for ADM purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-26-11; or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the department of child services;

(ii) by a court order;

(iii) by a child placing agency licensed by the division of family resources; or

(iv) by a parent or guardian under IC 20-26-11-8.

(b) For purposes of a ~~vocational~~ **career and technical** education grant, an eligible pupil includes a student enrolled in a charter school.

SECTION 137. IC 20-43-8-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine ~~vocational~~ **career and technical** education grant amounts in the second calendar year after the year in which the report is provided, listing whether the labor market demand for each generally recognized labor category is more than moderate, moderate, or less than moderate. In the report, the department of workforce development shall categorize each of the ~~vocational~~ **career and technical** education programs using the following four (4) categories:

(1) Programs that address employment demand for individuals in labor market categories that are projected to need more than a moderate number of individuals.

(2) Programs that address employment demand for individuals in labor market categories that are projected to need a moderate number of individuals.

(3) Programs that address employment demand for individuals in labor market categories that are projected to need less than a moderate number of individuals.

(4) All programs not covered by the employment demand categories of subdivisions (1) through (3).

(b) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine grant amounts that will be distributed under this chapter in the second calendar year after the year in which the report is provided, listing whether the average wage level for each generally recognized labor category for which ~~vocational~~ **career and technical** education programs are offered is a high wage, a moderate wage, or a less than

moderate wage.

(c) In preparing the labor market demand report under subsection (a) and the average wage level report under subsection (b), the department of workforce development shall, if possible, list the labor market demand and the average wage level for specific regions, counties, and municipalities.

(d) If a new ~~vocational~~ **career and technical** education program is created by rule of the state board, the department of workforce development shall determine the category in which the program should be included.

SECTION 138. IC 20-43-8-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for ~~vocational~~ **career and technical** education programs.

SECTION 139. IC 20-43-8-9, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. A school corporation's ~~vocational~~ **career and technical** education grant for a calendar year is the sum of the following amounts:

STEP ONE: For each ~~vocational~~ **career and technical education** program provided by the school corporation:

(A) the number of credit hours of the program (either one (1) credit, two (2) credits, or three (3) credits); multiplied by

(B) the number of students enrolled in the program; multiplied by

(C) the following applicable amount:

(i) Four hundred fifty dollars ($450), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(ii) Three hundred seventy-five dollars ($375), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(iii) Three hundred dollars ($300), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(iv) Three hundred seventy-five dollars ($375), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(v) Three hundred dollars ($300), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(vi) Two hundred twenty-five dollars ($225), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(vii) Three hundred dollars ($300), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(viii) Two hundred twenty-five dollars ($225), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(ix) One hundred fifty dollars ($150), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

STEP TWO: The number of pupils described in section 8 of this chapter (all other programs) multiplied by two hundred fifty dollars ($250).

STEP THREE: The number of pupils participating in a ~~vocational~~ **career and technical** education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars ($150).

SECTION 140. IC 20-43-8-10, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. If a school corporation determines that the categories of ~~vocational~~ **career and technical** education programs issued by the department of workforce development under section 2 of this chapter are not representative of the employment demand in the region surrounding the school corporation, the school corporation may petition the department of workforce development to recategorize for the school corporation the ~~vocational~~ **career and technical** education programs offered by the school corporation according to the employment demand in the region surrounding the school corporation. The petition must include information supporting the school corporation's determination that the categories of ~~vocational~~ **career and technical** education programs by the department of workforce development under section 2 of this chapter are not representative of the employment demand in the region surrounding the school corporation.

SECTION 141. IC 22-4-18-1, AS AMENDED BY P.L.161-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) There is created a department under IC 22-4.1-2-1 which shall be known as the department of workforce development.

(b) The department of workforce development may:

(1) Administer the unemployment insurance program, the Wagner-Peyser program, the Workforce Investment Act, a free public labor exchange, and related federal and state employment and training programs as directed by the governor.

(2) Formulate and implement an employment and training plan as required by the Workforce Investment Act (29 U.S.C. 2801 et seq.), including reauthorizations of the Act, and the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(3) Coordinate activities with all state agencies and departments that either provide employment and training related services or operate appropriate resources or facilities, to maximize Indiana's efforts to provide employment opportunities for economically disadvantaged individuals, dislocated workers, and others with substantial barriers to employment.

(4) Apply for, receive, disburse, allocate, and account for all funds, grants, gifts, and contributions of money, property, labor, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government.

(5) Enter into agreements with the United States government that may be required as a condition of obtaining federal funds related to activities of the department.

(6) Enter into contracts or agreements and cooperate with local governmental units or corporations, including profit or nonprofit corporations, or combinations of units and corporations to carry out the duties of the department imposed by this chapter, including contracts for the establishment and administration of employment and training offices and the delegation of the department's administrative, monitoring, and program responsibilities

and duties set forth in this article.

(7) Perform other services and activities that are specified in contracts for payments or reimbursement of the costs made with the Secretary of Labor, any federal, state, or local public agency or administrative entity, or a private for-profit or nonprofit organization under the Workforce Investment Act (29 U.S.C. 2801 et seq.), including reauthorizations of the Act.

(8) Enter into contracts or agreements and cooperate with entities that provide ~~vocational~~ **career and technical** education to carry out the duties imposed by this chapter.

(c) The payment of unemployment insurance benefits must be made in accordance with 26 U.S.C. 3304.

(d) The department of workforce development may do all acts and things necessary or proper to carry out the powers expressly granted under this article, including the adoption of rules under IC 4-22-2.

(e) The department of workforce development may not charge any claimant for benefits for providing services under this article, except as provided in IC 22-4-17-12.

(f) The department of workforce development shall distribute federal funds made available for employment training in accordance with:

(1) 29 U.S.C. 2801 et seq., including reauthorizations of the Act, and other applicable federal laws; and

(2) the plan prepared by the department under subsection (g)(1).

(g) In addition to the duties prescribed in subsections (a) through (f), the department of workforce development shall do the following:

(1) Implement to the best of its ability its employment training programs and the comprehensive ~~vocational~~ **career and technical** education program in Indiana developed under the long range plan under IC 22-4.1-13.

(2) Upon request of the budget director, prepare a legislative budget request for state and federal funds for employment training. The budget director shall determine the period to be covered by the budget request.

(3) Evaluate its programs according to criteria established by the Indiana commission ~~on vocational~~ **for career** and technical education within the department of workforce development under IC 22-4.1-13.

(4) Make or cause to be made studies of the needs for various types of programs that are related to employment training and authorized under the Workforce Investment Act, including reauthorizations of the Act.

(5) Distribute state funds made available for employment training that have been appropriated by the general assembly in accordance with:

(A) the general assembly appropriation; and

(B) the plan prepared by the department under subdivision (1).

(6) Establish, implement, and maintain a training program in the nature and dynamics of domestic and family violence for training of all employees of the department who interact with a claimant for benefits to determine whether the claim of the individual for unemployment benefits is valid and to determine that employment separations stemming from domestic or family violence are reliably screened, identified, and adjudicated and that victims of domestic or family violence are able to take advantage of the full range of job services provided by the department. The training presenters shall include domestic violence experts with expertise in the delivery of direct services to victims of domestic violence, including using the staff of shelters for battered women in the presentation of the training. The initial training shall consist of instruction of not less than six (6) hours. Refresher training shall be required annually and shall consist of instruction of not less than three (3) hours.

SECTION 142. IC 22-4-18-6, AS AMENDED BY P.L.161-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The department shall develop a uniform system for assessing workforce skills, strengths, and weaknesses in individuals.

(b) The uniform assessment system shall be used at the following:

(1) One stop centers under IC 22-4-42, if established.

(2) ~~Vocational~~ **Career and technical** education (as defined in IC 22-4.1-13-5) programs at the secondary level.

SECTION 143. IC 22-4-19-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The board, through its appropriate activities, shall take all appropriate steps to reduce and prevent unemployment; to encourage and assist in the adoption of practical methods of ~~vocational~~ **career and technical** training, retraining, and vocational guidance; to investigate, recommend, advise, and assist in the establishment and operation, by municipal corporations, counties, school districts, and the state, of reserves for public works to be used in times of business depression and unemployment; to promote the re-employment of unemployed workers throughout the state in every way that may be feasible; and to these ends to carry on and publish the results of investigations and research studies.

SECTION 144. IC 22-4.1-2-2, AS AMENDED BY P.L.1-2005, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The department is comprised of the following entities reorganized within the department:

(1) The department of employment and training services, including the following:

(A) The unemployment insurance board.

(B) The unemployment insurance review board.

(2) The office of workforce literacy established by IC 22-4.1-10-1.

(3) The Indiana commission ~~on vocational~~ **for career** and technical education established by IC 22-4.1-13-6.

(4) The workforce proficiency panel established by IC 22-4.1-16-2.

SECTION 145. IC 22-4.1-3-4, AS AMENDED BY P.L.161-2006, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Funds necessary to support the operating costs of the department of workforce development beyond those approved and appropriated by the United States Congress or approved by federal agencies for the operation of the department and specifically authorized by other provisions of IC 22-4:

(1) must be specifically appropriated from the state general fund for this purpose; and

(2) may not be derived from other state or federal funds directed for unemployment insurance programs under IC 22-4, including funds under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), any other grants or funds that are passed through for job training programs, the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2301 et seq.), and any other grant or funds for ~~vocational~~ **career** and technical education.

SECTION 146. IC 22-4.1-4-1, AS AMENDED BY P.L.1-2005, SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The department may undertake duties identified by the commissioner as related to workforce development initiatives that were required of or authorized to be undertaken before July 1, 1994, by:

(1) the department of employment and training services;

(2) the office of workforce literacy established by IC 22-4.1-10-1;

(3) the Indiana commission ~~on vocational~~ **for career** and technical education established by IC 22-4.1-13-6; or

(4) the workforce proficiency panel established by IC 22-4.1-16-2.

SECTION 147. IC 22-4.1-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. Money in the fund may be used for the following purposes at the discretion of the department, based upon the priorities necessary to achieve the department's goals:

(1) To build the capacity and strengthen the quality of services of programs offering basic skills services and having a substantial volunteer component, including staff and volunteer development, outreach, equipment, software, training materials, and community linkages.

(2) For workforce literacy programs providing essential and basic education skills training to raise skills and productivity in the workplace.

(3) For technical assistance to providers of workplace literacy and basic education to enhance the providers' capacity to link with employers and document productivity gains resulting from training.

(4) To establish a common data base, reporting system, and evaluation system related to workforce literacy and other incumbent worker programs, and to develop performance standards.

(5) To provide training for dislocated workers under IC 22-4-41.

(6) To provide training for workers who are at risk of becoming dislocated workers because of a lack of skills.

(7) To provide comprehensive job training and related services for economically disadvantaged, unemployed, and underemployed individuals, including recruitment, counseling, remedial education, ~~vocational~~ **career and technical** training, job development, job placement, and other appropriate services to enable each individual to secure and retain employment at the individual's maximum capacity.

(8) To attract federal funds in order to increase the resources available to carry out the purposes of this section.

SECTION 148. IC 22-4.1-13-1, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "commission" refers to the Indiana commission ~~on vocational~~ **for career** and technical education of the department established by section 6 of this chapter.

SECTION 149. IC 22-4.1-13-5, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. As used in this chapter, ~~"vocational~~ **"career and technical** education" means any vocational, agricultural, occupational, manpower, employment, or technical training or retraining that:

(1) enhances an individual's career potential and further education; and

(2) is accessible to individuals who desire to explore and learn for economic and personal growth leading to employment opportunities.

SECTION 150. IC 22-4.1-13-6, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The Indiana commission ~~on vocational~~ **for career** and technical education is established within the department.

(b) The commission consists of eleven (11) citizens of Indiana who are appointed by the governor. Except as provided in subsection (c), a member:

(1) may not be an officer or employee of a state educational institution or a school corporation;

(2) may not be a state employee;

(3) may not be a member of the council; and

(4) must be generally knowledgeable in the fields of business, industry, labor, agriculture, commerce, education, or ~~vocational~~ **career and technical** education.

(c) Notwithstanding subsection (b):

(1) one (1) member must be a representative of the council or a private industry council;

(2) one (1) member must be an officer or employee of a state educational institution; and

(3) one (1) member must be an officer or employee of a school corporation.

(d) Each Indiana congressional district must be represented by at least one (1) member who resides in that district.

SECTION 151. IC 22-4.1-13-9, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The commission shall develop and implement a long range state plan for a comprehensive ~~vocational~~ **career and technical** education program in Indiana.

(b) The plan developed under this section shall be kept current. The plan and any revisions made to the plan shall be made available to:

(1) the governor;

(2) the general assembly;

(3) the Indiana state board of education;

(4) the department of education;

(5) the commission for higher education;

(6) the council;

(7) the Indiana commission on proprietary education; and

(8) any other appropriate state or federal agency.

A plan or revised plan submitted under this section to the general assembly must be in an electronic format under IC 5-14-6.

(c) The plan must set forth specific goals for public ~~vocational~~ **career and technical** education at all levels and must include the following:

(1) The preparation of each graduate for both employment and further education.

(2) Accessibility of ~~vocational~~ **career and technical** education to individuals of all ages who desire to explore and learn for economic and personal growth.

(3) Projected employment opportunities in various ~~vocational~~ **career** and technical **education** fields.

(4) A study of the supply of and the demand for a labor force skilled in particular ~~vocational~~ **career** and technical **education** areas.

(5) A study of technological and economic change affecting Indiana.

(6) An analysis of the private ~~vocational~~ **career and** education sector in Indiana.

(7) Recommendations for improvement in the state ~~vocational~~ **career and technical** education program.

(8) The educational levels expected of ~~vocational~~ **career and technical** education programs proposed to meet the projected employment needs.

SECTION 152. IC 22-4.1-13-10, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. The commission shall do the following:

(1) Make recommendations to the general assembly concerning the development, duplication, and accessibility of employment training and ~~vocational~~ **career and technical** education on a regional and statewide basis.

(2) Consult with any state agency, commission, or organization that supervises or administers programs of ~~vocational~~ **career and technical** education concerning the coordination of ~~vocational~~ **career and technical** education, including the following:

(A) The Indiana economic development corporation.

(B) The council.

(C) A private industry council (as defined in 29 U.S.C. 1501 et seq.).

(D) The department of labor.

(E) The Indiana commission on proprietary education.

(F) The commission for higher education.
(G) The Indiana state board of education.
(3) Review and make recommendations concerning plans submitted by the Indiana state board of education and the commission for higher education. The commission may request the resubmission of plans or parts of plans that:
(A) are not consistent with the long range state plan of the commission;
(B) are incompatible with other plans within the system; or
(C) do not avoid duplication of existing services.
(4) Report to the general assembly on the commission's conclusions and recommendations concerning interagency cooperation, coordination, and articulation of ~~vocational~~ **career and technical** education and employment training. A report under this subdivision must be in an electronic format under IC 5-14-6.
(5) Study and develop a plan concerning the transition between secondary level ~~vocational~~ **career and technical** education and postsecondary level ~~vocational~~ **career and technical** education.
(6) Enter into agreements with the federal government that may be required as a condition of receiving federal funds under the Vocational Education Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

SECTION 153. IC 22-4.1-13-11, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. The commission may do the following:
(1) Make recommendations, including recommendations for policies to encourage involvement of minority groups in the ~~vocational~~ **career and technical** education system in Indiana, to:
(A) the governor;
(B) the general assembly; and
(C) the various agencies, commissions, or organizations that administer ~~vocational~~ **career and technical** education programs concerning all facets of ~~vocational~~ **career and technical** education programming.
(2) Establish a regional planning and coordination system for ~~vocational~~ **career and technical** education and employment training that will, either in whole or in part, serve ~~vocational~~ **career and technical** education and employment training in Indiana.
(3) Appoint advisory committees whenever necessary.
(4) Contract for services necessary to carry out this chapter.
(5) Provide information and advice on ~~vocational~~ **career and technical** education to a business, an industry, or a labor organization operating a job training program in the private sector.

SECTION 154. IC 22-4.1-13-12, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. The commission shall adopt statewide systems or policies concerning the following as the systems or policies relate to the implementation of ~~vocational~~ **career** and technical education programs:
(1) Student records.
(2) Data processing at the secondary level.
(3) An evaluation system that must be conducted by the commission at least annually and that evaluates the following as each relates to the ~~vocational~~ **career** and technical education programs and courses offered at the secondary level and postsecondary level:
(A) Graduation rates.
(B) Student placement rates.
(C) Retention rates.
(D) Enrollment.
(E) Student transfer rates to postsecondary educational institutions.
(F) When applicable, student performance on state licensing examinations or other external certification examinations.
(G) Cost data study.
(4) A system of financial audits to be conducted at least biennially at the secondary level.

SECTION 155. IC 22-4.1-13-13, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) The commission shall establish ~~vocational~~ **career and technical** education evaluation criteria.
(b) Using the criteria established under subsection (a), the commission shall evaluate the effectiveness of ~~vocational~~ **career and technical** education relative to the goals of the long range plan developed under section 9 of this chapter.

SECTION 156. IC 22-4.1-13-14, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) Except as provided in subsection (c), the commission shall receive, distribute, and maintain accountability for all federal funds available for ~~vocational~~ **career and technical** education under 20 U.S.C. 2301 et seq.
(b) Except as provided in subsection (c), the commission shall distribute and maintain accountability for all federal funds available for ~~vocational~~ **career and technical** education under 29 U.S.C. 1533.
(c) The commission may not expend or distribute federal funds available under 20 U.S.C. 2301 et seq. or 29 U.S.C. 1533 if those funds have not been allocated by the general assembly.

SECTION 157. IC 22-4.1-13-15, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) The department shall review the legislative budget requests for ~~vocational~~ **career and technical** education prepared by the following:
(1) The department of education.
(2) The state educational institutions.
(b) After the review under subsection (a), the department shall make recommendations to the budget committee concerning the appropriation of state funds and the allocation of federal funds for ~~vocational~~ **career and technical** education, including federal funds available under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533. The department's recommendations concerning appropriations and allocations for ~~vocational~~ **career and technical** education by secondary schools and state educational institutions must specify:
(1) the minimum funding levels required by 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533;
(2) the categories of expenditures and the distribution plan or formula for secondary schools; and
(3) the categories of expenditures for each state educational institution.
(c) After reviewing the department's recommendations and each agency's budget request, the budget committee shall make recommendations to the general assembly for funding to implement ~~vocational~~ **career and technical** education. The general assembly shall biennially appropriate state funds for ~~vocational~~ **career and technical** education and allocate federal funds available under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533 for ~~vocational~~ **career and technical** education. At least sixty percent (60%) of the federal funds available under 20 U.S.C. 2301 et seq. shall be allocated to secondary level ~~vocational~~ **career and technical** education to implement the long range state plan developed under section 9 of this chapter.
(d) The budget agency, with the advice of the department and the budget committee, may augment or reduce an allocation of federal funds made under subsection (c).

SECTION 158. IC 22-4.1-14-1, AS AMENDED BY SEA 526-2007, SECTION 303, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "institution" means:

(1) a campus of a state educational institution;

(2) a school corporation; or

(3) an area ~~vocational~~ **career and technical education center or** school;

as described in section 2 or 3 of this chapter.

SECTION 159. IC 22-4.1-14-2, AS ADDED BY P.L.1-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. After receiving the endorsement of the faculty and subject to the guidelines developed under section 4 of this chapter, the chief administrator from each campus of a state educational institution that offers a technical education program must enter into a workforce partnership plan as described under this chapter with the superintendent of the school corporation and each area ~~vocational~~ **career and technical education** director who oversees the secondary level technical education programs that are offered within the same geographic area as the particular campus.

SECTION 160. IC 22-4.1-14-3, AS ADDED BY P.L.1-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. After the chief administrator receives an endorsement from the faculty and subject to the guidelines developed under section 4 of this chapter, the superintendent of each school corporation and area ~~vocational~~ **career and technical education** director must enter into a workforce partnership plan as described under this chapter with the chief administrator from each campus of a state educational institution who oversees the postsecondary level technical education programs offered within the same geographic area as the school corporation and area ~~vocational~~ **career and technical education center or** school.

SECTION 161. IC 22-4.1-14-5, AS ADDED BY P.L.1-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. Notwithstanding any other law and after an institution is required to enter into a workforce partnership plan under this chapter, an institution's workforce partnership plan must be approved by the Indiana commission ~~on vocational~~ **for career** and technical education of the department for the institution to:

(1) be eligible to receive federal and state funds for the institution's ~~vocational~~ **career** and technical education program at the secondary level and postsecondary level;

(2) receive ~~vocational~~ **career** and technical education program approval by:

(A) the Indiana state board of education for secondary level programs; and

(B) the commission for higher education for postsecondary level programs;

for any ~~vocational~~ **career** and technical education programs requiring approval; and

(3) be eligible to complete the program review process by the commission for higher education for postsecondary level ~~vocational~~ **career** and technical education programs.

SECTION 162. IC 22-4.1-14-6, AS AMENDED BY SEA 526-2007, SECTION 304, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Each workforce partnership plan must do the following:

(1) Address the need to maximize:

(A) the use of ~~vocational~~ **career** and technical education programs and services; and

(B) the articulation of ~~vocational~~ **career** and technical education programs;

between the secondary level and postsecondary level.

(2) Identify ~~vocational~~ **career** and technical education program groupings to coordinate ~~vocational~~ **career** and technical education programs within a geographic area.

(3) Identify particular certificates of achievement under IC 20-32-3 and **IC 21-43-3** and indicate the circumstances under which a state educational institution may elect to grant academic credit to a student who does the following:

(A) Acquires the particular certificate of achievement.

(B) Satisfies the standards for receipt of academic credit as determined by the state educational institution.

(4) Provide for the use of joint secondary level and postsecondary level faculty committees to organize ~~vocational~~ **career** and technical education program articulation.

(5) Comply with 20 U.S.C. 2301 et seq.

SECTION 163. IC 22-4.1-15-1, AS ADDED BY P.L.1-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The building and trades advisory committee is established to provide information, advice, and recommendations to the Indiana commission ~~on vocational~~ **for career** and technical education of the department with regard to technical education.

SECTION 164. IC 22-4.1-16-9, AS AMENDED BY SEA 526-2007, SECTION 306, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. The duties of the panel include the following:

(1) To determine the essential and technical skills required to be effective in the various technical trades and professions.

(2) To determine the statewide technical proficiencies of major occupational areas considered to be necessary in the workforce.

(3) To review existing ~~vocational~~ **career** and technical education programs at the secondary and postsecondary level to determine:

(A) whether these programs meet the essential skill and statewide technical proficiency standards determined by the panel; and

(B) whether there exists duplication in programs or deficiencies in program alternatives at any level.

(4) To improve technical proficiency based curricula for existing ~~vocational~~ **career and technical education** programs.

(5) To make available to the pilot workplace learning programs developed by the panel required essential skills and technical proficiencies in the major occupational areas.

(6) To adopt the secondary level and postsecondary level technical certificate of achievement assessment instruments and standards under IC 20-32-3 and IC 21-43-3, respectively.

SECTION 165. IC 27-8-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The definitions in this section apply throughout this chapter.

(b) "Association" means the Indiana comprehensive health insurance association established under section 2.1 of this chapter.

(c) "Association policy" means a policy issued by the association that provides coverage specified in section 3 of this chapter. The term does not include a Medicare supplement policy that is issued under section 9 of this chapter.

(d) "Carrier" means an insurer providing medical, hospital, or surgical expense incurred health insurance policies.

(e) "Church plan" means a plan defined in the federal Employee Retirement Income Security Act of 1974 under 26 U.S.C. 414(e).

(f) "Commissioner" refers to the insurance commissioner.

(g) "Creditable coverage" has the meaning set forth in the federal Health Insurance Portability and Accountability Act of 1996 (26 U.S.C. 9801(c)(1)).

(h) "Eligible expenses" means those charges for health care services and articles provided for in section 3 of this chapter.

(i) "Federal income poverty level" has the meaning set forth in IC 12-15-2-1.

(j) "Federally eligible individual" means an individual:

(1) for whom, as of the date on which the individual seeks coverage under this chapter, the aggregate period of creditable coverage is at least eighteen (18) months and whose most recent prior creditable coverage was under a:

(A) group health plan;

(B) governmental plan; or

(C) church plan;

or health insurance coverage in connection with any of these plans;

(2) who is not eligible for coverage under:

(A) a group health plan;

(B) Part A or Part B of Title XVIII of the federal Social Security Act; or

(C) a state plan under Title XIX of the federal Social Security Act (or any successor program);

and does not have other health insurance coverage;

(3) with respect to whom the individual's most recent coverage was not terminated for factors relating to nonpayment of premiums or fraud;

(4) who, if after being offered the option of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) (29 U.S.C. 1191b(d)(1)), or under a similar state program, elected such coverage; and

(5) who, if after electing continuation coverage described in subdivision (4), has exhausted continuation coverage under the provision or program.

(k) "Governmental plan" means a plan as defined under the federal Employee Retirement Income Security Act of 1974 (26 U.S.C. 414(d)) and any plan established or maintained for its employees by the United States government or by any agency or instrumentality of the United States government.

(l) "Group health plan" means an employee welfare benefit plan (as defined in 29 U.S.C. 1167(1)) to the extent that the plan provides medical care payments to, or on behalf of, employees or their dependents, as defined under the terms of the plan, directly or through insurance, reimbursement, or otherwise.

(m) "Health care facility" means any institution providing health care services that is licensed in this state, including institutions engaged principally in providing services for health maintenance organizations or for the diagnosis or treatment of human disease, pain, injury, deformity, or physical condition, including a general hospital, special hospital, mental hospital, public health center, diagnostic center, treatment center, rehabilitation center, extended care facility, skilled nursing home, nursing home, intermediate care facility, tuberculosis hospital, chronic disease hospital, maternity hospital, outpatient clinic, home health care agency, bioanalytical laboratory, or central services facility servicing one (1) or more such institutions.

(n) "Health care institutions" means skilled nursing facilities, home health agencies, and hospitals.

(o) "Health care provider" means any physician, hospital, pharmacist, or other person who is licensed in Indiana to furnish health care services.

(p) "Health care services" means any services or products included in the furnishing to any individual of medical care, dental care, or hospitalization, or incident to the furnishing of such care or hospitalization, as well as the furnishing to any person of any other services or products for the purpose of preventing, alleviating, curing, or healing human illness or injury.

(q) "Health insurance" means hospital, surgical, and medical expense incurred policies, nonprofit service plan contracts, health maintenance organizations, limited service health maintenance organizations, and self-insured plans. However, the term "health insurance" does not include short term travel accident policies, accident only policies, fixed indemnity policies, automobile medical payment, or incidental coverage issued with or as a supplement to liability insurance.

(r) "Insured" means all individuals who are provided qualified comprehensive health insurance coverage under an individual policy, including all dependents and other insured persons, if any.

(s) "Medicaid" means medical assistance provided by the state under the Medicaid program under IC 12-15.

(t) "Medical care payment" means amounts paid for:

(1) the diagnosis, care, mitigation, treatment, or prevention of disease or amounts paid for the purpose of affecting any structure or function of the body;

(2) transportation primarily for and essential to Medicare services referred to in subdivision (1); and

(3) insurance covering medical care referred to in subdivisions (1) and (2).

(u) "Medically necessary" means health care services that the association has determined:

(1) are recommended by a legally qualified physician;

(2) are commonly and customarily recognized throughout the physician's profession as appropriate in the treatment of the patient's diagnosed illness; and

(3) are not primarily for the scholastic education or ~~vocational~~ **career and technical** training of the provider or patient.

(v) "Medicare" means Title XVIII of the federal Social Security Act (42 U.S.C. 1395 et seq.).

(w) "Policy" means a contract, policy, or plan of health insurance.

(x) "Policy year" means a twelve (12) month period during which a policy provides coverage or obligates the carrier to provide health care services.

(y) "Health maintenance organization" has the meaning set out in IC 27-13-1-19.

(z) "Resident" means an individual who is:

(1) legally domiciled in Indiana for at least twelve (12) months before applying for an association policy; or

(2) a federally eligible individual and legally domiciled in Indiana.

(aa) "Self-insurer" means an employer who provides services, payment for, or reimbursement of any part of the cost of health care services other than payment of insurance premiums or subscriber charges to a carrier. However, the term "self-insurer" does not include an employer who is exempt from state insurance regulation by federal law, or an employer who is a political subdivision of the state of Indiana.

(bb) "Services of a skilled nursing facility" means services that must commence within fourteen (14) days following a confinement of at least three (3) consecutive days in a hospital for the same condition.

(cc) "Skilled nursing facility", "home health agency", "hospital", and "home health services" have the meanings assigned to them in 42 U.S.C. 1395x.

(dd) "Medicare supplement policy" means an individual policy of accident and sickness insurance that is designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, and surgical expenses of individuals who are eligible for Medicare benefits.

(ee) "Limited service health maintenance organization" has the meaning set forth in IC 27-13-34-4.

SECTION 166. IC 31-19-26-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Subject to subsection (b), the subsidies under sections 2 and 3 of this chapter continue:

(1) until:

(A) the child becomes eighteen (18) years of age;

(B) the child becomes emancipated;

(C) the child dies;

(D) the child's adoption is terminated; or

(E) further order of court;
whichever occurs first; and
(2) although the adoptive parents leave the jurisdiction of the court.

(b) The court may order a subsidy granted under this chapter to continue until the adoptive child becomes twenty-one (21) years of age. The court may issue an order under this subsection if:
(1) the adoptive child files a petition for the order; and
(2) the court determines that the child is enrolled in:
(A) a secondary school;
(B) a college or university; or
(C) a course of ~~vocational training~~ **career and technical education** leading to gainful employment.

SECTION 167. IC 31-30-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided in subsections (b) and (c), the juvenile court's jurisdiction over a delinquent child or a child in need of services and over the child's parent, guardian, or custodian continues until:
(1) the child becomes twenty-one (21) years of age, unless the court discharges the child and the child's parent, guardian, or custodian at an earlier time; or
(2) guardianship of the child is awarded to the department of correction.

(b) The juvenile court may, on its own motion, after guardianship of a child is awarded to the department of correction, reinstate the court's jurisdiction for the purpose of ordering the child's parent, guardian, or custodian to participate in programs operated by or through the department of correction.

(c) The juvenile court's jurisdiction over a parent or guardian of the estate of a child under this section continues until the parent or guardian of the estate has satisfied the financial obligation of the parent or guardian of the estate that is imposed under IC 31-40 (or IC 31-6-4-18 before its repeal).

(d) The jurisdiction of the juvenile court over a proceeding described in IC 31-30-1-1(10) for a guardianship of the person continues until the earlier of the date that:
(1) the juvenile court terminates the guardianship of the person; or
(2) the child becomes:
(A) nineteen (19) years of age, if a child who is at least eighteen (18) years of age is a full-time student in a secondary school or the equivalent level of vocational or **career and** technical ~~training;~~ **education;** or
(B) eighteen (18) years of age, if clause (A) does not apply.

If the guardianship of the person continues after the child becomes the age specified in subdivision (2), the juvenile court shall transfer the guardianship of the person proceedings to a court having probate jurisdiction in the county in which the guardian of the person resides. If the juvenile court has both juvenile and probate jurisdiction, the juvenile court may transfer the guardianship of the person proceedings to the probate docket of the court.

(e) The jurisdiction of the juvenile court to enter, modify, or enforce a support order under IC 31-40-1-5 continues during the time that the court retains jurisdiction over a guardianship of the person proceeding described in IC 31-30-1-1(10).

(f) At any time, a juvenile court may, with the consent of a probate court, transfer to the probate court guardianship of the person proceedings and any related support order initiated in the juvenile court.

SECTION 168. IC 33-39-1-8, AS AMENDED BY P.L.176-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) After June 30, 2005, this section does not apply to a person who:
(1) holds a commercial driver's license; and
(2) has been charged with an offense involving the operation of a motor vehicle in accordance with the federal Motor Carrier Safety Improvement Act of 1999 (MCSIA) (Public Law 106-159.113 Stat. 1748).

(b) This section does not apply to a person arrested for or charged with:
(1) an offense under IC 9-30-5-1 through IC 9-30-5-5; or
(2) if a person was arrested or charged with an offense under IC 9-30-5-1 through IC 9-30-5-5, an offense involving:
(A) intoxication; or
(B) the operation of a motor vehicle;
if the offense involving intoxication or the operation of a motor vehicle was part of the same episode of criminal conduct as the offense under IC 9-30-5-1 through IC 9-30-5-5.

(c) A prosecuting attorney may withhold prosecution against an accused person if:
(1) the person is charged with a misdemeanor;
(2) the person agrees to conditions of a pretrial diversion program offered by the prosecuting attorney;
(3) the terms of the agreement are recorded in an instrument signed by the person and the prosecuting attorney and filed in the court in which the charge is pending; and
(4) the prosecuting attorney electronically transmits information required by the prosecuting attorneys council concerning the withheld prosecution to the prosecuting attorneys council, in a manner and format designated by the prosecuting attorneys council.

(d) An agreement under subsection (c) may include conditions that the person:
(1) pay to the clerk of the court an initial user's fee and monthly user's fees in the amounts specified in IC 33-37-4-1;
(2) work faithfully at a suitable employment or faithfully pursue a course of study or ~~vocational training~~ **career and technical education** that will equip the person for suitable employment;
(3) undergo available medical treatment or counseling and remain in a specified facility required for that purpose;
(4) support the person's dependents and meet other family responsibilities;
(5) make restitution or reparation to the victim of the crime for the damage or injury that was sustained;
(6) refrain from harassing, intimidating, threatening, or having any direct or indirect contact with the victim or a witness;
(7) report to the prosecuting attorney at reasonable times;
(8) answer all reasonable inquiries by the prosecuting attorney and promptly notify the prosecuting attorney of any change in address or employment; and
(9) participate in dispute resolution either under IC 34-57-3 or a program established by the prosecuting attorney.

(e) An agreement under subsection (c)(2) may include other provisions reasonably related to the defendant's rehabilitation, if approved by the court.

(f) The prosecuting attorney shall notify the victim when prosecution is withheld under this section.

(g) All money collected by the clerk as user's fees under this section shall be deposited in the appropriate user fee fund under IC 33-37-8.

(h) If a court withholds prosecution under this section and the terms of the agreement contain conditions described in subsection (d)(6):
(1) the clerk of the court shall comply with IC 5-2-9; and
(2) the prosecuting attorney shall file a confidential form prescribed or approved by the division of state court administration with the clerk.

SECTION 169. IC 34-23-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) As used in

this section, "child" means an unmarried individual without dependents who is:

(1) less than twenty (20) years of age; or

(2) less than twenty-three (23) years of age and is enrolled in an institution of higher education or in a ~~vocational~~ **career and technical education** school or program.

(b) An action may be maintained under this section against the person whose wrongful act or omission caused the injury or death of a child. The action may be maintained by:

(1) the father and mother jointly, or either of them by naming the other parent as a codefendant to answer as to his or her interest;

(2) in case of divorce or dissolution of marriage, the person to whom custody of the child was awarded; and

(3) a guardian, for the injury or death of a protected person.

(c) In case of death of the person to whom custody of a child was awarded, a personal representative shall be appointed to maintain the action for the injury or death of the child.

(d) In an action brought by a guardian for an injury to a protected person, the damages inure to the benefit of the protected person.

(e) In an action to recover for the death of a child, the plaintiff may recover damages:

(1) for the loss of the child's services;

(2) for the loss of the child's love and companionship; and

(3) to pay the expenses of:

(A) health care and hospitalization necessitated by the wrongful act or omission that caused the child's death;

(B) the child's funeral and burial;

(C) the reasonable expense of psychiatric and psychological counseling incurred by a surviving parent or minor sibling of the child that is required because of the death of the child;

(D) uninsured debts of the child, including debts for which a parent is obligated on behalf of the child; and

(E) the administration of the child's estate, including reasonable attorney's fees.

(f) Damages may be awarded under this section only with respect to the period of time from the death of the child until:

(1) the date that the child would have reached:

(A) twenty (20) years of age; or

(B) twenty-three (23) years of age, if the child was enrolled in an institution of higher education or in a ~~vocational~~ **career and technical education** school or program; or

(2) the date of the child's last surviving parent's death;

whichever first occurs.

(g) Damages may be awarded under subsection (e)(2) only with respect to the period of time from the death of the child until the date of the child's last surviving parent's death.

(h) Damages awarded under subsection (e)(1), (e)(2), (e)(3)(C), and (e)(3)(D) inure to the benefit of:

(1) the father and mother jointly if both parents had custody of the child;

(2) the custodial parent, or custodial grandparent, and the noncustodial parent of the deceased child as apportioned by the court according to their respective losses; or

(3) a custodial grandparent of the child if the child was not survived by a parent entitled to benefit under this section.

However, a parent or grandparent who abandoned a deceased child while the child was alive is not entitled to any recovery under this chapter.

SECTION 170. IC 35-38-2-2.3, AS AMENDED BY P.L.60-2006, SECTION 9, AS AMENDED BY P.L.140-2006, SECTION 24, AND AS AMENDED BY P.L.173-2006, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.3. (a) As a condition of probation, the court may require a person to do a combination of the following:

(1) Work faithfully at suitable employment or faithfully pursue a course of study or ~~vocational training~~ **career and technical education** that will equip the person for suitable employment.

(2) Undergo available medical or psychiatric treatment and remain in a specified institution if required for that purpose.

(3) Attend or reside in a facility established for the instruction, recreation, or residence of persons on probation.

(4) Support the person's dependents and meet other family responsibilities.

(5) Make restitution or reparation to the victim of the crime for damage or injury that was sustained by the victim. When restitution or reparation is a condition of probation, the court shall fix the amount, which may not exceed an amount the person can or will be able to pay, and shall fix the manner of performance.

(6) Execute a repayment agreement with the appropriate governmental entity to repay the full amount of public relief or assistance wrongfully received, and make repayments according to a repayment schedule set out in the agreement.

(7) Pay a fine authorized by IC 35-50.

(8) Refrain from possessing a firearm or other deadly weapon unless granted written permission by the court or the person's probation officer.

(9) Report to a probation officer at reasonable times as directed by the court or the probation officer.

(10) Permit the person's probation officer to visit the person at reasonable times at the person's home or elsewhere.

(11) Remain within the jurisdiction of the court, unless granted permission to leave by the court or by the person's probation officer.

(12) Answer all reasonable inquiries by the court or the person's probation officer and promptly notify the court or probation officer of any change in address or employment.

(13) Perform uncompensated work that benefits the community.

(14) Satisfy other conditions reasonably related to the person's rehabilitation.

(15) Undergo home detention under IC 35-38-2.5.

(16) Undergo a laboratory test or series of tests approved by the state department of health to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV), if:

(A) the person had been convicted of a sex crime listed in IC 35-38-1-7.1(e) and the crime created an epidemiologically demonstrated risk of transmission of the human immunodeficiency virus (HIV) as described in IC 35-38-1-7.1(b)(8); or

(B) the person had been convicted of an offense related to a controlled substance listed in IC 35-38-1-7.1(f) and the offense involved the conditions described in IC 35-38-1-7.1(b)(9)(A).

(17) Refrain from any direct or indirect contact with an individual.

(18) Execute a repayment agreement with the appropriate governmental entity or with a person for reasonable costs incurred because of the taking, detention, or return of a missing child (as defined in IC 10-13-5-4).

(19) Periodically undergo a laboratory chemical test (as defined in IC 14-15-8-1) or series of chemical tests as specified by the court to detect and confirm the presence of a controlled substance (as defined in IC 35-48-1-9). The person on probation is responsible for any charges resulting from a test and shall have the results of any test under this subdivision reported to the person's probation officer by the

laboratory.

(20) If the person was confined in a penal facility, execute a reimbursement plan as directed by the court and make repayments under the plan to the authority that operates the penal facility for all or part of the costs of the person's confinement in the penal facility. The court shall fix an amount that:

(A) may not exceed an amount the person can or will be able to pay;

(B) does not harm the person's ability to reasonably be self supporting or to reasonably support any dependent of the person; and

(C) takes into consideration and gives priority to any other restitution, reparation, repayment, or fine the person is required to pay under this section.

(21) Refrain from owning, harboring, or training an animal.

(22) Participate in a reentry court program.

(b) When a person is placed on probation, the person shall be given a written statement specifying:

(1) the conditions of probation; and

(2) that if the person violates a condition of probation during the probationary period, a petition to revoke probation may be filed before the earlier of the following:

(A) One (1) year after the termination of probation.

(B) Forty-five (45) days after the state receives notice of the violation.

(c) As a condition of probation, the court may require that the person serve a term of imprisonment in an appropriate facility at the time or intervals (consecutive or intermittent) within the period of probation the court determines.

(d) Intermittent service may be required only for a term of not more than sixty (60) days and must be served in the county or local penal facility. The intermittent term is computed on the basis of the actual days spent in confinement and shall be completed within one (1) year. A person does not earn credit time while serving an intermittent term of imprisonment under this subsection. When the court orders intermittent service, the court shall state:

(1) the term of imprisonment;

(2) the days or parts of days during which a person is to be confined; and

(3) the conditions.

(e) Supervision of a person may be transferred from the court that placed the person on probation to a court of another jurisdiction, with the concurrence of both courts. Retransfers of supervision may occur in the same manner. This subsection does not apply to transfers made under IC 11-13-4 or IC 11-13-5.

(f) When a court imposes a condition of probation described in subsection (a)(17):

(1) the clerk of the court shall comply with IC 5-2-9; and

(2) the prosecuting attorney shall file a confidential form prescribed or approved by the division of state court administration with the clerk.

(g) As a condition of probation, a court shall require a person:

(1) convicted of an offense described in IC 10-13-6-10;

(2) who has not previously provided a DNA sample in accordance with IC 10-13-6; and

(3) whose sentence does not involve a commitment to the department of correction;

to provide a DNA sample as a condition of probation.

SECTION 171. IC 35-50-6-3.3, AS AMENDED BY SEA 526-2007, SECTION 380, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.3. (a) In addition to any credit time a person earns under subsection (b) or section 3 of this chapter, a person earns credit time if the person:

(1) is in credit Class I;

(2) has demonstrated a pattern consistent with rehabilitation; and

(3) successfully completes requirements to obtain one (1) of the following:

(A) A general educational development (GED) diploma under IC 20-20-6, if the person has not previously obtained a high school diploma.

(B) A high school diploma.

(C) An associate's degree from an approved postsecondary educational institution (as defined under IC 21-7-13-6(a)).

(D) A bachelor's degree from an approved postsecondary educational institution (as defined under IC 21-7-13-6(a)).

(b) In addition to any credit time that a person earns under subsection (a) or section 3 of this chapter, a person may earn credit time if, while confined by the department of correction, the person:

(1) is in credit Class I;

(2) demonstrates a pattern consistent with rehabilitation; and

(3) successfully completes requirements to obtain at least one (1) of the following:

(A) A certificate of completion of a ~~vocational~~ **career and technical** education program approved by the department of correction.

(B) A certificate of completion of a substance abuse program approved by the department of correction.

(C) A certificate of completion of a literacy and basic life skills program approved by the department of correction.

(c) The department of correction shall establish admissions criteria and other requirements for programs available for earning credit time under subsection (b). A person may not earn credit time under both subsections (a) and (b) for the same program of study.

(d) The amount of credit time a person may earn under this section is the following:

(1) Six (6) months for completion of a state of Indiana general educational development (GED) diploma under IC 20-20-6.

(2) One (1) year for graduation from high school.

(3) One (1) year for completion of an associate's degree.

(4) Two (2) years for completion of a bachelor's degree.

(5) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more ~~vocational~~ **career and technical** education programs approved by the department of correction.

(6) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more substance abuse programs approved by the department of correction.

(7) Not more than a total of six (6) months credit, as determined by the department of correction, for the completion of one (1) or more literacy and basic life skills programs approved by the department of correction.

However, a person who does not have a substance abuse problem that qualifies the person to earn credit in a substance abuse program may earn not more than a total of twelve (12) months of credit, as determined by the department of correction, for the completion of one (1) or more ~~vocational~~ **career and technical** education programs approved by the department of correction. If a person earns more than six (6) months of credit for the completion of one (1) or more ~~vocational~~ **career and technical** education programs, the person is ineligible to earn credit for the completion of one (1) or more substance abuse programs.

(e) Credit time earned by a person under this section is subtracted from the release date that would otherwise apply to the person after subtracting all other credit time earned by the person.

(f) A person does not earn credit time under subsection (a) unless the person completes at least a portion of the degree requirements after June 30, 1993.

(g) A person does not earn credit time under subsection (b) unless the person completes at least a portion of the program requirements after June 30, 1999.

(h) Credit time earned by a person under subsection (a) for a diploma or degree completed before July 1, 1999, shall be subtracted from:

(1) the release date that would otherwise apply to the person after subtracting all other credit time earned by the person, if the person has not been convicted of an offense described in subdivision (2); or

(2) the period of imprisonment imposed on the person by the sentencing court, if the person has been convicted of one (1) of the following crimes:

(A) Rape (IC 35-42-4-1).
(B) Criminal deviate conduct (IC 35-42-4-2).
(C) Child molesting (IC 35-42-4-3).
(D) Child exploitation (IC 35-42-4-4(b)).
(E) Vicarious sexual gratification (IC 35-42-4-5).
(F) Child solicitation (IC 35-42-4-6).
(G) Child seduction (IC 35-42-4-7).
(H) Sexual misconduct with a minor as a Class A felony, Class B felony, or Class C felony (IC 35-42-4-9).
(I) Incest (IC 35-46-1-3).
(J) Sexual battery (IC 35-42-4-8).
(K) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.
(L) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.
(M) An attempt or a conspiracy to commit a crime listed in clauses (A) through (L).

(i) The maximum amount of credit time a person may earn under this section is the lesser of:

(1) four (4) years; or

(2) one-third (1/3) of the person's total applicable credit time.

(j) The amount of credit time earned under this section is reduced to the extent that application of the credit time would otherwise result in:

(1) postconviction release (as defined in IC 35-40-4-6); or

(2) assignment of the person to a community transition program;

in less than forty-five (45) days after the person earns the credit time.

(k) A person may earn credit time for multiple degrees at the same education level under subsection (d) only in accordance with guidelines approved by the department of correction. The department of correction may approve guidelines for proper sequence of education degrees under subsection (d).

SECTION 172. P.L.246-2005, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 36. (a) If the budget director determines at any time during the biennium that the executive branch of state government cannot meet its statutory obligations due to insufficient funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with the approval of the governor and after review by the budget committee, may transfer from the counter-cyclical revenue and economic stabilization fund to the general fund an amount necessary to maintain a positive balance in the general fund.

~~(b) The budget agency shall transfer one hundred million dollars ($100,000,000) into the counter-cyclical revenue and economic stabilization fund during the state fiscal year ending June 30, 2007, unless the budget agency determines there is an insufficient balance in the general fund to make the transfer.~~

~~(c)~~ **(b)** This SECTION expires July 2, ~~2007.~~ **2009.**

SECTION 173. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "commission" refers to the commission on disproportionality in youth services.**

(b) As used in this SECTION, "youth services" means the following:

(1) Juvenile justice services.
(2) Child welfare services.
(3) Education services.
(4) Mental health services.

(c) The commission on disproportionality in youth services is established to develop and provide an implementation plan to evaluate and address disproportionate representation of youth of color in the use of youth services.

(d) The commission consists of the following members appointed not later than August 15, 2007:

(1) The dean or a faculty member of an Indiana accredited graduate school of public administration, social work, education, mental health, or juvenile justice, who shall serve as chairperson of the commission.
(2) The state superintendent of public instruction, or the superintendent's designee.
(3) The director of the division of mental health and addiction, or the director's designee.
(4) The executive director of the Indiana criminal justice institute, or the executive director's designee.
(5) The director of the department of child services, or the director's designee.
(6) The commissioner of the department of correction, or the commissioner's designee.
(7) A division of child services county director from a densely populated county.
(8) A faculty member of an Indiana accredited college or university that offers undergraduate degrees in public administration, social work, education, mental health, or juvenile justice.
(9) A prosecuting attorney.
(10) A juvenile court judge.
(11) An attorney who specializes in juvenile law.
(12) A representative of the Indiana Minority Health Coalition.
(13) A health care provider who specializes in pediatric or emergency medicine.
(14) A public agency family case manager.
(15) A private agency children's service social worker.
(16) A school counselor or social worker.
(17) A representative of law enforcement.
(18) A guardian ad litem, court appointed special advocate, or other child advocate.
(19) The chairperson of an established advocacy group in Indiana that has previously investigated the issue of disproportionality in use of youth services.
(20) A young adult who has previous involvement with at least one (1) youth service.
(21) A representative of foster parents or adoptive parents.
(22) A representative of a state teacher's association or a public school teacher.
(23) A child psychiatrist or child psychologist.
(24) A representative of a family support group.
(25) A representative of the National Alliance on Mental Illness.
(26) A representative of the commission on the social status of black males.
(27) A representative of the Indiana Juvenile Detention Association.
(28) A representative of the commission on Hispanic/Latino affairs.
(29) A representative of the civil rights commission.
(30) Two (2) members of the house of representatives appointed by the speaker of the house of

representatives. The members appointed under this subdivision may not be members of the same political party and serve as nonvoting members.

(31) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party and serve as nonvoting members.

The governor shall appoint the members under subdivisions (1), (7), (10), (13), (16), (19), (22), (25), (28), and (29). The speaker of the house of representatives shall appoint the members under subdivisions (8), (11), (14), (17), (20), (23), (26), and (30). The president pro tempore of the senate shall appoint the members under subdivisions (9), (12), (15), (18), (21), (24), (27), and (31). Vacancies shall be filled by the appointing authority for the remainder of the unexpired term.

(e) Each member of the commission shall have an interest in or influence on evaluating and addressing disproportionate representation of youth of color in the use of youth services.

(f) A majority of the voting members of the commission constitutes a quorum.

(g) The Indiana accredited graduate school represented by the chairperson of the commission under subsection (d)(1) shall staff the commission.

(h) The commission shall meet at the call of the chairperson and shall meet as often as necessary to carry out the purposes of this SECTION.

(i) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(k) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(l) The commission's responsibilities include the following:

(1) Reviewing Indiana's public and private child welfare, juvenile justice, mental health, and education service delivery systems to evaluate disproportionality rates in the use of youth services by youth of color.

(2) Reviewing federal, state, and local funds appropriated to address disproportionality in the use of youth services by youth of color.

(3) Reviewing current best practice standards addressing disproportionality in the use of youth services by youth of color.

(4) Examining the qualifications and training of youth service providers and making recommendations for a training curriculum and other necessary changes.

(5) Recommending methods to improve use of available public and private funds to address disproportionality in the use of youth services by youth of color.

(6) Providing information concerning identified unmet youth service needs and providing recommendations concerning the development of resources to meet the identified needs.

(7) Suggesting policy, program, and legislative changes related to youth services to accomplish the following:

(A) Enhancement of the quality of youth services.

(B) Identification of potential resources to promote change to enhance youth services.

(C) Reduction of the disproportionality in the use of youth services by youth of color.

(8) Preparing a report consisting of the commission's findings and recommendations, and the presentation of an implementation plan to address disproportionate representation of youth of color in use of youth services.

(m) In carrying out the commission's responsibilities, the commission shall consider pertinent studies concerning disproportionality in use of youth services by youth of color.

(n) The affirmative votes of a majority of the commission's voting members are required for the commission to take action on any measure, including recommendations included in the report required under subsection (l)(8).

(o) The commission shall submit the report required under subsection (l)(8) to the governor and to the legislative council not later than August 15, 2008. The report to the legislative council must be in an electronic format under IC 5-14-6. The commission shall make the report available to the public upon request not later than December 1, 2008.

(p) There is appropriated from the state general fund one hundred twenty-five thousand ($125,000) dollars for the period beginning July 1, 2007, and ending December 31, 2008, to carry out the purposes of this SECTION, including the hiring by the chairperson of an individual to serve only to assist the chairperson and members with research, statistical analysis, meeting support, and drafting of the report required under subsection (l)(8).

(q) This SECTION expires January 1, 2009.

SECTION 174. [EFFECTIVE JULY 1, 2007] There is appropriated to the department of agriculture the following amounts from the state general fund for the following purposes beginning July 1, 2007, and ending June 30, 2009:

Acquisition of land and improvements for education outreach and development center	$2,000,000
Total operating costs for educational outreach associated through the center	$300,000
Total operating costs for development in conservation, bioenergy and natural resources through the center	$300,000

(b) The money appropriated by this SECTION does not revert to the state general fund at the close of any state fiscal year but remains available to the department of agriculture until the purpose for which it was appropriated is fulfilled.

SECTION 175. [EFFECTIVE JULY 1, 2007] The trustees of Vincennes University may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the purpose of constructing, furnishing, and equipping a center for advanced manufacturing and applied technology on the Jasper campus of Vincennes University, if the sum of principal costs of any bonds issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed eight million dollars ($8,000,000).

SECTION 176. [EFFECTIVE JULY 1, 2007] (a) There is appropriated to Vincennes University five million dollars ($5,000,000) from the state general fund for the construction of a center for advanced manufacturing in Gibson County. The center shall be owned and operated by Vincennes

University. The appropriation may be used for:

(1) the construction, furnishing, and equipping of the center;

(2) purchasing any land necessary for the center; and

(3) employing one (1) or more architects or engineers.

(b) If any part of the appropriation made by subsection (a) has not been allotted or encumbered before July 1, 2011, the budget agency may determine that:

(1) the balance of the appropriation is not available for allotment;

(2) the appropriation shall be terminated; and

(3) the balance of the appropriation shall revert to the state general fund.

SECTION 177. [EFFECTIVE UPON PASSAGE] The trustees of Vincennes University are authorized to acquire, construct, renovate, improve, and equip a multicultural center to be funded from sources other than student fees or state funds or bonds payable from student fees or state funds if the total cost of the project does not exceed five million dollars ($5,000,000).

SECTION 178. [EFFECTIVE JULY 1, 2007] (a) There is appropriated to the Indiana University School of Medicine - South Bend ten million dollars ($10,000,000) from the state general fund for the construction of the Cancer Research Institute. The facility shall be owned and operated by Indiana University School of Medicine - South Bend.

(b) The money appropriated by this SECTION does not revert to the state general fund at the close of any state fiscal year but remains available to Indiana University School of Medicine - South Bend until the purpose for which it was appropriated is fulfilled.

SECTION 179. [EFFECTIVE JULY 1, 2007] (a) The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Indiana University South Bend - Arts Building Renovation	$27,000,000
Indiana University Bloomington - Cyber Infrastructure Building	18,300,000
Indiana University, Purdue University at Indianapolis - Neurosciences Research Building	20,000,000
Indiana University Southeast Medical Education Center A & E	1,000,000
Indiana State University - Life Sciences/ Chemistry Laboratory Renovations	14,800,000
Ball State University - Central Campus Academic Project, Phase I & Utilities	33,000,000
Ivy Tech-Fort Wayne Technology Center and Demolition Costs	26,700,000
Ivy Tech - Indianapolis Community College for the Fall Creek Expansion Project	69,370,000
Ivy Tech - Lamkin Center for Instructional Development and Leadership	1,000,000
Ivy Tech - Logansport	16,000,000
Ivy Tech - Sellersburg	20,000,000
Ivy Tech - Warsaw A & E	1,000,000
Ivy Tech - Muncie\Anderson A & E	4,800,000
Ivy Tech - Elkhart Phase I	16,000,000
Ivy Tech - Greencastle	8,000,000
Purdue University Calumet - Gyt Building A & E	2,400,000
Purdue University North Central - Student Services & Recreation Center A & E	1,000,000
University of Southern Indiana College of Business - General Classroom Building	29,900,000
Vincennes University - Health and Science Lab Rehabilitation	2,000,000
Indiana University, Purdue University at Fort Wayne Student Services and Library Complex	24,000,000

(b) The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Purdue University West Lafayette - Mechanical Engineering Addition	$33,000,000

The foregoing project is not eligible for fee replacement appropriations.

(c) The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Purdue University West Lafayette - Boiler No. 6	$53,000,000

The institution shall invite bids as provided under IC 21-37-3-3. The bids shall be open to inspection by the public.

SECTION 180. [EFFECTIVE JULY 1, 2007] (a) The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Purdue University West Lafayette - Animal Disease Diagnostic Laboratory (BSL-3)	$30,000,000

(b) The Indiana department of administration, acting on behalf of the Indiana state board of animal health, in recognition of the state board of animal health's statutory functions involving the animal disease diagnostic laboratory, is hereby authorized and directed to enter into a lease agreement, as lessee, with the trustees of Purdue University as lessor, covering animal disease diagnostic laboratory (BSL-3).

SECTION 181. [EFFECTIVE UPON PASSAGE] The trustees of Indiana University may issue and sell bonds under IC 21-35, subject to the approvals required under IC 21-33-3, to provide funds for the acquisition, renovation, expansion, and improvements for the new Athletic Facilities (including all related and subordinate components of the new Athletic facilities) and may undertake the project if the total costs financed by the bond issue, excluding any amount necessary to provide money for debt service reserved, credit enhancement, or other costs incidental to the issuance of the bonds, do not exceed forty-five million dollars ($45,000,000). Income from the property may include general athletic revenues.

SECTION 182. [EFFECTIVE JULY 1, 2007] **(a) The purpose of this SECTION is to eliminate the accrued payment delay balances to state educational institutions and IHETS and the Indiana commission for higher education that were created because of the distribution of eleven-twelfths (11/12) of the budgeted amount in the state fiscal year ending June 30, 2002, and a continuation of the practice of delayed payments in subsequent state fiscal years through the state fiscal year ending June 30, 2005.**

(b) The following definitions apply throughout this section:

(1) "IHETS" refers to the Indiana higher education telecommunications system.

(2) "State educational institution" has the meaning set forth in IC 21-7-13-32.

(c) There is appropriated to the budget agency sixty-two million, fifty-six thousand, eight hundred fifty-four dollars ($62,056,854) from the state general fund for its use for general repair and rehabilitation or for repair and rehabilitation of dormitories or other student housing of state educational institutions, beginning July 1, 2007, and ending June 30, 2009 as follows:

INDIANA UNIVERSITY - TOTAL SYSTEM	
General Repair and Rehab	**24,343,840**
PURDUE UNIVERSITY - TOTAL SYSTEM	
General Repair and Rehab	**17,189,072**
INDIANA STATE UNIVERSITY	
General Repair and Rehab	**4,304,740**
UNIVERSITY OF SOUTHERN INDIANA	
General Repair and Rehab	**1,612,030**
BALL STATE UNIVERSITY	
General Repair and Rehab	**6,678,810**
VINCENNES UNIVERSITY	
General Repair and Rehab	**1,804,222**
IVY TECH COMMUNITY COLLEGE	
General Repair and Rehab	**6,124,142**

(d) Notwithstanding P.L.246-2005, SECTION 32, the budget agency shall distribute to a state educational institution after June 30, 2007, and before July 1, 2009, the amount appropriated to the state educational institution under subsection (c). The distributions under subsection (c) shall be made as follows:

(1) Fifty percent (50%) of the distributions shall be made in one (1) or more installments after June 30, 2007, and before July 1, 2008, on the schedule determined by the budget agency after review of the schedule by the budget committee.

(2) Fifty percent (50%) of the distributions shall be made in one (1) or more installments after June 30, 2008, and before July 1, 2009, on the schedule determined by the budget agency after review of the schedule by the budget committee.

(3) Each distribution shall be separately allotted.

(e) An appropriation under subsection (c) is in addition to the appropriations for general repair and rehabilitation made in P.L.246-2005, SECTION 32, or any other law. Notwithstanding any other law, an appropriation under subsection (c) does not revert to the general fund under IC 4-13-2-19.

(f) The amount appropriated under subsection (c), when distributed to a state educational institution, shall be treated as reducing any claim that the total system of the state educational institution has to one-twelfth (1/12) of the amount budgeted for the state educational institution in all line items in HEA 1001-2003, SECTION 9, for the state fiscal year ending June 30, 2005. Subject to subsection (g), the amount of the claim reduction for each state educational institution is equal to the amount distributed to the state educational institution. The amount of the claim reduction for the entire system, and the amount apportioned for each institution individually, shall be computed by the budget agency. The budget agency shall make the final determination.

(g) An amount appropriated under subsection (c), when distributed to Indiana University, shall be treated as reducing any claim that IHETS has to one-twelfth (1/12) of the amount budgeted for IHETS in all line items in HEA 1001-2003, SECTION 9, for the state fiscal year ending June 30, 2005. The amount of the claim reduction is a part of the amount distributed to Indiana University - Total System apportioned as determined by the budget agency.

(h) Amounts appropriated under subsection (c) shall be treated as reducing any claim to zero dollars ($0) that the Indiana commission for higher education has to one-twelfth (1/12) of the amount budgeted for the Indiana commission for higher education in all line items in HEA 1001-2003, SECTION 9, for the state fiscal year ending June 30, 2005.

SECTION 183. [EFFECTIVE JULY 1, 2007] **There is appropriated from the state general fund to Ivy Tech Community College one million six hundred thousand dollars ($1,600,000) for the purpose of making lease payments for the Portage Campus beginning July 1, 2008, and ending June 30, 2009. Any unencumbered amount from the appropriation under this SECTION remaining at the end of a state fiscal year does not revert to the state general fund but remains available for the purposes of the appropriation in subsequent state fiscal years.**

SECTION 184. [EFFECTIVE JULY 1, 2007] **(a) There is appropriated to the Indiana economic development corporation one million dollars ($1,000,000) from the state general fund for the period beginning July 1, 2007, and ending June 30, 2009, for its use in providing technical and financial assistance to small businesses (as defined in IC 4-22-2.1-4) that engage in global commerce.**

(b) This SECTION expires June 30, 2009.

SECTION 185. [EFFECTIVE JULY 1, 2007] **(a) There is appropriated to the Indiana economic development corporation one million dollars ($1,000,000) from the state general fund for its use in assisting the Indiana small business development center in the operation of the small business development center network, for the period beginning July 1, 2007, and ending June 30, 2009.**

(b) Money appropriated by this SECTION must be used for the specific purpose described in subsection (a). Money appropriated by this SECTION may not be used to pay the administrative expenses of the Indiana economic development corporation.

(c) This SECTION expires June 30, 2009.

SECTION 186. [EFFECTIVE JULY 1, 2007] **Notwithstanding SECTION 244 of HEA 1001-2005, the trustees of Purdue University may issue and sell bonds under IC 21-34, subject to the review by the budget committee required by IC 21-33-3, for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below:**

Purdue University North Central Campus Parking Garage No. 1	**8,000,000**

SECTION 187. [EFFECTIVE UPON PASSAGE] **(a) The general assembly finds that the state of Indiana needs additional parking facilities in the area of the state capitol complex and the White River State Park for:**

(1) employees of the state and the facilities located in the area of the state capitol complex and White River State Park; and

(2) visitors to or persons having business at facilities located in the area of the state capitol complex and White River State Park.

(b) The general assembly finds that the state of Indiana will have a continuing need for use and occupancy of the parking facilities described in subsection (a).

(c) The general assembly authorizes the Indiana finance authority to proceed with the projects described in subsection (a) under IC 4-13.5-1 and IC 4-13.5-4.

(d) The Indiana finance authority shall present a feasibility plan and cost estimate to the budget committee when the feasibility plan and cost estimate become available.

SECTION 188. IC 27-1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) Except as provided in subsection ~~(g)~~ **(f)**, the commissioner shall collect the following filing fees:

Document	Fee
Articles of incorporation	$ 350
Amendment of articles of incorporation	$ 10
Filing of annual statement and consolidated statement	$ 100
Annual renewal of company license fee	$ 50
Withdrawal of certificate of authority	$ 25
Certified statement of condition	$ 5
Any other document required to be filed by this article	$ 25

The commissioner shall deposit fees collected under this subsection into the department of insurance fund established by section 28 of this chapter.

(b) The commissioner shall collect a fee of ten dollars ($10) each time process is served on the commissioner under this title.

(c) The commissioner shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic or foreign corporation:

Per page for copying	As determined by the commissioner but not to exceed actual cost
For the certificate	$10

(d) Each domestic and foreign insurer **and each health maintenance organization** shall remit annually to the commissioner for deposit into the department of insurance fund established by ~~IC 27-1-3-28 three hundred fifty~~ **section 28 of this chapter one thousand** dollars ~~($350)~~ **($1,000)** as an internal audit fee. All assessment insurers, farm mutuals, **and** fraternal benefit societies ~~and health maintenance organizations~~ shall remit to the commissioner for deposit into the department of insurance fund ~~one~~ **two** hundred **fifty** dollars ~~($100)~~ **($250)** annually as an internal audit fee.

(e) Beginning July 1, 1994, each insurer shall remit to the commissioner for deposit into the department of insurance fund established by ~~IC 27-1-3-28~~ **section 28 of this chapter** a fee of thirty-five dollars ($35) for each policy, rider, ~~and~~ **rule, rate, or** endorsement filed with the state, **including subsequent filings. Except as provided in subsection (f), each policy, rider, rule, rate, or endorsement that is filed as part of a particular product filing or in association with a particular product filing is an individual filing subject to the fee under this subsection.** However, ~~each policy, rider, and endorsement filed as part of a particular product filing and associated with that product filing shall be considered to be a single filing and subject only to one (1) thirty-five dollar ($35) fee.~~ **the total amount of fees paid under this subsection by each insurer for a particular product filing may not exceed one thousand dollars ($1,000).**

(f) Beginning July 1, 2009, a policy, rider, rule, rate, or endorsement that is filed as part of a particular product filing or in association with a particular product filing for a commercial product described in:

(1) Class 2(b), Class 2(c), Class 2(d), Class 2(e), Class 2(f), Class 2(g), Class 2(h), Class 2(i), Class 2(j), Class 2(k), Class 2(l), or Class 2(m) of IC 27-1-5-1; or

(2) Class 3 of IC 27-1-5-1;

is considered to be part of a single filing for which the insurer is subject only to one (1) thirty-five dollar ($35) fee under subsection (e).

~~(f)~~ **(g)** The commissioner shall pay into the state general fund by the end of each calendar month the amounts collected during that month under subsections ~~(a),~~ (b) and (c).

~~(g)~~ **(h)** The commissioner may not collect fees for quarterly statements filed under IC 27-1-20-33.

~~(h)~~ **(i)** The commissioner may adopt rules under IC 4-22-2 to provide for the accrual and quarterly billing of fees under this section.

SECTION 189. IC 27-1-3-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) The department of insurance fund is established for the following purposes:

(1) To provide supplemental funding for the operations of the department of insurance.

(2) To pay the costs of hiring and employing staff.

(3) To provide staff salary differentials as necessary to equalize the average salaries and staffing levels of the department of insurance with the average salaries and staffing levels reported in the most recent Insurance Department Resources Report published by the National Association of Insurance Commissioners.

(4) To enable the department of insurance to maintain accreditation by the National Association of Insurance Commissioners.

(5) To carry out any other purpose determined necessary by the department of insurance to carry out the department's duties under this title.

(b) The fund shall be administered by the commissioner. The following shall be deposited in the department of insurance fund:

(1) Audit fees remitted by insurers to the commissioner under ~~IC 27-1-3-15(d).~~ **section 15(d) of this chapter.**

(2) Filing fees remitted by insurers to the commissioner under ~~IC 27-1-3-15(e).~~ **section 15(a) or 15(e) of this chapter.**

(3) Any other amounts remitted to the commissioner or the department that are required by rule or statute to be deposited into the department of insurance fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

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

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

(f) There is annually appropriated to the department of insurance, for the purposes set forth in subsection (a), the entire amount of money deposited in the fund in each year.

SECTION 190. IC 27-1-15.6-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 32. (a) The department shall adopt rules under IC 4-22-2 to set fees for licensure under this chapter, IC 27-1-15.7, and IC 27-1-15.8.

(b) Insurance producer and limited lines producer license renewal fees are due every ~~four (4)~~ **two (2)** years. The fee charged by the department every ~~four (4)~~ **two (2)** years for a:

(1) resident license is forty dollars ($40); and

(2) nonresident license is ninety dollars ($90).

(c) Consultant renewal fees are due every twenty-four (24) months.

(d) Surplus lines producer renewal fees are due ~~annually.~~ **every two (2) years. The fee charged by the department every two (2) years for a:**

(1) resident license is eighty dollars ($80); and

(2) nonresident license is one hundred twenty dollars ($120).

(e) The commissioner may issue a duplicate license for any license issued under this chapter. The fee charged by the commissioner for the issuance of a duplicate:

(1) insurance producer license;

(2) surplus lines producer license;

(3) limited lines producer license; or

(4) consultant license;

may not exceed ten dollars ($10).

(f) A fee charged and collected under this section shall be deposited into the department of insurance fund established by IC 27-1-3-28.

SECTION 191. IC 27-1-25-12.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.2. (a) An administrator that:

(1) performs the duties of an administrator in Indiana; and

(2) does not hold a license issued under section 11.1 of this chapter;

shall obtain a nonresident administrator license under this section by filing a uniform application with the commissioner.

(b) Unless the commissioner verifies the nonresident administrator's home state license status through an electronic data base maintained by the NAIC or by an affiliate or a subsidiary of the NAIC, a uniform application filed under subsection (a) must be accompanied by a letter of certification from the nonresident administrator's home state, verifying that the nonresident administrator holds a resident administrator license in the home state.

(c) A nonresident administrator is not eligible for a nonresident administrator license under this section unless the nonresident administrator is licensed as a resident administrator in a home state that has a law or regulation that is substantially similar to this chapter.

(d) Except as provided in subsections (b) and (h), the commissioner shall issue a nonresident administrator license to a nonresident administrator that makes a filing under subsections (a) and (b) upon receipt of the filing.

(e) Unless a nonresident administrator is notified by the commissioner that the commissioner is able to verify the nonresident administrator's home state licensure through an electronic data base described in subsection (b), the nonresident administrator shall:

(1) on September 15 of each year, file a statement with the commissioner affirming that the nonresident administrator maintains a current license in the nonresident administrator's home state; and

(2) pay a filing fee as required by the commissioner.

The commissioner shall collect a filing fee required under subdivision (2) and deposit the fee into the department of insurance fund established by IC 27-1-3-28.

(f) A nonresident administrator that applies for licensure under this section shall:

(1) produce the accounts of the nonresident administrator;

(2) produce the records and files of the nonresident administrator for examination; and

(3) make the officers of the nonresident administrator available to provide information with respect to the affairs of the nonresident administrator;

when reasonably required by the commissioner.

(g) A nonresident administrator is not required to hold a nonresident administrator license in Indiana if the nonresident administrator's function in Indiana is limited to the administration of life, health, or annuity coverage for a total of not more than one hundred (100) Indiana residents.

(h) The commissioner may refuse to issue or may delay the issuance of a nonresident administrator license if the commissioner determines that:

(1) due to events occurring; or

(2) based on information obtained;

after the nonresident administrator's home state's licensure of the nonresident administrator, the nonresident administrator is unable to comply with this chapter or grounds exist for the home state's revocation or suspension of the nonresident administrator's home state license.

(i) If the commissioner makes a determination described in subsection (h), the commissioner:

(1) shall provide written notice of the determination to the insurance regulator of the nonresident administrator's home state; and

(2) may delay the issuance of a nonresident administrator license to the nonresident administrator until the commissioner determines that the nonresident administrator is able to comply with this chapter and that grounds do not exist for the home state's revocation or suspension of the nonresident administrator's home state license.

SECTION 192. IC 27-1-25-12.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.3. (a) An administrator that is licensed under section 11.1 of this chapter shall, not later than July 1 of each year unless the commissioner grants an extension of time for good cause, file a report for the previous calendar year that complies with the following:

(1) The report must contain financial information reflecting a positive net worth prepared in accordance with section 11.1(b)(4) of this chapter.

(2) The report must be in the form and contain matters prescribed by the commissioner.

(3) The report must be verified by at least two (2) officers of the administrator.

(4) The report must include the complete names and addresses of insurers with which the administrator had a written agreement during the preceding fiscal year.

(5) The report must be accompanied by a filing fee determined by the commissioner.

The commissioner shall collect a filing fee paid under subdivision (5) and deposit the fee into the department of insurance fund established by IC 27-1-3-28.

(b) The commissioner shall review a report filed under subsection (a) not later than September 1 of the year in which the report is filed. Upon completion of the review, the commissioner shall:

(1) issue a certification to the administrator:

(A) indicating that:

(i) the financial statement reflects a positive net worth; and

(ii) the administrator is currently licensed and in good standing; or

(B) noting deficiencies found in the report; or

(2) update an electronic data base that is maintained by the NAIC or by an affiliate or a subsidiary of the NAIC:

(A) indicating that the administrator is solvent and in compliance with this chapter; or

(B) noting deficiencies found in the report.

SECTION 193. IC 27-8-16-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A claim review agent may not conduct medical claims review concerning health care services delivered to an enrollee in Indiana unless the claim review agent holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a claim review agent must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the claim review agent.

(2) The name and telephone number of a person that the department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the claim review agent is capable of satisfying the minimum requirements set forth in section 7 of this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.

(d) The department shall set the amount of the application fee required by subsection (c) and section 6(a) of this chapter in the rules adopted under section 14 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out the department's responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a claim review agent that satisfies the requirements of this section.

SECTION 194. IC 27-8-16-5.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.2. (a) A person may not act as a claim review consultant concerning health care services delivered to an enrollee in Indiana unless the person holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a person must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the person.

(2) The name and telephone number of a person that the department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the person is capable of satisfying the minimum requirements set forth in this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.

(d) The department shall set the amount of the application fee required by subsection (c) and section 6(a) of this chapter in the rules adopted under section 14 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out the department's responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a claim review consultant that satisfies the requirements of this section.

SECTION 195. IC 27-8-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) To remain in effect, a certificate of registration issued under this chapter must be renewed on June 30 of each year. To obtain the renewal of a certificate of registration, a claim review agent or a claim review consultant must submit an application to the commissioner. The application must be accompanied by a registration fee in the amount set under section 5(d) of this chapter. **The commissioner shall deposit a registration fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(b) A certificate of registration issued under this chapter may not be transferred unless the department determines that the person to which the certificate of registration is to be transferred has satisfied the requirements of this chapter.

(c) If there is a material change in any of the information set forth in an application submitted under this chapter, the claim review agent or claim review consultant that submitted the application shall notify the department of the change in writing not more than thirty (30) days after the change.

SECTION 196. IC 27-8-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A utilization review agent may not conduct utilization review in Indiana unless the utilization review agent holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a utilization review agent must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the utilization review agent.

(2) The name and telephone number of a person that the department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the utilization review agent is capable of satisfying the minimum requirements set forth in section 11 of this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.

(d) The department shall set the amount of the application fee required by subsection (c) and section 10(a) of this chapter in the rules adopted under section 20 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out its responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a utilization review agent that satisfies the requirements of this section.

SECTION 197. IC 27-8-17-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) To remain in effect, a certificate of registration issued under this chapter must be renewed on June 30 of each year. To obtain the renewal of a certificate of registration, a utilization review agent must submit an application to the commissioner. The application must be accompanied by a registration fee in the amount set under section 9(d) of this chapter. **The commissioner shall deposit a registration fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(b) A certificate of registration issued under this chapter may not be transferred unless the department determines that the entity to whom the certificate is to be transferred has satisfied the requirements of this chapter.

(c) If there is a material change in any of the information set forth in an application submitted under this chapter, the utilization review agent that submitted the application shall notify the department of the change in writing within thirty (30) days after the change.

SECTION 198. IC 27-13-27-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Each health maintenance organization subject to this article shall pay to the commissioner **for deposit into the department of insurance fund established by IC 27-1-3-28** the following fees:

(1) Three hundred fifty dollars ($350) for filing:

(A) an application for a certificate of authority; or

(B) an application for an amendment to a certificate of authority.

(2) Fifty dollars ($50) for filing each annual report.

SECTION 199. IC 27-13-34-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) A limited service health maintenance organization subject to this chapter shall pay to the commissioner **for deposit into the department of insurance fund established by IC 27-1-3-28** the following fees:

(1) For filing an application for a certificate of authority or an amendment to an application, three hundred fifty dollars ($350).

(2) For filing each annual report, fifty dollars ($50).

(b) In addition to the fees required by subsection (a), a limited service health maintenance organization subject to this chapter must pay the fees required by IC 27-1-3-15.

SECTION 200. IC 5-20-4-7, AS AMENDED BY P.L.1-2006, SECTION 114, AND AS AMENDED BY P.L.181-2006, SECTION 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2007]: Sec. 7. (a) There is established the *affordable* housing ~~*trust*~~ *and community development* fund. The fund shall be administered by the ~~*Indiana housing and community development*~~ authority under the direction of the ~~*Indiana housing and community development*~~ authority's board.

(b) The fund consists of the following resources:

(1) Appropriations from the general assembly.

(2) Gifts, ~~*and*~~ grants, ~~*to the fund.*~~ *and donations of any tangible or intangible property from public or private sources.*

(3) Investment income earned on the fund's assets.

(4) Repayments of loans from the fund.

(5) Funds borrowed from the board for depositories insurance fund (IC 5-13-12-7).

(6) Money deposited in the fund under IC 6-7-2-17.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the ~~*Indiana housing and community development*~~ authority to pay expenses incurred in the administration of the fund.

SECTION 201. IC 6-7-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. A tax is imposed on the distribution of tobacco products in Indiana at the rate of ~~eighteen~~ **twenty-four** percent ~~(18%)~~ **(24%)** of the wholesale price of the tobacco products. The distributor of the tobacco products is liable for the tax. The tax is imposed at the time the distributor:

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

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

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

SECTION 202. IC 6-7-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2007]: Sec. 17. The department shall deposit ~~all revenue~~ **twenty-five percent (25%) of the taxes, registration fees, fines, or penalties** collected under this chapter **in the affordable housing and community development fund established by IC 5-20-4-7**. **The remainder of the taxes, registration fees, fines, or penalties collected under this chapter shall be deposited** as provided in IC 6-7-1-28.1.

SECTION 203. [EFFECTIVE JULY 1, 2007] **IC 6-7-2-7, as amended by this act, applies to transactions occurring after June 30, 2007.**

SECTION 204. IC 6-1.1-30-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. The department of local government finance is the agency through which public access to information provided for a county to both the department of local government finance and the legislative services agency shall be provided. This information to which this section applies includes information provided under the following:**

(1) IC 5-14-1.5-2.

(2) IC 6-1.1-4-18.5.

(3) IC 6-1.1-4-19.5.

(4) IC 6-1.1-4-25.

(5) IC 6-1.1-5.5-3.

(6) IC 6-1.1-11-8.

(7) IC 6-1.1-31.5-3.5.

(8) IC 6-1.1-33.5-3.

(9) IC 36-2-9-20.

SECTION 205. IC 36-7-15.1-26.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:

(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a particular allocation area;

(2) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, ~~or~~ transportation, **or convention center hotel** related projects; and

(3) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects.

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 26(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers in accordance with the procedures and limitations set forth in this section and section 26 of this chapter. If such a modification is included in the resolution, for purposes of section 26 of this chapter the term "base assessed value" with respect to the depreciable personal property of designated taxpayers means the net assessed value of the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 26(h) of this chapter.

SECTION 206. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "committee" refers to the sentencing policy study committee established by subsection (c).**

(b) The general assembly finds that a comprehensive study of sentencing laws and policies is desirable in order to:

(1) ensure that sentencing laws and policies protect the public safety;

(2) establish fairness and uniformity in sentencing laws and policies;

(3) determine whether incarceration or alternative sanctions are appropriate for various categories of

criminal offenses; and

(4) maximize cost effectiveness in the administration of sentencing laws and policies.

(c) The sentencing policy study committee is established to evaluate sentencing laws and policies as they relate to:

(1) the purposes of the criminal justice and corrections systems;

(2) the availability of sentencing options; and

(3) the inmate population in department of correction facilities.

If, based on the committee's evaluation under this subsection, the committee determines that changes are necessary or appropriate, the committee shall make recommendations to the general assembly for the modification of sentencing laws and policies and for the addition, deletion, or expansion of sentencing options.

(d) The committee shall do the following:

(1) Evaluate the existing classification of criminal offenses into felony and misdemeanor categories. In determining the proper category for each felony and misdemeanor, the committee shall consider, to the extent they have relevance, the following:

(A) The nature and degree of harm likely to be caused by the offense, including whether the offense involves property, irreplaceable property, a person, a number of persons, or a breach of the public trust.

(B) The deterrent effect a particular classification may have on the commission of the offense.

(C) The current incidence of the offense in Indiana.

(D) The rights of the victim.

(2) Recommend structures to be used by a sentencing court in determining the most appropriate sentence to be imposed in a criminal case, including any combination of imprisonment, probation, restitution, community service, or house arrest. The committee shall also consider the following:

(A) The nature and characteristics of the offense.

(B) The severity of the offense in relation to other offenses.

(C) The characteristics of the defendant that mitigate or aggravate the seriousness of the criminal conduct and the punishment deserved for that conduct.

(D) The defendant's number of prior convictions.

(E) The available resources and capacity of the department of correction, local confinement facilities, and community based sanctions.

(F) The rights of the victim.

The committee shall include with each set of sentencing structures an estimate of the effect of the sentencing structures on the department of correction and local facilities with respect to both fiscal impact and inmate population.

(3) Review community corrections and home detention programs for the purpose of:

(A) standardizing procedures and establishing rules for the supervision of home detainees; and

(B) establishing procedures for the supervision of home detainees by community corrections programs of adjoining counties.

(4) Determine the long range needs of the criminal justice and corrections systems and recommend policy priorities for those systems.

(5) Identify critical problems in the criminal justice and corrections systems and recommend strategies to solve the problems.

(6) Assess the cost effectiveness of the use of state and local funds in the criminal justice and corrections systems.

(7) Recommend a comprehensive community corrections strategy based on the following:

(A) A review of existing community corrections programs.

(B) The identification of additional types of community corrections programs necessary to create an effective continuum of corrections sanctions.

(C) The identification of categories of offenders who should be eligible for sentencing to community corrections programs and the impact that changes to the existing system of community corrections programs would have on sentencing practices.

(D) The identification of necessary changes in state oversight and coordination of community corrections programs.

(E) An evaluation of mechanisms for state funding and local community participation in the operation and implementation of community corrections programs.

(F) An analysis of the rate of recidivism of clients under the supervision of existing community corrections programs.

(8) Propose plans, programs, and legislation for improving the effectiveness of the criminal justice and corrections systems.

(9) Evaluate the use of faith based organizations as an alternative to incarceration.

(10) Study issues related to sex offenders, including:

(A) lifetime parole;

(B) GPS or other electronic monitoring;

(C) a classification system for sex offenders;

(D) recidivism; and

(E) treatment.

(e) The committee may study other topics assigned by the legislative council or as directed by the committee chair. The committee may meet as often as necessary.

(f) The committee consists of twenty (20) members appointed as follows:

(1) Four (4) members of the senate, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the president pro tempore of the senate.

(2) Four (4) members of the house of representatives, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the speaker of the house of representatives.

(3) The chief justice of the supreme court or the chief justice's designee.

(4) The commissioner of the department of correction or the commissioner's designee.

(5) The director of the Indiana criminal justice institute or the director's designee.

(6) The executive director of the prosecuting attorneys council of Indiana or the executive director's designee.

(7) The executive director of the public defender council of Indiana or the executive director's designee.

(8) One (1) person with experience in administering community corrections programs, appointed by the governor.

(9) One (1) person with experience in administering probation programs, appointed by the governor.

(10) Two (2) judges who exercise juvenile jurisdiction, not more than one (1) of whom may be affiliated with the same political party, to be appointed by the governor.

(11) Two (2) judges who exercise criminal jurisdiction, not more than one (1) of whom may be affiliated with the same political party, to be appointed by the governor.

(12) One (1) board certified psychologist or psychiatrist who has expertise in treating sex offenders, appointed by the governor to act as a nonvoting advisor to the

committee.

(g) The chairman of the legislative council shall appoint a legislative member of the committee to serve as chair of the committee. Whenever there is a new chairman of the legislative council, the new chairman may remove the chair of the committee and appoint another chair.

(h) If a legislative member of the committee ceases to be a member of the chamber from which the member was appointed, the member also ceases to be a member of the committee.

(i) A legislative member of the committee may be removed at any time by the appointing authority who appointed the legislative member.

(j) If a vacancy exists on the committee, the appointing authority who appointed the former member whose position is vacant shall appoint an individual to fill the vacancy.

(k) The committee shall submit a final report of the results of its study to the legislative council before November 1, 2008. The report must be in an electronic format under IC 5-14-6.

(l) The Indiana criminal justice institute shall provide staff support to the committee.

(m) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

(n) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including the final report.

(o) Except as otherwise specifically provided by this act, the committee shall operate under the rules of the legislative council. All funds necessary to carry out this act shall be paid from appropriations to the legislative council and legislative services agency.

(p) This SECTION expires December 31, 2008.

SECTION 207. IC 5-10-1.1-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) This section applies to an individual who becomes an employee of the state after June 30, 2007.**

(b) Unless an employee notifies the state that the employee does not want to enroll in the deferred compensation plan, on day thirty-one (31) of the employee's employment:

(1) the employee is automatically enrolled in the deferred compensation plan; and

(2) the state is authorized to begin deductions as otherwise allowed under this chapter.

(c) The auditor of state shall provide written notice to an employee of the provisions of this chapter. The notice provided under this subsection must:

(1) be provided:

(A) with the employee's first paycheck; and

(B) on paper that is a color that is separate and distinct from the color of the employee's paycheck;

(2) contain a statement concerning:

(A) the purposes of;

(B) procedures for notifying the state that the employee does not want to enroll in;

(C) the tax consequences of;

(D) the details of the state match for employee contribution to;

the deferred compensation plan;

(3) list the telephone number, electronic mail address, and other contact information for the auditor of state, who serves as plan administrator.

(d) Notwithstanding IC 22-2-6, except as provided by subsection (c), the state shall deduct from an employee's compensation as a contribution to the deferred compensation plan established by the state under this chapter an amount equal to the maximum amount of any match provided by the state on behalf of the employee to a defined contribution plan established under section 1.5(a) of this chapter.

(e) An employee may contribute to the deferred compensation plan established by the state under this chapter an amount other than the amount described in subsection (d) by affirmatively choosing to contribute:

(1) a higher amount;

(2) a lower amount; or

(3) zero (0).

SECTION 208. IC 5-10.1-2-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 9. (a) The agreement shall be modified to exclude services performed by an election official or an election worker for calendar year 2007 in which the remuneration paid for such services is less than one thousand three hundred dollars ($1,300), and for each calendar year after 2007 in which the remuneration paid is less than the adjusted amount, as described in subsection (b), beginning with services performed in the year that this modification was mailed or delivered by other means to the Commissioner of Social Security.**

(b) The one thousand three hundred dollar ($1,300) limit on the excludable amount of remuneration paid in a calendar year for the services specified in this modification will be subject to adjustment for calendar years after 2007 to reflect changes in wages in the economy without any further modification of the agreement, with respect to such services performed during such calendar years, in accordance with Section 218(c)(8)(B) of the Social Security Act.

(c) This exclusion applies to all coverage groups of the state and its political subdivisions currently (as of the date this modification is executed), including under this agreement and to which the agreement is hereafter made applicable.

SECTION 209. IC 12-15-29-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Subject to subsection (b), an insurer shall furnish records or information pertaining to the coverage of an individual for the individual's medical costs under an individual or a group policy or other obligation, or the medical benefits paid or claims made under a policy or an obligation, if the office **or its agent** does the following:

(1) Requests the information ~~in writing.~~ **electronically or by United States mail.**

(2) Certifies that the individual is:

(A) a Medicaid applicant or recipient; or

(B) a person who is legally responsible for the applicant or recipient.

(b) The office may request only the records or information necessary to determine whether insurance benefits have been or should have been claimed and paid with respect to items of medical care and services that were received by a particular individual and for which Medicaid coverage would otherwise be available.

SECTION 210. IC 12-15-44 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 44. Coordination of Benefits Study

Sec. 1. As used in this chapter, "covered entity" has the meaning set forth in 45 CFR 160.103.

Sec. 2. (a) Before January 1, 2008, the office shall do the following:

(1) Examine all Medicaid claims paid after January 1, 2001, and before July 1, 2007.

(2) Determine the claims examined under subdivision (1) that were eligible for payment by a third party other than Medicaid.

(3) Recover the costs associated with the claims

determined under subdivision (2) to be eligible for payment by a third party other than Medicaid.

(b) If the office requests a covered entity to furnish information to complete the examination required by this section, the covered entity shall furnish the requested information to the office.

Sec. 3. (a) The office is authorized to transmit the minimum human identifiers in ANSI X.12 270 inquiries, including the name, gender, and date of birth of a Medicaid recipient, to a covered entity licensed or registered to provide health insurance or health care coverage to Indiana residents for the purpose of establishing the coverage in force of a Medicaid recipient who presents a claim.

(b) A health plan that receives a message described in subsection (a) from the office or its agent shall respond to the office or its agent within twenty-four (24) hours.

(c) An entity licensed or registered to provide health insurance or health care coverage to Indiana residents that refuses an ANSI X. 12 270 message described in subsection (a) that was transmitted to the entity by the office or its agent is subject to a fine for each refusal in an amount not to exceed one thousand dollars ($1,000) for each refusal.

(d) The office may impose the fine described in subsection (c).

Sec. 4. The office, any medical provider wishing to bill Indiana Medicaid, or any health plan has a cause of action for injunctive relief against any health plan that fails to comply with this chapter. A plaintiff seeking relief under this section may recover costs of litigation, including attorney's fees.

Sec. 5. If the office or its agent furnishes evidence that a health plan has refused or failed to respond to messages described in section 3(a) of this chapter transmitted by the office or its agent to the health plan, the attorney general shall:

(1) subpoena the enrollment data of any entity that refuses or fails to respond to the messaging described in section 3(a) of this chapter;

(2) commence a complaint under 42 U.S.C. 1320d-5 for administrative sanctions under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191); and

(3) commence a prosecution under USC 1035 or IC 5-11-5.5 of any entity that refuses or fails to respond to the messaging described under section 3(a) of this chapter.

Sec. 6. (a) If, after the office completes its examination under section 2 of this chapter, the office determines that the number of claims determined under section 2(a)(2) of this chapter is at least one percent (1%) of the number of claims examined under section 2(a)(1) of this chapter, the office shall develop and implement a procedure to improve the coordination of benefits between:

(1) the Medicaid program; and

(2) entities that provide health coverage to a Medicaid recipient.

(b) If a procedure is developed and implemented under subsection (a), the procedure:

(1) must be automated; and

(2) must have the capability to determine whether a Medicaid claim is eligible for payment by an entity other than the Medicaid program before the claim is paid under the Medicaid program.

SECTION 211. IC 33-33-24-2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2. The judge of the Franklin circuit court may appoint one (1) full-time magistrate under IC 33-23-5. The magistrate continues in office until removed by the judge.**

SECTION 212. IC 33-33-29-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The judges of the Hamilton superior court may jointly appoint ~~one (1)~~ **two (2)** full-time ~~magistrate~~ **magistrates** under IC 33-23-5. ~~The~~ **A** magistrate continues in office until removed by the judges of the superior court.

SECTION 213. IC 33-33-36-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. The Jackson superior court has ~~one (1) judge~~ **two (2) judges.** ~~who shall hold sessions in Seymour.~~

SECTION 214. [EFFECTIVE JULY 1, 2007] **(a) The Jackson superior court is not expanded to two (2) judges until January 1, 2008.**

(b) The governor shall appoint a person under IC 3-13-6-1(f) to serve as the initial judge added to the Jackson superior court by IC 33-33-36-3, as amended by this act, before January 1, 2008.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2008, and ends December 31, 2010.

(d) The initial election of the judge of the Jackson superior court added by IC 33-33-36-3, as amended by this act, is the general election on November 2, 2010. The term of the initially elected judge begins January 1, 2011.

SECTION 215. IC 33-33-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Clark County constitutes the fourth judicial circuit.

(b) The judges of the Clark circuit court and Clark superior court may jointly appoint ~~one (1)~~ **two (2)** full-time ~~magistrate~~ **magistrates** under IC 33-23-5 to serve the circuit and superior courts.

(c) ~~The~~ **A** magistrate continues in office until removed by the judges of the Clark circuit and superior courts.

SECTION 216. IC 33-30-2-1, AS AMENDED BY P.L.237-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) A county court is established in ~~the following counties:~~

~~(1) Floyd County.~~

~~(2)~~ Madison County.

(b) However, a county court ~~listed~~ **described** in subsection (a) is abolished if:

(1) IC 33-33 provides a small claims docket of the circuit court;

(2) IC 33-33 provides a small claims docket of the superior court; or

(3) IC 33-34 provides a small claims court;

for the county in which the county court was established.

SECTION 217. IC 33-33-22-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Floyd County constitutes the fifty-second judicial circuit.

(b) The judges of the Floyd circuit court **and** Floyd superior court ~~and Floyd county court~~ may jointly appoint one (1) full-time magistrate under IC 33-23-5 to serve the circuit **and** superior ~~and county~~ courts.

(c) The magistrate continues in office until removed by the judges of the Floyd circuit **and** superior ~~and county~~ courts.

SECTION 218. IC 33-33-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) IC 33-29-1-3 does not apply to this section.

(b) The Floyd superior court has ~~one (1) judge,~~ **three judges,** who shall be elected at the general election every six (6) years in Floyd County. ~~The~~ **A** judge's term begins January 1 following the judge's election and ends December 31 following the election of the judge's successor.

SECTION 219. IC 33-33-22-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7. The Floyd superior court has a standard small claims and misdemeanor division.**

SECTION 220. THE FOLLOWING ARE REPEALED

[EFFECTIVE JANUARY 1, 2009]: IC 33-30-3-12; IC 33-33-22-6.

SECTION 221. [EFFECTIVE JULY 1, 2007] **(a) Notwithstanding IC 33-33-22-3, as amended by this act, the Floyd superior court is not expanded from one (1) judge to three (3) judges until January 1, 2009.**

(b) As of January 1, 2009, the Floyd county court is abolished.

(c) Any case pending in the Floyd county court after the close of business on December 31, 2008, is transferred on January 1, 2009, to the Floyd superior court established by IC 33-33-22-2. All cases transferred under this subsection that are eligible to be heard by the standard small claims and misdemeanor division, established by IC 33-33-22-7, as added by this act, shall be transferred to the standard small claims and misdemeanor division of the Floyd superior court in accordance with the venue requirements prescribed in Rule 75 of the Indiana Rules of Trial Procedure. A case transferred under this SECTION shall be treated as if the case were filed in the Floyd superior court.

(d) On January 1, 2009, all property and obligations of the Floyd county court become the property and obligations of the Floyd superior court.

(e) The initial election of the second and third judges of the Floyd superior court added by IC 33-33-22-3, as amended by this act, is the general election on November 4, 2008. The term of a judge elected under this subsection begins January 1, 2009.

(f) This SECTION expires January 2, 2009.

SECTION 222. [EFFECTIVE UPON PASSAGE]. **(a) The definitions in IC 20-18-2 apply throughout this SECTION.**

(b) The legislative council shall contract with Indiana University's Center for Evaluation and Education Policy for a study of the effectiveness and efficiency of charter schools in Indiana under the terms and conditions specified by the legislative council. The study must provide for a final report to be made before November 1, 2008, to the general assembly in an electronic format under IC 5-14-6 and to the governor. The department of education, charter schools, and sponsors of charter schools shall cooperate with the Center for Evaluation and Education Policy to complete the study.

SECTION 223. [EFFECTIVE JULY 1, 2007] **Beginning in October 2007, and in every third month thereafter, the department of transportation shall submit a report to the legislative council in an electronic format under IC 5-14-6 and the governor describing the projects that the department of transportation has expended or encumbered money from the appropriation in the state fiscal year for MAJOR MOVES CONSTRUCTION PROGRAM (IC 8-14-14-5) Formal Contract Expense. The report must identify whether the project was listed in the department of transportation project priority list as that list existed on April 29, 2007, the extent to which the expenditures made for the project are consistent with the work contemplated in the list, and any other information that is necessary or appropriate to determining whether expenditures are being made in accordance with the projects contemplated on April 29, 2007, for the year. In addition, the department of transportation shall make presentations to the legislative council or the interim study committee designated by the legislative council concerning the completion of projects from the appropriation, as requested by the legislative council or the committee. After submission of the reports required under this SECTION, the department may request the budget agency to augment the appropriation for Major Moves Construction Program – Formal Projects expense in an amount not to exceed $50,000,000 for each year of the biennium.**

SECTION 224. IC 4-12-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 13. Review of Certain Contracts for Services

Sec. 1. As used in this chapter, "state agency" has the meaning set forth in IC 4-13-1-1(b).

Sec. 2. (a) This section applies only to a contract or an agreement:

(1) that is first entered into by:

(A) a state agency; and

(B) a private contractor or private vendor;

after June 30, 2007;

(2) in which the initial term of the contract or agreement plus the term of any possible renewal or extension periods is at least four (4) years;

(3) under which the amount to be paid by the state agency during the initial term of the contract or agreement plus the term of any possible renewal or extension periods:

(A) is at least ten million dollars ($10,000,000); or

(B) is estimated by the state agency to be at least ten million dollars ($10,000,000); and

(4) under which the private contractor or private vendor will provide services that before the effective date of the contract or agreement are provided directly by the employees of the state agency.

(b) In addition to any other requirements that must be satisfied, a state agency may not enter into a contract or an agreement described in subsection (a) unless the following requirements are satisfied:

(1) At least thirty (30) days before entering into the contract or agreement, the state agency must conduct at least one (1) public hearing on the contract or agreement. The state agency must allow public comments and testimony at the public hearing. The public hearing must be held in compliance with IC 5-14-1.5.

(2) Either of the following occurs:

(A) At least thirty (30) days before the state agency enters into the contract or agreement, the budget committee makes a recommendation to the budget agency concerning the contract or agreement.

(B) The budget committee does not make a recommendation concerning the contract or agreement within thirty (30) days after the chairman of the budget committee is requested by the budget agency to make a recommendation.

Sec. 3. (a) In addition to any other requirements that must be satisfied, a state agency may have the employees of the state agency directly provide services that are provided by a private contractor or private vendor under a contract or an agreement described in section 2(a) of this chapter only if the following requirements are satisfied:

(1) At least thirty (30) days before the employees of the state agency begin directly providing the services, the state agency must conduct at least one (1) public hearing concerning the provision of the services by the employees of the state agency. The state agency must allow public comments and testimony at the public hearing. The public hearing must be held in compliance with IC 5-14-1.5.

(2) Either of the following occurs:

(A) At least thirty (30) days before employees of the state agency begin directly providing services, the budget committee makes a recommendation to the budget agency concerning the provision of the services by the employees of the state agency.

(B) The budget committee does not make a recommendation concerning the provision of the services by the employees of the state agency within thirty (30) days after the chairman of the budget committee is requested by the budget agency to make

a recommendation.

(b) A state agency is not required to comply with the requirements of subsection (a) if the director or other administrative head of the state agency declares that an emergency exists that requires the employees of the state agency to directly provide the services that were provided by a private contractor or private vendor.

SECTION 225. IC 6-1.1-21-10, AS AMENDED BY P.L.159-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) There is established a property tax replacement fund board to consist of the commissioner of the department, the commissioner of the department of local government finance, the director of the budget agency, and two (2) ex officio nonvoting representatives of the general assembly of the state of Indiana. The speaker of the house of representatives shall appoint one (1) member of the house as one (1) of the ex officio nonvoting representatives, and the president pro tempore of the senate shall appoint one (1) senator as the other ex officio nonvoting representative, each to serve at the will of the appointing officer. The commissioner of the department shall be the chairman of the board, and the director of the budget agency shall be the secretary of the board.

(b) The schedule to be used after December 31, 2006, and before January 1, 2008, in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	**0.00%**
February	**0.00%**
March	**16.70%**
April	**16.70%**
May	**6.20%**
June	**0.00%**
July	**10.40%**
August	**0.00%**
September	**16.70%**
October	**16.70%**
November	**16.60%**
December	**0.00%**

(c) The schedule to be used after December 31, 2007, and before January 1, 2009, in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	**0.00%**
February	**0.00%**
March	**16.70%**
April	**16.70%**
May	**11.40%**
June	**0.00%**
July	**5.20%**
August	**0.00%**
September	**16.70%**
October	**16.70%**
November	**16.60%**
December	**0.00%**

~~(b)~~ **(d)** The schedule to be used **after December 31, 2008,** in making distributions to county treasurers during the periods set forth in section 4(b) of this chapter is as follows:

January	0.00%
February	0.00%
March	16.70%
April	16.70%
May	~~6.20%~~ **16.70%**
June	0.00%
July	~~10.40%~~ **0.00%**
August	0.00%
September	16.70%
October	16.70%
November	16.60%
December	0.00%

The board may authorize the department to distribute the estimated distributions to counties earlier than what is required under section 4(b) of this chapter.

~~(c)~~ **(e)** The board is also authorized to transfer funds from the property tax replacement fund for the purpose of providing state tuition support distributions to school corporations as provided in IC 20-20-33 and IC 20-43.

SECTION 226. IC 20-24-6-7, AS AMENDED BY P.L.2-2006, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A charter school ~~shall~~ **may** participate in **any of** the following:

(1) The Indiana state teachers' retirement fund in accordance with IC 5-10.4.

(2) The public employees' retirement fund in accordance with IC 5-10.3.

(3) Another employee pension or retirement fund.

(b) **Except as provided in subsection (e),** a person who teaches in a charter school is a member of the Indiana state teachers' retirement fund. Service in a charter school is creditable service for purposes of IC 5-10.4.

(c) **Except as provided in subsection (e),** a person who:

(1) is a local school employee of a charter school; and

(2) is not eligible to participate in the Indiana state teachers' retirement fund;

is a member of the public employees' retirement fund.

(d) The boards of the Indiana state teachers' retirement fund and the public employees' retirement fund shall implement this section through the organizer of the charter school, subject to and conditioned upon receiving any approvals either board considers appropriate from the Internal Revenue Service and the United States Department of Labor.

(e) Charter school employees may participate in a private pension or retirement program, if the organizer of the charter school offers the opportunity to participate in the program.

SECTION 227. IC 20-26-7-1, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) If a governing body of a school corporation determines that any real or personal property:

(1) is no longer needed for school purposes; or

(2) should, in the interests of the school corporation, be exchanged for other property;

the governing body may sell or exchange the property in accordance with IC 36-1-11.

(b) Money derived from the sale or exchange of property under this section shall be placed in any school fund:

(1) established under applicable law; and

(2) that the governing body considers appropriate.

(c) A governing body may not make a covenant that prohibits the sale of real property to another educational institution.

SECTION 228. IC 20-33-8.5-5, AS AMENDED BY P.L.2-2006, SECTION 156, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The agreement must provide how the expenses of supervising a student who has been suspended or expelled are funded. A school corporation may not be required to expend more than the ~~target~~ **transition to foundation** revenue per **adjusted** ADM (as defined in ~~IC 20-43-1-26)~~ **IC 20-43-1-29.3)** for each student referred under the agreement.

SECTION 229. IC 20-40-6-5, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Subject to this chapter, the fund is the exclusive fund to be used by a school corporation for the payment of costs attributable to transportation.

~~(b) After June 30, 2005, and before July 1, 2007, a school corporation may budget for and pay costs attributable to transportation from the general fund.~~

~~(c)~~ **(b)** Contracted transportation service costs transferred to

the school bus replacement fund under IC 20-40-7 are payable from the school bus replacement fund.

SECTION 230. IC 20-40-8-19, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. This section applies during the period beginning January 1, ~~2006,~~ **2008,** and ending December 31, ~~2007.~~ **2009.** Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

A school corporation's expenditures under this section may not exceed in ~~2006 two and seventy-five hundredths percent (2.75%) and in 2007~~ **2008 and in 2009** three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

SECTION 231. IC 20-40-8-20, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. Money in the fund may be transferred to another fund and used as provided by law. The laws permitting a transfer of money from the fund include the following:

(1) IC 20-20-10-5 (implementation of technology preparation task force).

~~(2) IC 20-40-6-8 (any fund for costs attributable to transportation).~~

~~(3)~~ **(2)** IC 20-40-11-3 (repair and replacement fund).

~~(4)~~ **(3)** IC 20-40-12-6 (self-insurance fund).

~~(5)~~ **(4)** IC 20-49-4-22 (advance for educational technology program).

SECTION 232. IC 20-43-1-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This article expires January 1, ~~2008.~~ **2010.**

SECTION 233. IC 20-43-1-27, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 27. "Total ~~target revenue"~~ **regular program tuition support"** refers to the amount determined under IC 20-43-6-3.

SECTION 234. IC 20-43-1-29.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 29.3. "Transition to foundation revenue per adjusted ADM" refers to the amount determined under IC 20-43-5-9.**

SECTION 235. IC 20-43-2-2, AS AMENDED BY P.L.162-2006, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 2. The maximum state distribution for a calendar year for all school corporations is:

~~(1) the greater of:~~

~~(A) three billion eight hundred two million nine hundred thousand dollars ($3,802,900,000); or~~

~~(B) the amount necessary to enable the department of education to make tuition support distributions in 2006 in accordance with IC 21-1-30 and this article without requiring a reduction in the amount distributed for tuition support under this section;~~

~~in 2006; and~~

~~(2)~~ **(1)** three billion ~~seven~~ **eight** hundred ~~forty-seven~~ **twelve** million ~~two~~ **five** hundred thousand dollars ~~($3,747,200,000)~~ **($3,812,500,000)** in 2007;

(2) three billion nine hundred sixty million nine hundred thousand dollars ($3,960,900,000) in 2008; and

(3) four billion one hundred nineteen million six hundred thousand dollars ($4,119,600,000) in 2009.

SECTION 236. IC 20-43-2-3, AS AMENDED BY P.L.162-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. ~~(a) Except as provided in subsection (b),~~ If the total amount to be distributed:

(1) as basic tuition support;

(2) for academic honors diploma awards;

(3) for primetime distributions;

(4) for special education grants; and

(5) for vocational education grants;

for a particular year exceeds the maximum state distribution for a calendar year, the amount to be distributed for state tuition support under this article to each school corporation during each of the last six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount of the excess.

~~(b) The department of education shall distribute the full amount of tuition support to school corporations in the second six (6) months of 2006 in accordance with this article without a reduction under this section.~~

SECTION 237. IC 20-43-3-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. If a computation under this article results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

(1) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent ($0.0001).

(2) All calculations related to the complexity index shall be computed by rounding to the nearest ten thousandth (0.0001).

~~(2)~~ **(3)** All tax levies **and tuition support distributions** shall be computed by rounding the levy **or tuition support distribution** to the nearest dollar ($1) amount.

~~(3) All state tuition support distributions shall be computed by rounding the state tuition support distribution to the nearest cent ($0.01).~~

(4) The fraction calculated in IC 20-43-2-4 shall be computed by rounding to the nearest one millionth (0.000001).

~~(4)~~ **(5)** If a calculation is not covered by subdivision (1), (2), ~~or~~ (3), **or (4),** the result of the calculation shall be rounded to the nearest ~~ten-thousandth (.0001).~~ **one hundredth (0.01).**

SECTION 238. IC 20-43-3-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support for the year that precedes the current year.

(B) The school corporation's maximum permissible tuition support levy for the calendar year that precedes the current year, made in determining the school corporation's adjusted tuition support levy for the calendar year.

(C) The school corporation's excise tax revenue for the year that precedes the current year by two (2) years.

STEP TWO: Subtract from the STEP ONE result an amount equal to the ~~sum of the following:~~

~~(A) The~~ reduction in the school corporation's state tuition support under any combination of subsection (b), subsection (c), IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.

~~(B) In 2006, the amount of the school corporation's maximum permissible tuition support levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 20-46-1-6.~~

(b) A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special

or vocational education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

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

(c) A school corporation's previous year revenue must be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-5.5-11 before July 1, 2005, or IC 20-24-11 after June 30, 2005. The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-5.5-7-3.5(c) and IC 20-5.5-7-3.5(d) before July 1, 2005, and IC 20-24-7-3(c) and IC 20-24-7-3(d) after June 30, 2005; multiplied by

(2) two (2).

SECTION 239. IC 20-43-4-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) In determining ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis if the pupil:

(1) is enrolled in a public school and a nonpublic school;

(2) has legal settlement in a school corporation; and

(3) receives instructional services from the school corporation.

(b) For purposes of this section, full-time equivalency is calculated as follows:

STEP ONE: Determine the result of:

(A) the number of days instructional services will be provided to the pupil, not to exceed one hundred eighty (180); divided by

(B) one hundred eighty (180).

STEP TWO: Determine the result of:

(A) the pupil's public school instructional time (as defined in IC 20-30-2-1); ~~rounded to the nearest one-hundredth (0.01);~~ divided by

(B) the actual public school regular instructional day (as defined in IC 20-30-2-2). ~~rounded to the nearest one-hundredth (0.01).~~

STEP THREE: Determine the result of:

(A) the STEP ONE result; multiplied by

(B) the STEP TWO result.

STEP FOUR: Determine the lesser of one (1) or the result of:

(A) the STEP THREE result; multiplied by

(B) one and five hundredths (1.05).

~~(c) If the computation for a pupil under subsection (b) results in a fraction, the fraction must be rounded to the nearest one-hundredth (0.01).~~

SECTION 240. IC 20-43-4-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) This subsection does not apply to a charter school. When calculating adjusted ADM for ~~2006~~ **2008** distributions, this subsection, as effective after December 31, ~~2005,~~ **2007,** shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for ~~2005~~ **2007** distributions. For purposes of this article, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).

(B) The school corporation's ADM for the year preceding the current year by three (3) years multiplied by two-tenths (0.2).

(C) The school corporation's ADM for the year preceding the current year by two (2) years multiplied by two-tenths (0.2).

(D) The school corporation's ADM for the year preceding the current year by one (1) year multiplied by two-tenths (0.2).

(E) The school corporation's ADM for the current year multiplied by two-tenths (0.2).

~~Round the result to the nearest five-tenths (0.5).~~

STEP TWO: Determine ~~the sum of:~~

~~(A) the school corporation's ADM for the year preceding the current year; plus~~

~~(B) the product of:~~

~~(i)~~ the school corporation's ADM for the current year. ~~minus the clause (A) amount; multiplied by~~

~~(ii) seventy-five hundredths (0.75).~~

~~Round the result to the nearest five-tenths (0.5).~~

STEP THREE: Determine the greater of the following:

(A) The STEP ONE result.

(B) The STEP TWO result.

(b) A charter school's adjusted ADM for purposes of this article is the charter school's current ADM.

SECTION 241. IC 20-43-5-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. A school corporation's ~~target~~ **transition to foundation** revenue per **adjusted** ADM for a calendar year is the amount determined under section 9 of this chapter.

SECTION 242. IC 20-43-5-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The following amounts must be determined under this chapter to calculate a school corporation's ~~target~~ **transition to foundation** revenue per **adjusted** ADM for a calendar year:

(1) The school corporation's complexity index for the calendar year under section 3 of this chapter.

(2) The school corporation's foundation amount for the calendar year under section 4 of this chapter.

(3) The school corporation's previous year revenue foundation amount for the calendar year under section 5 of this chapter.

(4) The school corporation's transition to foundation amount for the calendar year under section 6 of this chapter.

(5) The school corporation's transition to foundation revenue for the calendar year under section 7 of this chapter.

~~(6) The school corporation's guaranteed minimum revenue for the calendar year under section 8 of this chapter.~~

SECTION 243. IC 20-43-5-3, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. ~~(a) This subsection does not apply to a charter school. A~~ school corporation's complexity index is determined under the following formula:

~~STEP ONE: Determine the greater of zero (0) or the result of the following:~~

~~(1) Determine the percentage of the population in the school corporation who are at least twenty-five (25) years of age with less than a twelfth grade education.~~

~~(2) Determine the quotient of:~~

~~(A) one thousand nineteen dollars ($1,019); divided by~~

~~(B) four thousand five hundred seventeen dollars ($4,517) in 2006 and four thousand five hundred~~

~~sixty-three dollars ($4,563) in 2007.~~

~~(3) Determine the product of:~~

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

~~(B) the subdivision (2) amount.~~

STEP ~~TWO.~~ **ONE:** Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free **or reduced price** lunches in the school year ending in ~~2005.~~ **the later of 2007 or the first year of operation of the school corporation.**

(2) Determine the quotient of **the following:**

(A) ~~one thousand two hundred sixty dollars ($1,260);~~ **in 2008:**

(i) two thousand two hundred fifty dollars ($2,250); divided by

(ii) four thousand seven hundred ninety dollars ($4,790);

~~divided by~~ **and**

(B) ~~four thousand five hundred seventeen dollars ($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.~~ **in 2009:**

(i) two thousand four hundred dollars ($2,400); divided by

(ii) four thousand eight hundred twenty-five dollars ($4,825).

(3) Determine the product of:

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

(B) the subdivision (2) amount.

~~STEP THREE. Determine the greater of zero (0) or the result of the following:~~

~~(1) Determine the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2005.~~

~~(2) Determine the quotient of:~~

~~(A) four hundred fifty-two dollars ($452); divided by~~

~~(B) four thousand five hundred seventeen dollars ($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.~~

~~(3) Determine the product of:~~

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

~~(B) the subdivision (2) amount.~~

~~STEP FOUR. Determine the greater of zero (0) or the result of the following:~~

~~(1) Determine the percentage of families in the school corporation with a single parent.~~

~~(2) Determine the quotient of:~~

~~(A) five hundred fifty-seven dollars ($557); divided by~~

~~(B) four thousand five hundred seventeen dollars ($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.~~

~~(3) Determine the product of:~~

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

~~(B) the subdivision (2) amount.~~

~~STEP FIVE. Determine the greater of zero (0) or the result of the following:~~

~~(1) Determine the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income level below the federal income poverty level (as defined in IC 12-15-2-1).~~

~~(2) Determine the quotient of:~~

~~(A) three hundred forty-seven dollars ($347); divided by~~

~~(B) four thousand five hundred seventeen dollars ($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.~~

~~(3) Determine the product of:~~

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

~~(B) the subdivision (2) amount.~~

~~STEP SIX. Determine the sum of the results in STEP ONE through STEP FIVE.~~

STEP ~~SEVEN.~~ **TWO:** Determine the result of one (1) plus the STEP ~~SIX~~ **ONE** result.

STEP ~~EIGHT.~~ **THREE:** This STEP applies if the STEP ~~SEVEN~~ **TWO** result is equal to or greater than **at least** one and twenty-five hundredths (1.25). Determine the result of the following:

(1) Subtract one and twenty-five hundredths (1.25) from the STEP ~~SEVEN~~ **TWO** result.

~~(2) Multiply the subdivision (1) result by five-tenths (0.5).~~

~~(3)~~ **(2)** Determine the result of:

(A) the STEP ~~SEVEN~~ **TWO** result; plus

(B) the subdivision ~~(2)~~ **(1)** result.

The data to be used in making the calculations under STEP ONE ~~STEP FOUR, and STEP FIVE~~ of this subsection must be the data ~~from the 2000 federal decennial census.~~ **collected in the annual pupil enrollment count by the department.**

~~(b) A charter school's complexity index is the index determined under subsection (a) for the school corporation in which the charter school is located. However, the complexity index for Campagna Academy Charter School is the complexity index determined under subsection (a) for Gary Community School Corporation.~~

SECTION 244. IC 20-43-5-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. A school corporation's foundation amount for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: Determine:

~~(A) four thousand five hundred seventeen dollars ($4,517) in 2006; or~~

~~(B) four thousand five hundred sixty-three dollars ($4,563) in 2007.~~

(A) in 2008, four thousand seven hundred ninety dollars ($4,790); or

(B) in 2009, four thousand eight hundred twenty-five dollars ($4,825).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

SECTION 245. IC 20-43-5-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. A school corporation's transition to foundation amount for a calendar year is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus

(B) the school corporation's previous year revenue foundation amount.

STEP TWO: Divide the STEP ONE result by:

(A) ~~six (6)~~ **four (4)** in ~~2006;~~ **2008;** or

(B) ~~five (5)~~ **three (3)** in ~~2007.~~ **2009.**

STEP THREE: A school corporation's STEP THREE amount is the following:

(A) For a charter school **located outside Marion County** that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE amount is the quotient of:

(i) the school corporation's ~~guaranteed minimum~~ **transition to foundation** revenue for the calendar year where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP THREE

amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.

(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.

(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.

(iv) Determine the sum of the item (iii) amounts for the charter school.

~~(B)~~ **(C)** The STEP THREE amount for a school corporation that is not a charter school described in clause (A) **or (B)** is the following:

(i) The school corporation's foundation amount for the calendar year, if the ~~absolute value of the~~ STEP ONE amount is ~~less~~ **at least negative fifty dollars (-$50) and not more** than ~~or equal to fifty~~ **one hundred** dollars ~~($50).~~ **($100).**

(ii) For ~~2007,~~ **2009,** the school corporation's foundation amount for the calendar year, if the foundation amount in ~~2006~~ **2008** equaled the school corporation's ~~target~~ **transition to foundation** revenue per **adjusted** ADM in ~~2006.~~ **2008.**

(iii) The sum of the school corporation's previous year revenue foundation amount and the greater of the school corporation's STEP TWO amount or ~~fifty~~ **one hundred** dollars ~~($50),~~ **($100),** if the school corporation's STEP ONE amount is greater than ~~fifty~~ **one hundred** dollars ~~($50).~~ **($100).**

(iv) The difference determined by subtracting ~~the greater of the absolute value of the school corporation's STEP TWO amount or~~ fifty dollars ($50) from the school corporation's previous year revenue foundation amount, if the school corporation's STEP ONE amount is less than negative fifty dollars (-$50).

SECTION 246. IC 20-43-5-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. A school corporation's transition to foundation revenue for a calendar year is equal to **the sum of the following:**

(1) The product of:

~~(1)~~ **(A)** the school corporation's transition to foundation amount for the calendar year; multiplied by

~~(2)~~ **(B)** the school corporation's:

(i) current ADM, if the current ADM for the school corporation is less than one hundred (100); and

(ii) current adjusted ADM, **if item (i) does not apply.**

(2) Either:

(A) the result of:

(i) one hundred dollars ($100) for calendar year 2008 and one hundred fifty dollars ($150) for calendar year 2009; multiplied by

(ii) the school corporation's adjusted ADM;

if the school corporation's current ADM is less than three thousand and six hundred (3,600) and the amount determined under subdivision (1) is less than the school corporation's previous year revenue; or

(B) the result of:

(i) one hundred dollars ($100) for calendar year 2008 and one hundred fifty dollars ($150) for calendar year 2009); multiplied by

(ii) the school corporation's adjusted ADM;

if clause (A) does not apply and the result of the amount under subdivision (1) is less than the result of school corporation's previous year revenue multiplied by nine hundred sixty-five thousandths (0.965).

(C) The school corporation's current adjusted ADM multiplied by the lesser of:

(i) one hundred dollars ($100); or

(ii) the school corporation's STEP TWO amount under section 6 of this chapter;

if clauses (A) and (B) do not apply, the amount under subdivision (1) is less than the school corporation's previous year revenue, and the school corporation's result under STEP ONE of section 6 of this chapter is greater than zero (0).

(D) Zero (0), if clauses (A), (B), and (C) do not apply; and

(3) This subdivision does not apply to a charter school. Either:

(A) three hundred dollars ($300) multiplied by the school corporation's current ADM, if the school corporation's current ADM is less than one thousand seven hundred (1,700) and the school corporation's complexity index is greater than one and two-tenths (1.2);

(B) one hundred dollars ($100) multiplied by the school corporation's current ADM, if the school corporation's current ADM is less than one thousand seven hundred (1,700) and the school corporation's complexity index is greater than one and one-tenth (1.1) and not greater than one and two-tenths (1.2); or

(C) zero (0), if clauses (A) and (B) do not apply.

SECTION 247. IC 20-43-5-9, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. A school corporation's ~~target~~ **transition to foundation** revenue per **adjusted** ADM for a calendar year is the quotient of:

(1) the school corporation's ~~guaranteed minimum~~ **transition to foundation** revenue for the calendar year; divided by

(2) the school corporation's current adjusted ADM.

SECTION 248. IC 20-43-6-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The following amounts must be determined under this chapter to determine a school corporation's basic tuition support:

(1) The school corporation's total ~~target revenue~~ **regular program tuition support** under section 3 of this chapter.

(2) The school corporation's local contribution under section 4 of this chapter.

SECTION 249. IC 20-43-6-3, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A school corporation's total ~~target revenue~~ **regular program tuition support** for a calendar year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that has ~~target~~ **transition to foundation** revenue per **adjusted** ADM for a calendar year that is not equal to the school corporation's foundation amount for the calendar year. The school corporation's total ~~target revenue~~ **regular program tuition support** for a calendar year is equal to the school corporation's ~~guaranteed minimum~~ **transition to foundation** revenue for the calendar year.

(c) This subsection applies to a school corporation that has ~~target~~ **transition to foundation** revenue per **adjusted** ADM for a calendar year that is equal to the school corporation's foundation amount for the calendar year. The school corporation's total ~~target revenue~~ **regular program tuition support** for a calendar year is the sum of the following:

(1) The school corporation's foundation amount for the calendar year multiplied by the school corporation's adjusted ADM for the current year.

(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(3) The part of the school corporation's maximum permissible tuition support levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.

SECTION 250. IC 20-43-6-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) A school corporation's local contribution for a calendar year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that is not a charter school. Determine the sum of the following:

(1) The school corporation's adjusted tuition support levy.

(2) The school corporation's excise tax revenue for the year that precedes the current year by one (1) year.

(c) This subsection applies to a charter school. Determine the product of:

(1) the charter school's ~~guaranteed minimum~~ **transition to foundation** revenue for the calendar year; multiplied by

(2) thirty-five hundredths (0.35).

SECTION 251. IC 20-43-6-5, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. A school corporation's basic tuition support for a calendar year is the difference between:

(1) the school corporation's total ~~target revenue~~ **regular program tuition support** for the calendar year; minus

(2) the school corporation's local contribution for the calendar year.

SECTION 252. IC 20-43-7-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. A school corporation's special education grant for a calendar year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by:

(A) in 2008, eight thousand ~~two~~ **three** hundred ~~forty-six~~ dollars ~~($8,246).~~ **($8,300); and**

(B) in 2009, eight thousand three hundred fifty dollars ($8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:

(A) in 2008, two thousand two hundred ~~thirty-eight~~ **fifty** dollars ~~($2,238).~~ **($2,250); and**

(B) in 2009, two thousand two hundred sixty-five dollars ($2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by:

(A) in 2008, five hundred thirty-one dollars ($531); **and**

(B) in 2009, five hundred thirty-three dollars ($533).

(4) The cumulative count of pupils in homebound programs multiplied by:

(A) in 2008, five hundred thirty-one dollars ($531); **and**

(B) in 2009, five hundred thirty-three dollars ($533).

SECTION 253. IC 20-43-9-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. For purposes of computation under this chapter, the following shall be used:

(1) The staff cost amount for a school corporation:

(A) in 2008, is ~~sixty-nine~~ **seventy-two** thousand ~~eight hundred eleven~~ dollars ~~($69,811).~~ **($72,000); and**

(B) in 2009, is seventy-four thousand five hundred dollars ($74,500).

(2) The guaranteed primetime amount for a school corporation is the primetime allocation, before any penalty is assessed under this chapter, that the school corporation would have received under this chapter for the 1999 calendar year or the first year of participation in the program, whichever is later.

(3) The following apply to determine whether amounts received under this chapter have been devoted to reducing class size in kindergarten through grade 3 as required by section 2 of this chapter:

(A) Except as permitted under section 8 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 8 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the state board.

SECTION 254. IC 20-43-9-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. A school corporation's primetime distribution for a calendar year under this chapter is the amount determined by the following formula:

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):

(i) Determine the result of one and two-tenths (1.2) minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least one and two-tenths (1.2), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the total ~~target revenue~~ **regular program tuition support** for ~~2006 and 2007~~ **the year** multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

STEP FOUR: Determine the result of:

(A) the STEP THREE result; multiplied by

(B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; divided by

(B) the staff cost amount.

STEP SIX: Determine the greater of zero (0) or the result

of:
(A) the STEP TWO amount; minus
(B) the STEP FIVE amount.
STEP SEVEN: Determine the result of:
(A) the STEP SIX amount; multiplied by
(B) the staff cost amount.
STEP EIGHT: Determine the greater of the STEP SEVEN amount or the school corporation's guaranteed primetime amount.
STEP NINE: A school corporation's amount under this STEP is the following:
(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), the amount under this STEP is the lesser of:
(i) the STEP EIGHT amount; or
(ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).
(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

SECTION 255. IC 20-45-1-17, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. "Previous year property tax rate" ~~means~~ **is the result determined under the following formula:**

STEP ONE: Determine the sum of the following:
(A) The ~~part of the~~ school corporation's previous year ~~general fund property tax rate:~~
~~(1) imposed as a~~ tuition support levy under IC 6-1.1-19-1.5 (before its repeal) or IC 20-45-3-11. ~~and~~
~~(2) computed before making~~ **(B)** Any of the reductions described in IC 21-3-1.7-5 (before its repeal, for computations before July 1, 2006) or required to compute the school corporation's adjusted tuition support levy (for computations after June 30, 2006).
STEP TWO: Divide the assessed value of taxable property in the school corporation by one hundred (100).
STEP THREE: Divide the STEP ONE result by the STEP TWO result.

SECTION 256. IC 20-45-1-21.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 21.3. "Total regular program tuition support" has the meaning set forth in IC 20-43-1-27.**

SECTION 257. IC 20-45-1-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 21.5. "Transition to foundation revenue" has the meaning set forth in IC 20-43-1-29.**

SECTION 258. IC 20-45-1-21.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 21.7. "Transition to foundation revenue per adjusted ADM" has the meaning set forth in IC 20-43-1-29.3.**

SECTION 259. IC 20-45-3-5, AS AMENDED BY P.L.162-2006, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) A school corporation's tax rate floor is the tax rate determined under this section.

(b) ~~This subsection applies only if~~ The school corporation's ~~guaranteed minimum revenue for the calendar year is not equal to the school corporation's foundation amount revenue for a calendar year~~. The school corporation's tax rate floor for the calendar year is the result under STEP SIX of the following formula:

STEP ONE: Divide the school corporation's total assessed value by the school corporation's current ADM.
STEP TWO: Divide the STEP ONE result by ten thousand (10,000).
STEP THREE: Determine the greater of the following:
(A) The STEP TWO result.
(B) ~~Thirty-six~~ **Forty-six** dollars ~~and thirty cents ($36.30).~~ **($46).**
STEP FOUR: Determine the result under clause (B):
(A) Subtract the school corporation's foundation amount revenue for the calendar year from the school corporation's ~~guaranteed minimum revenue~~ **total regular program tuition support** for the calendar year.
(B) Divide the clause (A) result by the school corporation's current ADM.
STEP FIVE: Divide the STEP FOUR result by the STEP THREE result.
STEP SIX: Divide the STEP FIVE result by one hundred (100).

~~(c) This subsection applies only if the school corporation's guaranteed minimum revenue for the calendar year is equal to the school corporation's foundation amount revenue for a calendar year and the STEP ONE result is greater than zero (0). The school corporation's tax rate floor for the calendar year is the result under STEP SEVEN of the following formula:~~
~~STEP ONE: Add the following:~~
~~(A) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.~~
~~(B) The part of the unadjusted tuition support levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.~~
~~STEP TWO: Divide the STEP ONE result by the school corporation's current ADM.~~
~~STEP THREE: Divide the school corporation's total assessed value by the school corporation's current ADM.~~
~~STEP FOUR: Divide the STEP THREE result by ten thousand (10,000).~~
~~STEP FIVE: Determine the greater of the following:~~
~~(A) The STEP FOUR result.~~
~~(B) Thirty-six dollars and thirty cents ($36.30).~~
~~STEP SIX: Divide the STEP TWO result by the STEP FIVE amount.~~
~~STEP SEVEN: Divide the STEP SIX result by one hundred (100).~~

SECTION 260. IC 20-45-3-6, AS AMENDED BY P.L.162-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) A school corporation's target property tax rate for a calendar year is the sum of:
(1) in:
~~(A) 2006, seventy-two cents ($0.72); and~~
~~(B) 2007, the greater of:~~
~~(i) seventy-two and ninety-two hundredths cents ($0.7292); or~~
~~(ii) the rate determined under subsection (b);~~
(A) 2008, seventy-one and thirty-five hundredths cents ($0.7135); or
(B) 2009, seventy-two and eighty-three hundredths cents ($0.7283); plus
(2) if applicable, the school corporation's minimum equalization tax rate.

(b) If using the best information available to the department of local government finance, the department of local government finance determines that the **absolute value of the** result of:
(1) the lesser of:
(A) two billion ~~thirty-five~~ **one hundred twenty-four** million ~~nine~~ **one** hundred thousand dollars

~~($2,035,900,000)~~ **($2,124,100,000);** or

(B) the result of:

(i) the sum of the tuition support levies certified by the department of local government finance for all school corporations for ~~2006,~~ **2007;** multiplied by

(ii) one and ~~forty-one thousandths (1.041);~~ **three hundred ninety-one ten-thousandths (1.0391);** minus

(2) the sum of all maximum permissible tuition support levies for all school corporations in ~~2007,~~ **2008, excluding the part of the maximum permissible tuition support levy imposed that is equal to the original amount of the levy that was first imposed by the school corporation in 2008 to cover the costs of operating a new school facility or reopening an existing facility during a preceding calendar year,** as determined by using the tax rate specified in ~~subsection (a)(1)(B)(i),~~ **subsection (a)(1)(A);**

would exceed one million dollars ($1,000,000) in ~~2007,~~ **2008,** the department of local government finance, shall, before February 16, ~~2007,~~ **2008,** adjust the tax rate used in subsection ~~(a)(1)(B)~~ **(a)(1)(A)** for ~~2007~~ **2008** so that the **absolute value of the** difference determined by subtracting the sum of all maximum permissible tuition support levies ~~(as defined in IC 20-45-1-15)~~ for all school corporations determined by using the adjusted tax rate from the amount determined under subdivision (1) does not exceed one million dollars ($1,000,000). To carry out this subsection the department of local government finance may increase a school corporation's tax rate and levy to a rate and amount that exceeds the rate originally advertised or fixed by the school corporation. Before adjusting a tax rate under this subsection, the department of local government finance shall review the recommendations of the department of education and the budget agency.

(c) If, using the best information available to the department of local government finance, the department of local government finance determines that the absolute value of the result of:

(1) the lesser of:

(A) two billion two hundred five million five hundred thousand dollars ($2,205,500,000); or

(B) the result of:

(i) the sum of the tuition support levies certified by the department of local government finance for all school corporations for 2008, excluding the part of the tuition support levies imposed by the school corporation that is equal to the original amount of the levy that was first imposed by the school corporation in 2008 to cover the costs of operating a new school facility or reopening an existing facility in a preceding calendar year; multiplied by

(ii) one and three hundred eighty-three ten-thousandths (1.0383); minus

(2) the sum of all maximum permissible tuition support levies for all school corporations in 2009, excluding the part of the maximum permissible tuition support levy that is equal to the original amount of the levy that was first imposed by the school corporation in 2008 or 2009 to cover the costs of operating a new school facility or reopening an existing facility during a preceding calendar year, as determined by using the tax rate specified in subsection (a)(1)(B);

would exceed one million dollars ($1,000,000) in 2009, the department of local government finance, shall, before February 16, 2009, adjust the tax rate used in subsection (a)(1)(B) for 2009 so that the absolute value of the difference determined by subtracting the sum of all maximum permissible tuition support levies for all school corporations determined by using the adjusted tax rate from the amount determined under subdivision (1) does not exceed one million dollars ($1,000,000). To carry out this subsection, the department of local government finance may increase a school corporation's tax rate and levy to a rate and amount that exceeds the rate originally advertised or fixed by the school corporation. Before adjusting a tax rate under this subsection, the department of local government finance shall review the recommendations of the department of education and the budget agency.

SECTION 261. IC 20-45-3-9, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) A school corporation's equalization tax rate for a calendar year is the tax rate determined under this section.

(b) If the school corporation's adjusted target property tax rate exceeds the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(1) the school corporation's equalization tax rate limit for the calendar year; or

(2) **in:**

(A) 2008, two cents ($0.02); and

(B) 2009, three cents ($0.03).

(c) If the school corporation's adjusted target property tax rate is less than the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(1) the absolute value of the school corporation's equalization tax rate limit; or

(2) ~~eight~~ **five** cents ~~($0.08).~~ **($0.05).**

(d) If the school corporation's adjusted target property tax rate equals the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's adjusted target property tax rate.

SECTION 262. IC 20-45-3-11, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. A school corporation's tuition support levy for a calendar year is the sum of the following:

(1) The school corporation's equalized levy for the calendar year.

(2) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(3) The part of the maximum permissible tuition support levy for the year that equals the original amount of the levy by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.

(4) The amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the ~~target~~ **transition to foundation** revenue per **adjusted** ADM for each charter school that included at least one (1) student who has legal settlement in the school corporation in the charter school's current ADM.

STEP TWO: For each charter school, multiply the STEP ONE amount by the number of students who have legal settlement in the school corporation and who are included in the charter school's current ADM.

STEP THREE: Determine the sum of the STEP TWO amounts.

STEP FOUR: Multiply the STEP THREE amount by thirty-five hundredths (0.35).

SECTION 263. IC 20-46-4-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2008]: Sec. 6. The levy may not exceed

~~(1)~~ the amount determined by multiplying:

~~(A)~~ **(1)** the school corporation's levy for the fund for the previous year under IC 21-2-11.5 (before its repeal) or this chapter, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; by

~~(B)~~ **(2)** the assessed value growth quotient determined under IC 6-1.1-18.5-2. ~~plus~~

~~(2) in 2006 and 2007, the amount determined under section 9 of this chapter.~~

SECTION 264. IC 20-46-5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12. (a) If:**

(1) a school corporation enters into a lease agreement with the Indiana bond bank for the lease of one (1) or more school buses under IC 5-1.5-4-1(a)(5);

(2) the lease agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under section 9 of this chapter; and

(3) in the first full fiscal year after the effective date of the lease agreement, there would otherwise be a reduction in the levy in an amount equal to the difference between the total purchase price of the bus or buses and the total rental payment due under the lease agreement;

the levy in that fiscal year may not be reduced by the amount of the reduction.

(b) Any or all of the amount of that part of the levy may, on or before the end of the year of its collection, be:

(1) retained in the fund;

(2) transferred to the school transportation fund established under IC 20-40-6-4; or

(3) transferred to the capital projects fund established under IC 20-40-8-6.

SECTION 265. IC 20-49-1-3, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. ~~"Target~~ **"Transition to foundation** revenue per **adjusted** ADM" has the meaning set forth in ~~IC 20-43-1-26.~~ **IC 20-43-1-29.3.**

SECTION 266. IC 20-49-7-10, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. The amount of an advance for operational costs may not exceed the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the product of:

(A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by

(B) the charter school's ~~target~~ **transition to foundation** revenue per **adjusted** ADM.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) two (2).

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 267. IC 20-49-7-11, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. The amount of an advance for operational costs may not exceed the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the quotient of:

(A) the charter school's ~~target~~ **transition to foundation** revenue per **adjusted** ADM; divided by

(B) two (2).

STEP TWO: Determine the difference between:

(A) the charter school's current ADM; minus

(B) the charter school's ADM of the previous year.

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

STEP FOUR: Determine the product of:

(A) the STEP THREE amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 268. IC 20-40-6-8 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 269. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008]: IC 20-43-1-15; IC 20-43-1-26; IC 20-43-5-8; IC 20-45-1-14; IC 20-45-1-19.

SECTION 270. IC 21-14-2-6, AS ADDED BY SEA 526-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. **Subject to section 12 of this chapter,** a state educational institution shall set tuition and fee rates for a two (2) year period.

SECTION 271. IC 21-14-2-7, AS ADDED BY SEA 526-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The rates must be set according to the procedure set forth in section 8 of this chapter; and:

(1) on or before ~~May~~ **June** 30 of the odd-numbered year; or

(2) ~~thirty (30)~~ **sixty (60)** days after the state budget bill is enacted into law;

whichever is later.

SECTION 272. IC 21-14-2-8, AS ADDED BY SEA 526-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. A state educational institution shall hold a public hearing before adopting a proposed tuition and fee rate increase. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice must include the specific proposal for the tuition and fee rate increase and the expected uses of the revenue to be raised by the proposed increase. The hearing must be held:

(1) on or before May ~~15~~ **31** of each odd numbered year; or

(2) ~~fifteen (15)~~ **thirty-one (31)** days after the state budget bill is enacted into law;

whichever is later.

SECTION 273. IC 21-14-2-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12. (a) For tuition and fees set by a state educational institution before July 1, 2007, a state educational institution must appear before the state budget committee before June 30, 2007. The state budget committee shall review the tuition and fees proposed by the state educational institution under section 8 of this chapter.**

(b) After July 1, 2007, the commission for higher education shall recommend biennially nonbinding tuition targets based on the mission of the state educational institution. The board of trustees of a state educational institution may set a tuition rate that exceeds the tuition target only if the proposed tuition rate is reviewed by both the commission for higher education and the state budget committee before the later of the following:

(1) June 30 in the odd-numbered year.

(2) Sixty (60) days after the state budget is adopted for the biennium beginning in the odd-numbered year.

SECTION 274. IC 7.1-4-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~Use of Funds.~~ The monies deposited in the postwar construction fund shall be used for construction by the state for the use of:

(1) penal, benevolent, charitable and educational

institutions of the state;

(2) public safety projects of the state; and

(3) municipal water and sewer infrastructure improvements necessary or useful for an institution or project described in subdivision (1) or (2).

SECTION 275. [EFFECTIVE UPON PASSAGE] **Notwithstanding IC 4-8.1-1-7, as amended by P.L.235-2005, SECTION 52, any payment made on or after April 1, 2007, by United Air Lines, Inc., to the state of Indiana under the IMC 757/767 Project Agreement, dated December 1, 1994, between the Indiana Economic Development Corporation and United Air Lines, Inc., upon failure to achieve prescribed levels of investment, employment, or wages set forth in the agreement at certain facilities that were financed with the proceeds of bonds issued by the Indiana finance authority under IC 8-21-12, shall be deposited as follows:**

(1) Fifty percent (50%) of the money shall be deposited in the affordable housing and community development fund established by IC 5-20-4-7. The proceeds of any such payments are continuously appropriated for the purposes specified in IC 5-20-4-8. Any such proceeds in the affordable housing and community development fund that remain unexpended at the end of any state fiscal year shall remain in the fund until expended and shall not revert to the state general fund due to United States Internal Revenue Service requirements related to outstanding Indiana finance authority bonds.

(2) Fifty percent (50%) of the money shall be distributed among the counties that either have at least one (1) unit that has established an affordable housing fund under IC 5-20-5-15.5 or a housing trust fund established under IC 36-7-15.1-35.5(e) in proportion to the population of each county. The money shall be allocated within the county as follows:

(A) In a county that does not contain a consolidated city and has at least one (1) unit that has established an affordable housing fund under IC 5-20-5-15.5, the amount to be distributed to each unit that has established an affordable housing fund under IC 5-20-5-15.5 is the amount available for distribution multiplied by a fraction. The numerator of the fraction is the population of the unit. The denominator of the fraction is the population of all units in the county that have established an affordable housing fund. For purposes of allocating an amount to the affordable housing fund established by the county, the population to be used for that unit is the population of the county outside any city or town that has established an affordable housing fund. The allocated amount shall be deposited in the unit's affordable housing fund for the purposes of the fund.

(B) In a county to which clause (A) does not apply, the money shall be deposited in the housing trust fund established under IC 36-7-15.1-35.5(e) for the purposes of the fund.

SECTION 276. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **For the purposes of applying IC 6-2.5-6-9, IC 6-2.5-6-9, as amended by P.L.184-2006, SECTION 2 (effective July 1, 2007), and not IC 6-2.5-6-9, as amended by P.L.162-2006, SECTION 23 (effective January 1, 2007), shall be treated as applying to deductions from sales tax remittances after December 31, 2006, and before July 1, 2007, to the same extent as if the effective date for IC 6-2.5-6-9, as amended by P.L.184-2006, SECTION 2 had been January 1, 2007.**

SECTION 277. IC 5-10.3-11-4.7, AS AMENDED BY P.L.28-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.7. (a) In addition to the amounts distributed under sections 4 and 4.5 of this chapter, each year the state board shall distribute from the pension relief fund to each unit of local government an amount determined under the following STEPS:

STEP ONE: Determine the amount of the total pension payments to be made by the unit in the calendar year, as estimated by the state board under section 4 of this chapter.

STEP TWO: Determine the result of:

(A) the STEP ONE result; multiplied by

(B) fifty percent (50%).

STEP THREE: Determine the amount to be distributed in the current calendar year to the unit of local government under section 4 of this chapter.

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

(A) the STEP TWO result; minus

(B) the STEP THREE result.

(b) The state board shall make the distributions under subsection (a) in two (2) equal installments before July 1 and before October 2 of each year.

(c) This section expires January 1, ~~2009.~~ **2011.**

SECTION 278. IC 4-33-6.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. After selecting the most appropriate operating agent applicant, the commission may enter into an operating agent contract with the person. The operating agent contract must comply with this article and include the following terms and conditions:

(1) The operating agent must pay a nonrefundable initial fee of one million dollars ($1,000,000) to the commission. The fee must be deposited by the commission into the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(2) The operating agent must post a bond as required in section 6 of this chapter.

(3) The operating agent must implement flexible scheduling.

(4) The operating agent must locate the riverboat in a historic hotel district at a location approved by ~~both~~ the commission. ~~and the historic hotel preservation commission established under IC 36-7-11.5.~~

(5) The operating agent must comply with any requirements concerning the exterior design of the riverboat that are approved by ~~both~~ the commission. ~~and the historic hotel preservation commission established under IC 36-7-11.5.~~

(6) Notwithstanding any law limiting the maximum length of contracts:

(A) the initial term of the contract may not exceed twenty (20) years; and

(B) any renewal or extension period permitted under the contract may not exceed twenty (20) years.

(7) The operating agent must collect and remit all taxes under IC 4-33-12 and IC 4-33-13.

(8) The operating agent must comply with the restrictions on the transferability of the operating agent contract under section 12 of this chapter.

SECTION 279. IC 4-33-6.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) An operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic hotel district.

(b) The bond must be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the

principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the operating agent.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and

(3) must be payable to the commission as obligee for use in payment of the riverboat's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

Any bond proceeds remaining after the payments shall be deposited in the ~~community trust~~ **West Baden Springs historic hotel preservation and maintenance** fund established by ~~IC 36-7-11.5-8.~~ **IC 36-7-11.5-11.**

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of an operating agent's bond is insufficient, the operating agent shall, upon written demand of the commission, file a new bond.

(f) The commission may require an operating agent to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the operating agent's contract. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the operating agent remains at the site of the riverboat operating within the historic hotel district:

(1) for five (5) years; or

(2) until the date the commission enters into a contract with another operating agent to operate from the site for which the bond was posted;

whichever occurs first.

(i) An operating agent who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission and used in the same manner as specified in subsection (d).

(j) The total liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time specified under subsection (h); and

(2) a written request is submitted by the operating agent.

SECTION 280. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

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

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

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

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

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

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

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar ($1) is in addition to the one dollar ($1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k), sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made

before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) ~~Twenty-five~~ **Twenty-two** percent ~~(25%)~~ **(22%)** of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) ~~Twenty~~ **Twenty-two and seventy-five hundredths** percent ~~(20%)~~ **(22.75%)** shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ **Twenty-two and seventy-five hundredths** percent ~~(20%)~~ **(22.75%)** shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ **Fifty-four and five tenths** percent ~~(60%)~~ **(54.5%)** shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:~~

~~(i)~~ **(2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to** a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). **At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.**

~~(ii)~~ **(3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to** a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). **At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.**

~~(2) Sixteen~~ **(4) Twenty** percent ~~(16%)~~ **(20%)** of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

~~The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.~~ **At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.**

~~(3) Nine~~ **(5) Ten** percent ~~(9%)~~ **(10%)** of the admissions tax collected during the quarter shall be paid to the ~~historic hotel preservation~~ **Orange County development** commission established under IC 36-7-11.5. **At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.**

~~(4) Twenty-five~~ **(6) Thirteen** percent ~~(25%)~~ **(13%)** of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(5)~~ **(7)** Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is

docked.

(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

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

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through ~~(c)(2),~~ **(c)(4),** or (d)(1) through (d)(2):

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

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

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

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

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

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

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

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

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

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

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) exceed a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section;

to the property tax replacement fund instead of to the entity.

SECTION 281. IC 4-33-13-5, AS AMENDED BY P.L.91-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the

state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue ~~deposited in the state gaming fund~~ **remitted by the operating agent** under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) ~~Thirty-seven and one-half~~ **Nineteen** percent ~~(37.5%)~~ **(19%)** shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) ~~Five~~ **Eight** percent ~~(5%)~~ **(8%)** shall be paid to the ~~historic hotel preservation~~ **Orange County development** commission established under IC 36-7-11.5.

(4) ~~Ten~~ **Sixteen** percent ~~(10%)~~ **(16%)** shall be paid in equal amounts to each town that ~~(A)~~ is located in the county in which the riverboat docks and ~~(B)~~ contains a historic hotel. ~~The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.~~ **The following apply to taxes received by a town under this subdivision:**

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County convention and visitors bureau.

(5) ~~Ten~~ **Nine** percent ~~(10%)~~ **(9%)** shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) ~~Twenty~~ **Twenty-two and twenty-five hundredths** percent ~~(20%)~~ **(22.25%)** shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ **Twenty-two and twenty-five hundredths** percent ~~(20%)~~ **(22.25%)** shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ **Fifty-five and five-tenths** percent ~~(60%)~~ **(55.5%)** shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:~~

~~(i)~~ **(6) Five percent (5%) shall be paid to** a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). **At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.**

~~(ii)~~ **(7) Five percent (5%) shall be paid to** a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). **At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.**

(8) Five-tenths percent (0.5%) shall be paid to the Orange County convention and visitors bureau.

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer

from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 282. IC 36-7-11.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. ~~(a) As used in this chapter, "commission" refers to the historic hotel preservation commission established by an interlocal agreement under section 3 of this chapter.~~

~~(b) Except as provided in section 11 of this chapter, "fund" refers to the community trust fund established by section 8 of this chapter.~~ **(a) As used in this chapter, "advisory board" refers to the Orange County development advisory board established by section 12 of this chapter.**

(b) As used in this chapter, "development commission" refers to the Orange County development commission established by section 3.5 of this chapter.

(c) As used in this chapter, "historic hotel" has the meaning set forth in IC 4-33-2-11.1.

(d) As used in this chapter, "hotel riverboat resort" refers to the historic hotels, the riverboat operated under IC 4-33-6.5, and other properties operated in conjunction with the riverboat enterprise located in Orange County.

~~(d)~~ **(e)** As used in this chapter, "qualified historic hotel" refers to a historic hotel that has an atrium that includes a dome that is at least two hundred (200) feet in diameter.

SECTION 283. IC 36-7-11.5-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) The Orange County development commission is established.**

(b) The development commission consists of the following members:

(1) An individual appointed by the legislative body of Orange County.

(2) An individual appointed by the legislative body of the town of French Lick.

(3) An individual appointed by the legislative body of the town of West Baden.

(4) An individual appointed by the legislative body of the town of Paoli.

(5) An individual appointed by the legislative body of the town of Orleans.

(6) A nonvoting member appointed by the governor.

(c) The members of the development commission shall each serve for a term of three (3) years. A vacancy shall be filled for the duration of the term by the original appointing authority.

(d) Each member of the development commission must, before beginning the discharge of the duties of the member's office, do the following:

(1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.

(2) Provide a bond to the state:

(A) for twenty-five thousand dollars ($25,000); and

(B) that is, after being executed and approved, recorded in the office of the secretary of state.

(e) A member of the development commission is not

entitled to a salary per diem. However, a member is entitled to reimbursement for travel expenses incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

(f) An individual who is an employee of a county or town described in subsection (b) may not be appointed to the development commission until at least three (3) years after the date the individual's employment with the county or town is terminated.

(g) An individual who is a member of any other board serving a county or town described in subsection (b) may not be appointed to the development commission until at least three (3) years after the date the individual's membership on the board expires.

(h) An individual who is:

(1) employed by the hotel riverboat resort or an affiliated business;

(2) contracted or hired to perform a service for the hotel riverboat resort or an affiliated business; or

(3) engaged in any other form of a business relationship with the hotel riverboat resort or an affiliated business;

may not be appointed to the development commission until at least three (3) years after the date on which the individual's employment or business relationship with the hotel riverboat resort or an affiliated business is terminated.

SECTION 284. IC 36-7-11.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The **development** commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(b) The **development** commission shall adopt rules consistent with this chapter for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. ~~Four (4)~~ **Three (3)** voting members constitute a quorum of the **development** commission. No action may be taken by the **development** commission unless a majority of the voting members appointed to the **development** commission vote in favor of taking the action.

(c) All meetings of the **development** commission must be open to the public, and a public record of the **development** commission's resolutions, proceedings, and actions must be kept.

(d) ~~If~~ The **development** commission ~~has~~ **shall employ** an administrator ~~the administrator~~ **who** shall act as the commission's secretary. ~~If the commission does not have an administrator, the commission shall elect a secretary from its membership.~~

(e) The **development** commission shall hold regular meetings, at least monthly, except when it has no business pending.

SECTION 285. IC 36-7-11.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) Money acquired by the **development** commission is subject to the laws concerning the deposit and safekeeping of public money.

(b) The money of the **development** commission and the accounts of each officer, employee, or other person entrusted by law with the raising, disposition, or expenditure of the money or part of the money are subject to examination by the state board of accounts.

SECTION 286. IC 36-7-11.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) ~~Except as otherwise specified in this chapter,~~ The **development** commission ~~has all of the powers and responsibilities of a historic preservation commission established under IC 36-7-11.~~

~~(b) The commission~~ shall do the following:

~~(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns to which this chapter applies.~~

~~(2)~~ **(1)** Employ **an administrator and other** professional staff necessary to assist the **development** commission in carrying out its duties.

(2) Facilitate and coordinate the development of Orange County.

(3) Serve as a liaison between the riverboat located in a historic hotel district and the political subdivisions located in Orange County.

(4) Facilitate and coordinate the appropriate development of the historical environment of the towns of French Lick and West Baden.

(5) Establish a grant program to provide financial support to community organizations in Orange County.

(b) The development commission may do the following:

~~(3)~~ **(1)** Engage consultants, attorneys, accountants, and other professionals necessary to carry out the **development** commission's duties.

~~(4) Jointly approve, with the Indiana gaming commission, the location and exterior design of a riverboat to be operated in the historic hotel district.~~

~~(5) Make recommendations to the Indiana gaming commission concerning the selection of an operating agent (as defined in IC 4-33-2-14.5) that the commission believes will:~~

~~(A) promote the most economic development in the area surrounding the historic hotel district; and~~

~~(B) best serve the interests of the residents of the county in which the historic hotel district is located and all other citizens of Indiana.~~

~~(6) Make recommendations to the Indiana gaming commission concerning the operation and management of the riverboat to be operated in the county.~~

(2) Award grants and low interest loans to promote economic development through tourism in Orange County.

~~(c) This section does not limit the powers of the Indiana gaming commission with respect to the administration and regulation of riverboat gaming under IC 4-33.~~

(c) The development commission shall:

(1) promote economic development through tourism;

(2) attract new business;

(3) improve housing; and

(4) engage in any other activity that promotes the development of Orange County.

SECTION 287. IC 36-7-11.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) As used in this section, "fund" refers to the West Baden Springs historic hotel preservation and maintenance fund established by subsection (b).

(b) The West Baden Springs historic hotel preservation and maintenance fund is established. The fund consists of the following:

(1) Amounts deposited in the fund under **IC 4-33-6.5-6,** IC 4-33-12-6(c), and IC 4-33-13-5(b).

(2) Grants and gifts that the department of natural resources receives for the fund under terms, obligations, and liabilities that the department considers appropriate.

(3) The one million dollar ($1,000,000) initial fee paid to the gaming commission under IC 4-33-6.5.

(4) Any amount transferred to the fund upon the repeal of IC 36-7-11.5-8 (the community trust fund).

The fund shall be administered by the department of natural resources. The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund that is not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. The treasurer of state shall deposit in the fund the interest that accrues from the investment of the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) No money may be appropriated from the fund except as

provided in this subsection. The general assembly may appropriate interest accruing to the fund to the department of natural resources only for the following purposes:

(1) To maintain the parts of a qualified historic hotel that were restored before July 1, 2003.

(2) To maintain the grounds surrounding a qualified historic hotel.

No money may be appropriated from the fund for restoration purposes if the restoration is to occur after July 1, 2003.

SECTION 288. IC 36-7-11.5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12. (a) The Orange County development advisory board is established for the purpose of advising the development commission established under section 3.5 of this chapter.**

(b) The advisory board consists of five (5) members appointed as follows:

(1) One (1) individual appointed by the speaker of the house of representatives.

(2) One (1) individual appointed by the president pro tempore of the senate.

(3) One (1) individual appointed by the Orange County convention and visitors bureau.

(4) Two (2) individuals appointed by the chief operating officer of the hotel riverboat resort.

(c) Except as provided in subsection (d), the members of the advisory board shall each serve for a term of four (4) years. A vacancy shall be filled for the duration of the term by the original appointing authority.

(d) The member appointed under subsection (b)(3) shall serve an initial term of one (1) year. As determined by the appointing authority, the two (2) members appointed under subsection (b)(4) shall serve initial terms of two (2) and three (3) years respectively.

(e) A member of the advisory board is not entitled to a salary per diem. However, a member is entitled to reimbursement for travel expenses incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

SECTION 289. IC 36-7-11.5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 13. (a) An individual may apply for a grant or low interest loan on a form prescribed by the development commission.**

(b) A form prescribed by the development commission must be designed to be read and easily understood by the ordinary individual.

SECTION 290. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 36-7-11.5-3; IC 36-7-11.5-4; IC 36-7-11.5-8; IC 36-7-11.5-9; IC 36-7-11.5-10.

SECTION 291. [EFFECTIVE JULY 1, 2007] **(a) IC 4-33-12-6, as amended by this act, applies to riverboat admissions taxes remitted by an operating agent after June 30, 2007.**

(b) IC 4-33-13-5, as amended by this act, applies to riverboat wagering taxes remitted by an operating agent after June 30, 2007.

SECTION 292. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "commission" refers to a historic hotel preservation commission established by an interlocal agreement under IC 36-7-11.5-3, before its repeal by this act.**

(b) As used in this SECTION, "local development agreement" refers to the local development agreement:

(1) entered into by:

(A) the town of French Lick;

(B) the town of West Baden Springs;

(C) Orange County;

(D) the commission; and

(E) Blue Sky Casino, LLC; and

(2) dated July 28, 2005.

(c) Notwithstanding any other law, the commission is abolished on July 1, 2007.

(d) Notwithstanding any other law, the term of office of a member of the commission serving on June 30, 2007, terminates July 1, 2007.

(e) Any balance remaining on June 30, 2007, in the community trust fund established under IC 36-7-11.5-8 (before its repeal by this act) is transferred to the Orange County development commission established by IC 36-7-11.5-3.5, as added by this act.

(f) On July 1, 2007, all records and property of the commission are transferred to the Orange County development commission established under IC 36-7-11.5-3.5, as added by this act.

(g) Except as provided in subsection (h), an unfulfilled financial commitment made by the commission is void on July 1, 2007.

(h) The Orange County development commission shall assume the commission's commitments to the French Lick Municipal Airport.

(i) Any part of a local development agreement that requires a town to make payments to a county is void on July 1, 2007.

(j) This act does not affect the validity of a historic hotel district established in Orange County before January 1, 2007, under IC 36-7-11.5-2.

SECTION 293. IC 14-11-1-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. The department of natural resources may not sell, lease, exchange, or transfer property or an interest in a property to another person for the purpose of allowing the selling of water out of Indiana from Charlestown Water Wells located on park property without the prior approval of River Ridge Development Authority.**

SECTION 294. P.L.191-2006, SECTION 4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: (a) The definitions in IC 20 apply to this SECTION.

(b) ~~Not later than August 31, 2006:~~

~~(1) the department shall develop; and~~

~~(2) the state board shall review and may modify before approving;~~ **As used in this SECTION, "plan" refers to** "A Plan to Upgrade the Financial Management, Analysis, and Reporting System for **Indiana** School Corporations and Schools"

~~(c) The plan developed under subsection (b) must:~~

~~(1) provide the use of generally accepted accounting principles based on the system of accounting used by school corporations and schools on June 30, 2006, and a unified income and expense statement and balance sheet;~~

~~(2) provide school corporations and schools the ability to track expenditures individually and according to the expenditure category under IC 21-10-3-4, as added by this act, the program under which the expense was incurred, and the school building where the expense was incurred;~~

~~(3) provide real time or other timely access to expenditures, and across functions, schools, and school corporations; and~~

~~(4) enable periodic and annual analysis and reporting to the leadership of a school, the superintendent and governing body of a school corporation, the general public, the department, the state board, the governor, and the general assembly.~~

~~(d) In developing the plan under subsection (b), the department, following approval by and under the direction of the state board, shall:~~

~~(1) use the assistance of the state board of accounts, the division of finance of the department, the division of technology of the department, the office of management and budget, and external consultants and advisers the state~~

~~board determines are necessary;~~

~~(2) provide the opportunity for input from governing bodies, superintendents, and other interested parties;~~

~~(3) consider existing financial management, analysis, and reporting systems and technology in use in school corporations and in other states;~~

~~(4) take into account the need for training personnel in school corporations in the use of the system, including a plan for the department to work with the officials in each school corporation who are responsible for the management of the school corporation's finances, organizations, and other resources to create programs and curricula to develop the officials' financial management skills and abilities as well as train them in the use of the system; and~~

~~(5) identify any amendments to the Indiana Code that are necessary to implement specific provisions of the plan.~~

~~(c) Not later than October 1, 2006, the department and the state board shall submit the plan developed under subsection (b) to the governor and the general assembly. The report to the general assembly must be submitted to the executive director of the legislative services agency in an electronic format under IC 5-14-6.~~ **published by the department of education on September 13, 2006.**

(c) The state board of accounts, the department and the state board may not implement the plan or require a school corporation to conform to the plan until after June 30, 2009.

~~(f)~~ **(d)** This SECTION expires December 31, ~~2009.~~ **2011.**

SECTION 295. IC 5-13-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) All public funds paid into the treasury of the state or the treasuries of the respective political subdivisions shall be deposited not later than the business day following the receipt of funds on business days of the depository in one (1) or more depositories in the name of the state or political subdivision by the officer having control of the funds.

(b) Except as provided in ~~subsection (d),~~ **subsections (d), (f), and (g),** all public funds collected by state officers, other than the treasurer of state, shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds. The treasurer of state shall deposit daily on business days of the depository all public funds deposited with the treasurer of state. Deposits do not relieve any state officer from the duty of maintaining a cashbook under IC 5-13-5-1.

(c) Except as provided in subsection (d), all local officers, except township trustees, who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. Public funds deposited under this subsection shall be deposited in the same form in which they were received.

(d) A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories:

(1) selected by the city or town as provided in an ordinance adopted by the city or the town; and

(2) approved as depositories of state funds.

(e) All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

(f) An office of:

(1) the department of natural resources; or

(2) the department of state revenue;

that is detached from the main office of the department is not required to deposit funds on the business day following receipt if the funds on hand do not exceed one hundred dollars ($100). However, the office must deposit the funds on hand not later than the business day following the day that the funds exceed one hundred dollars ($100).

(g) An office of the legislative branch of state government is not required to deposit funds on the business day following receipt if the funds on hand do not exceed one hundred dollars ($100). However, the office must deposit the funds on hand not later than the business day following the day that the funds exceed one hundred dollars ($100).

SECTION 296. IC 6-1.1-21-2.5, AS ADDED BY P.L.246-2005, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2.5. ~~(a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine the sum of the following:~~

~~(1) One billion one hundred twenty-one million seven hundred thousand dollars ($1,121,700,000).~~

~~(2) An amount equal to the net amount of revenue, after deducting collection allowances and refunds, that the budget agency estimates will be collected in a particular calendar year from the part of the gross retail and use tax rate imposed under IC 6-2.5 equal to one percent (1%).~~

~~The estimate made under this subsection must be consistent with the latest technical forecast of state revenues that is prepared for distribution to the general assembly and the general public and available to the budget agency at the time that the estimate is made.~~

~~(b) The department may not distribute eligible property tax replacement amounts and eligible homestead credit replacement amounts for a year under this chapter that, in the aggregate, is less than the amount computed under subsection (a).~~

~~(c)~~ **(a)** Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine whether the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without applying ~~subsection (b),~~ **this section,** will be ~~less~~ **more** than the amount ~~determined under subsection (b).~~ **appropriated for those purposes for that year.** The budget agency shall give notice of its determination to the members of the board and, in an electronic format under IC 5-14-6, the general assembly. If the budget agency determines that the ~~amount determined under subsection (b) will not be exceeded in a particular year,~~ **amount of property tax replacement credits and homestead credits granted under IC 6-1.1-20.9-2 for the year will be more than the amount appropriated for those purposes for that year,** the board shall ~~increase~~ **do the following:**

(1) For calendar years 2008 and 2009, decrease for that year the percentages used to determine a taxpayer's property tax replacement credit amount ~~and the homestead credit percentage applicable under IC 6-1.1-20.9-2~~ so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 ~~at least equals~~ **does not exceed** the **total** amount **appropriated for those purposes for that year.** ~~determined under subsection (b). In making adjustments under this subsection, the board shall increase percentages, in the following order until the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for~~

~~the year at least equals the amount determined under subsection (b).~~

~~(1) The homestead credit percentage specified in IC 6-1.1-20.9-2 until the homestead percentage reaches the lesser of:~~

~~(A) thirty percent (30%); or~~

~~(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount determined under subsection (b).~~

~~(2) If the amount determined under subsection (b) is not exceeded after increasing the homestead percentage under subdivision (1), the board shall increase the property tax replacement credit percentage specified in section 2(j)(1) and 2(l)(1) of this chapter until the property tax replacement percentage reaches the lesser of:~~

~~(A) seventy percent (70%); or~~

~~(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).~~

~~(3) If the amount determined under subsection (b) is not exceeded after making all possible increases in credit percentages under subdivisions (1) and (2), the board shall increase the property tax replacement credit percentages specified in section 2(j)(2), 2(j)(3), 2(l)(2), and 2(l)(3) of this chapter to the percentage at the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).~~

(2) For calendar years 2010 and thereafter, decrease for that year in the same proportions:

(A) the percentages used to determine a taxpayer's property tax replacement credit amount; and

(B) and the homestead credit percentage applicable under IC 6-1.1-20.9-2;

so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 does not exceed the total amount appropriated for those purposes for that year.

~~(d)~~ **(b)** The adjusted percentages set under subsection ~~(c).~~ **(a):**

(1) are the percentages that apply under:

(A) section 5 of this chapter to determine a taxpayer's property tax replacement credit amount; and

(B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead credit; and

(2) must be used by the:

(A) department in estimating the eligible property tax replacement amount under section 3 of this chapter; and

(B) department of local government finance in making its certification under section 3(b) of this chapter;

and for all other purposes under this chapter and IC 6-1.1-20.9 related to distributions under this chapter;

for the particular year covered by a budget agency's determination under subsection ~~(c).~~ **(a).**

SECTION 297. IC 6-1.1-21-4, AS AMENDED BY P.L.228-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (½) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (½) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or, **except as provided in section 9 of this chapter,** receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and

section 10 of this chapter if:

(1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;

(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under IC 6-1.1-5.5-3(b);

(5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

(7) the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

SECTION 298. IC 6-1.1-21-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) On or before October 15 of each year, each county auditor shall, make a settlement with the department as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the first eight (8) months of that same year. On or before December 31 of each year, each county auditor shall make a settlement with the department along with the filing of the county auditor's December settlement as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the last four (4) months of that same year. If the aggregate credits allowed during either period exceed the property tax replacement funds allocated and distributed to the county treasurer for that same period, as provided in sections 4 and 5 of this chapter, then the department shall certify the amount of the excess to the auditor of state who shall issue a warrant, payable from the property tax replacement fund, to the treasurer of the state ordering the payment of the excess to the county treasurer. If the distribution exceeds the aggregate credits, the county treasurer shall repay to the treasurer of the state the amount of the excess, which shall be redeposited in the property tax replacement fund.

(b) In making the settlement required by subsection (a), the county auditor shall recognize the fact that any loss of revenue resulting from the provision of homestead credits in excess of the percentage credit allowed in IC 6-1.1-20.9-2(d) must be paid from county option income revenues.

(c) Except as otherwise provided in this chapter, the state board of accounts with the cooperation of the department shall prescribe the accounting forms, records, and procedures required to carry out the provisions of this chapter.

(d) Not later than November 15 of each year, the budget agency shall determine whether the amount distributed to counties under section 10 of this chapter for state property tax replacement credits and state homestead credits is less than the amount available, as determined by the budget agency, from the appropriation to the property tax replacement board for distribution as state property tax replacement credits and state homestead credits. If the amount distributed is less than the available appropriation, the budget agency shall apportion the excess among the counties in proportion to the final determination of state property tax replacement credits and state homestead credits for each county and certify the excess amount for each county to the department and the department of local government finance. The department shall distribute the certified additional amount for a county to the county treasurer before December 15 of the year. Not later than December 31 in the year, the county treasurer shall allocate the certified additional amount among the taxing units in the county in proportion to the part of the total county tax levy imposed by each taxing unit. The taxing unit shall deposit the allocated amount in the taxing unit's levy excess fund under established under IC 6-1.1-18.5-17 or IC 20-40-10. The allocated amount shall be treated in the same manner as a levy excess (as defined in IC 6-1.1-18.5-17 and IC 20-44-3-2) and shall be used only to reduce the part of the county tax levy imposed by the taxing unit in the immediately following year.

SECTION 299. [EFFECTIVE JULY 1, 2007] **There is appropriated ten million dollars ($10,000,000) from the build Indiana fund under IC 4-30-17 to the Indiana finance authority to provide funding for the construction or financing of public water supply systems serving Ripley, Decatur, and Jennings counties, beginning July 1, 2007, and ending June 30, 2009. The purposes for which the appropriation may be used include use of the appropriation by the Indiana finance authority to hire engineers, financial analysts and other experts to investigate problems with the availability or quality of public water and develop proposed solutions. After review by the budget committee the Indiana finance authority may enter into agreements and take any actions necessary to finance projects designed to improve the availability and delivery of water to the public, including the distribution of one (1) or more grants to an entity providing water in any combination of Ripley County, Decatur County, or Jennings County.**

SECTION 300. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21 apply throughout this SECTION.**

(b) Subject to appropriation of money from the property tax reduction trust fund for an additional 2007 homestead credit, the department of local government finance shall calculate and certify to the department of state revenue and the county auditor of each county an additional homestead credit amount for property taxes first due and payable in 2007. The additional homestead credit shall be paid as a

refund as provided in this SECTION for part of the tax liability (as defined in IC 6-1.1-21-5) imposed on the taxpayer's homestead for the March 1, 2006, or January 15, 2007, assessment date. The department of local government finance shall make the certification based on the best information available at the time the certification is made. Not later than November 1, 2007, the department of state revenue shall distribute to the county treasurer of each county the amount certified for the county under this subsection. The county treasurer shall deposit the amount distributed in a separate account and use the money only for the purposes of providing property tax refunds under this SECTION.

(c) At the same time as the department of local government finance makes the certification under subsection (b), the department of local government finance shall certify to the county auditor of each county the percentage that would apply in each taxing district to provide an additional 2007 homestead credit to taxpayers in the taxing district. The county auditor shall use the certified percentage to determine the amount of the refund due to each taxpayer. The county auditor shall certify the amount of the refund for each taxpayer to the county treasurer not later than the December 20, 2007, settlement date. IC 6-1.1-26 does not apply to a refund granted under this SECTION. The amount of the refund is equal to the lesser of the following:

(1) The amount of the taxpayer's tax liability (as defined in IC 6-1.1-21-5) on a homestead for the March 1, 2006, or January 15, 2007, assessment date, after the application of all other credits.

(2) The additional 2007 homestead credit determined for the taxpayer.

The department of local government finance, the department of state revenue, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION.

(d) The amount of the refund shall be applied first against any delinquent property taxes owed in the county by the taxpayer. The county auditor shall issue a warrant for or authorize disbursement by electronic transfer of the remainder of the refund. The refund shall be:

(1) mailed to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; or

(2) transmitted by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records.

(e) In addition, the county auditor shall mail to the last known address of each person liable for any property taxes or special assessment on each homestead in the county, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a written explanation of the refund. The explanation must include the amount of the refund specified in the following statement in at least 12 point type:

"A portion of your local property taxes due in 2007 are being refunded due to tax relief provided by the Indiana General Assembly. Your refund is in the amount of $_____ (insert amount of refund). If you did not receive a check because you pay your property taxes through an escrow account along with your mortgage, your lender will receive the refund and should adjust your payments accordingly.".

(f) Any part of the amount distributed to a county under this SECTION that is not applied or refunded as provided in this SECTION shall be transferred to the auditor of state for deposit in the property tax reduction trust fund.

(g) This SECTION expires January 1, 2009.

SECTION 301. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21 apply throughout this SECTION.**

(b) Subject to appropriation of money from the property tax reduction trust fund for an additional 2008 homestead credit, the department of local government finance shall calculate and certify to the department of state revenue and the county auditor of each county an additional homestead credit amount for property taxes first due and payable in 2008. The department of local government finance shall certify to the county auditor of each county the percentage that will apply in each taxing district to provide the additional 2008 homestead credit to taxpayers in the taxing district. The department of local government finance, the department of state revenue, and the property tax replacement fund board shall take the actions necessary to apply the additional 2008 homestead credit under this SECTION.

(c) This SECTION expires July 1, 2009.

SECTION 302. IC 4-33-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) In granting a license under this chapter, the commission may give favorable consideration to the following:

(1) Economically depressed areas of Indiana.

(2) Applicants presenting plans that provide for significant economic development over a large geographic area.

(b) This subsection applies to any owner's license issued for a city described in section 1(a)(1) of this chapter. The commission must require the applicant to provide assurances that economic development will occur in the city and that adequate infrastructure and site preparation will be provided to support the riverboat operation. In order to prove the assurance that economic development will occur, the applicant must:

(1) construct or provide for the construction of an approved hotel; or

(2) cause economic development that will have an economic impact on the city that exceeds the economic impact that the construction of an approved hotel would have.

(c) This subsection applies to an owner's license issued for the City of East Chicago. If a controlling interest in the owner's license is transferred, the fiscal body of the City of East Chicago may adopt an ordinance voiding any term of the development agreement (as defined by IC 36-1-8-9.5) between:

(1) the city; and

(2) the person transferring the controlling interest in the owner's license;

that is in effect as of the date the controlling interest is transferred. The ordinance may provide for any payments made under the redevelopment agreement, including those held in escrow, to be redirected to the City of East Chicago for use as directed by ordinance of the city fiscal body. A requirement to redirect a payment is valid to the same extent as if the requirement had been part of the original agreement. If the ordinance provides for the voiding and renegotiation of any part of a redevelopment agreement, the mayor of the City of East Chicago may negotiate with the person acquiring a controlling interest in the owner's license to replace any terms voided by the ordinance. Terms negotiated under this subsection must be ratified in an ordinance adopted by the city legislative body.

SECTION 303. IC 20-12-1-12, AS ADDED BY P.L.246-2005, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.

(b) As used in this section, "academic year" has the meaning

set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) **Subject to subsection (h),** a state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before ~~May~~ **June** 30 of the odd numbered year; or

(2) ~~thirty (30)~~ **sixty (60)** days after the state budget bill is enacted into law;

whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May ~~15~~ **31** of each odd numbered year; or

(2) ~~fifteen (15)~~ **thirty-one (31)** days after the state budget bill is enacted into law;

whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

(h) For tuition and fees set by a state educational institution before July 1, 2007, a state educational institution must appear before the state budget committee before June 30, 2007. The state budget committee shall review the tuition and fees proposed by the state educational institution under subsection (e).

(i) After July 1, 2007, the commission for higher education shall recommend biennially nonbinding tuition targets based on the mission of the state educational institution. The board of trustees of a state educational institution may set a tuition rate that exceeds the tuition target only if the proposed tuition rate is reviewed by both the commission for higher education and the state budget committee before the later of the following:

(1) June 30 in the odd-numbered year.

(2) Sixty (60) days after the state budget is adopted for the biennium beginning in the odd-numbered year.

SECTION 304. IC 10-11-2-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. (a) The board shall categorize salaries of motor carrier inspectors within each rank based upon the rank held and the number of years of service in the department through the tenth year. The salary ranges the board assigns to each rank shall be divided into a base salary and ten (10) increments above the base salary, with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a person with at least ten (10) years of service in the department.

(b) For purposes of creating the salary matrix prescribed by this section, the board may not approve salary ranges for any rank that are less than the salary ranges effective for that rank on January 1, 1995.

(c) The salary matrix prescribed by this section:

(1) shall be reviewed and approved by the budget agency before implementation; **and**

(2) must include the job classifications of motor carrier district coordinator, motor carrier zone coordinator, and motor carrier administrator.

~~(d) The money needed to fund the salaries resulting from the matrix prescribed by this section must come from the appropriation from the professional and technical equity fund.~~

SECTION 305. IC 7.1-2-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) The alcohol and tobacco commission shall categorize salaries of enforcement officers within each rank based upon the rank held and the number of years of service in the commission through the ~~tenth~~ **twentieth** year. The salary ranges that the board assigns to each rank shall be divided into a base salary and ~~ten (10)~~ **twenty (20)** increments above the base salary with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the commission; and

(2) the highest salary in the rank paid to a person with at least ~~ten (10)~~ **twenty (20)** years of service in the commission.

~~(b) For purposes of creating the salary matrix prescribed by this section, the alcohol and tobacco commission may not approve salary ranges for any rank that are less than the salary ranges effective for that rank on January 1, 1995.~~

~~(c)~~ **(b)** The salary matrix prescribed by this section shall be reviewed and approved by the budget agency before implementation.

~~(d) The money needed to fund the salaries resulting from the matrix prescribed by this section shall come from the state general fund.~~

~~(e)~~ **(c)** The salary matrix prescribed by this section must have parity with the salary matrix prescribed by the natural resources commission under IC 14-9-8 for conservation officers of the department of natural resources. The budget agency shall approve a salary matrix that meets the parity requirement of this subsection.

SECTION 306. IC 10-11-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) The board shall categorize salaries of police employees within each rank based upon the rank held and the number of years of service in the department through the ~~tenth~~ **twentieth** year. The salary ranges the board assigns to each rank shall be divided into a base salary and ~~ten (10)~~ **twenty (20)** increments above the base salary, with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a person with at least ~~ten (10)~~ **twenty (20)** years of service in the department.

~~(b) For purposes of creating the salary matrix prescribed by this section, the board may not approve salary ranges for any rank that are less than the salary ranges effective for that rank on January 1, 1995.~~

~~(c)~~ **(b)** The salary matrix prescribed by this section shall be reviewed and approved by the budget agency before implementation.

SECTION 307. IC 14-9-8-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) The natural resources commission shall categorize salaries of enforcement officers within each rank based upon the rank held and the number of years of service in the department through the ~~tenth~~ **twentieth** year. The salary ranges that the commission assigns to each rank shall be divided into a base salary and ~~ten (10)~~ **twenty (20)** increments above the base salary with:

(1) the base salary in the rank paid to a person with less than one (1) year of service in the department; and

(2) the highest salary in the rank paid to a person with at least ~~ten (10)~~ **twenty (20)** years of service in the department.

~~(b) For purposes of creating the salary matrix prescribed by this section, the natural resources commission may not approve salary ranges for any rank that are less than the salary ranges~~

~~effective for that rank on January 1, 1995.~~

~~(c)~~ **(b)** The salary matrix prescribed by this section shall be reviewed and approved by the state budget agency before implementation.

~~(d)~~ **(c)** The salaries for law enforcement officers of the law enforcement division of the department must be equal to the salaries of police employees of the state police department under IC 10-11-2-13, based upon years of service in the department and rank held.

~~(e) The money needed to fund the salaries resulting from the matrix prescribed by this section shall come from the appropriation from the professional and technical equity fund.~~

~~(f)~~ **(d)** The requirement of subsection ~~(d)~~ **(c)** does not affect:

(1) any rights or liabilities accrued; or

(2) any proceedings begun;

on or before June 30, 1999. Those rights, liabilities, and proceedings continue and shall be imposed and enforced under prior civil law and procedure as if the requirement of subsection ~~(d)~~ **(c)** had not been enacted.

SECTION 308. **An emergency is declared for this act.**

(Reference is to EHB 1001 as reprinted April 11, 2007.)

CRAWFORD	MEEKS
COCHRAN	MRVAN
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT

EHB 1478–1; filed April 29, 2007, at 5:43p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1478 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 3-8-1-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23.5. A candidate for election as a member of the county board of tax and capital projects review in 2008 and thereafter must have resided in the county for at least one (1) year before the election.**

SECTION 2. IC 3-11-2-12.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.8. (a) County board of tax and capital projects review offices to be elected at the general election shall be placed on the general election ballot after the offices described in sections 12 and 12.9 of this chapter.**

(b) County board of tax and capital projects review offices shall be placed in a separate column on the ballot.

(c) If the ballot contains a candidate for a county board of tax and capital projects review office, the ballot must also contain a statement that reads substantially as follows: "To vote for a candidate for this office, make a voting mark on or in the square to the left of the candidate's name. Vote for not more than two (2) candidates for this office.".

SECTION 3. IC 6-1.1-12-37, AS AMENDED BY P.L.162-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 37. (a) Each year a person who is entitled to receive the homestead credit provided under IC 6-1.1-20.9 for property taxes payable in the following year is entitled to a standard deduction from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that qualifies for the homestead credit. The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) one-half (½) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) for property taxes first due and payable:

(A) before January 1, 2007, thirty-five thousand dollars ($35,000);

(B) after December 31, 2006, and before January 1, ~~2008,~~ **2009,** forty-five thousand dollars ($45,000); ~~and~~

(C) after December 31, ~~2007, thirty-five thousand dollars ($35,000).~~ **2008, and before January 1, 2010, forty-four thousand dollars ($44,000);**

(D) after December 31, 2009, and before January 1, 2011, forty-three thousand dollars ($43,000);

(E) after December 31, 2010, and before January 1, 2012, forty-two thousand dollars ($42,000);

(F) after December 31, 2011, and before January 1, 2013, forty-one thousand dollars ($41,000); and

(G) after December 31, 2012, forty thousand dollars ($40,000).

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 4. IC 6-1.1-12.1-1, AS AMENDED BY P.L.154-2006, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means tangible personal property that a deduction applicant:

(A) installs after February 28, 1983, and on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;

(B) uses in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or

hazardous waste into energy or other useful products;

(C) acquires **for use as described in clause (B):**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~for use as described in clause (B), and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(D) **has** never used for any purpose in Indiana before the installation described in clause (A).

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means:

(A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter;

(B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; or

(C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.

(9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "New research and development equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) laboratory equipment;

(ii) research and development equipment;

(iii) computers and computer software;

(iv) telecommunications equipment; or

(v) testing equipment;

(C) the deduction applicant uses in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products;

(D) the deduction applicant acquires **for purposes described in this subdivision:**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~for purposes described in this subdivision, and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(E) the deduction applicant **has** never used for any purpose in Indiana before the installation described in clause (A).

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

(C) the deduction applicant acquires **for the storage or distribution of goods, services, or information:**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~and uses for the storage or distribution of goods, services, or information, and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); and**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(D) the deduction applicant **has** never used for any purpose in Indiana before the installation described in clause (A).

(14) "New information technology equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

(i) information processing;
(ii) office automation;
(iii) telecommunication facilities and networks;
(iv) informatics;
(v) network administration;
(vi) software development; and
(vii) fiber optics;
(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and
(D) the deduction applicant never used for any purpose in Indiana before the installation described in clause (A).
(15) "Deduction applicant" means an owner of tangible personal property who makes a deduction application.
(16) "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control, whether by shareholdings or other means.
(17) "Eligible vacant building" means a building that:
(A) is zoned for commercial or industrial purposes; and
(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 5. IC 6-1.1-17-3, AS AMENDED BY P.L.162-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:
(1) the estimated budget;
(2) the estimated maximum permissible levy;
(3) the current and proposed tax levies of each fund; and
(4) the amounts of excessive levy appeals to be requested.
In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2009, before August 10 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:
(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(b);
(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:
(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);
(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;
(C) any credits that apply in the determination of the tax liability; and
(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:
(i) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** or
(ii) the department of local government finance;
(3) a prominently displayed notation that:
(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and
(B) based on various factors, including potential actions by:
(i) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** or
(ii) the department of local government finance;
it is possible that the tax liability as finally determined will differ substantially from the estimate;
(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and
(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:
(1) prescribe a form for; and
(2) provide assistance to county auditors in preparing;
statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):
(1) in any county of the solid waste management district; and
(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:
(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.
(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.
A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 6. IC 6-1.1-17-5, AS AMENDED BY P.L.169-2006, SECTION 8, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.

(2) The fiscal body of a municipality, not later than September 30.

(3) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting **after September 20** of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** at the board's first meeting **under IC 6-1.1-29-4 after September 20 of that year.**

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 7. IC 6-1.1-17-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 20.

(c) Each year, at least two (2) days before the first meeting **after September 20** of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** at the board's first meeting **after September 20 of that year.**

(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 8. IC 6-1.1-17-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall review the budget, tax rate, and tax levy of each political subdivision filed with the county auditor under section 5 or 5.6 of this chapter. The board shall revise or reduce, but not increase, any budget, tax rate, or tax levy in order:

(1) to limit the tax rate to the maximum amount permitted under IC 6-1.1-18; and

(2) to limit the budget to the amount of revenue to be available in the ensuing budget year for the political subdivision.

(b) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall make a revision or reduction in

a political subdivision's budget only with respect to the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(c) When the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** makes a revision or reduction in a budget, tax rate, or tax levy, it shall file with the county auditor a written order which indicates the action taken. If the board reduces the budget, it shall also indicate the reason for the reduction in the order. The chairman of the county board shall sign the order.

SECTION 9. IC 6-1.1-17-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. If the boundaries of a political subdivision cross one (1) or more county lines, the budget, tax levy, and tax rate fixed by the political subdivision shall be filed with the county auditor of each affected county in the manner prescribed in section 5 or 5.6 of this chapter. The board of tax adjustment of the county which contains the largest portion of the value of property taxable by the political subdivision, as determined from the abstracts of taxable values last filed with the auditor of state, has jurisdiction over the budget, tax rate, and tax levy to the same extent as if the property taxable by the political subdivision were wholly within the county. The secretary of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall notify the county auditor of each affected county of the action of the board. Appeals from actions of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may be initiated in any affected county.

SECTION 10. IC 6-1.1-17-8, AS AMENDED BY P.L.2-2006, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) If the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** determines that the maximum aggregate tax rate permitted within a political subdivision under IC 6-1.1-18 is inadequate, the county board shall, subject to the limitations prescribed in IC 20-45-4, file its written recommendations in duplicate with the county auditor. The board shall include with its recommendations:

(1) an analysis of the aggregate tax rate within the political subdivision;

(2) a recommended breakdown of the aggregate tax rate among the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision; and

(3) any other information that the county board considers relevant to the matter.

(b) The county auditor shall forward one (1) copy of the county board's recommendations to the department of local government finance and shall retain the other copy in the county auditor's office. The department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budgets by fund, tax rates, and tax levies of the political subdivisions described in subsection (a)(2).

SECTION 11. IC 6-1.1-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall complete the duties assigned to it under this chapter on or before October 1st of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until November 1 of each year.

(b) If the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, ~~he~~ **the county auditor** shall send a certificate notice of ~~the rate he has fixed~~ **those rates** to each political subdivision of the county. ~~He~~ **The county auditor** shall send these notices within five (5) days after publication of the notice required by section 12 of this chapter.

(d) When the county auditor calculates and fixes tax rates, ~~his~~ **that** action shall be treated as if it were the action of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

SECTION 12. IC 6-1.1-17-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. When the aggregate tax rate within a political subdivision, as approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** exceeds the maximum aggregate tax rate prescribed in IC 6-1.1-18-3(a), the county auditor shall certify the budgets, tax rates, and tax levies of the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision, as approved or modified by the county board, to the department of local government finance for final review. For purposes of this section, the maximum aggregate tax rate limit exceptions provided in IC 6-1.1-18-3(b) do not apply.

SECTION 13. IC 6-1.1-17-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. A budget, tax rate, or tax levy of a political subdivision, as approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** is final unless:

(1) action is taken by the county auditor in the manner provided under section 9 of this chapter;

(2) the action of the county board is subject to review by the department of local government finance under section 8 or 10 of this chapter; or

(3) an appeal to the department of local government finance is initiated with respect to the budget, tax rate, or tax levy.

SECTION 14. IC 6-1.1-17-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. As soon as the budgets, tax rates, and tax levies are approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** the county auditor shall within fifteen (15) days prepare a notice of the tax rates to be charged on each one hundred dollars ($100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of the county board's action. The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 15. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body, ~~or~~ the county board of tax adjustment **(before January 1, 2009), or the county board of tax and capital projects review (after December 31, 2008)** reduces:

(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance;

(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services.

SECTION 16. IC 6-1.1-17-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as fixed by the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 17. IC 6-1.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The state may not impose a tax rate on tangible property in excess of thirty-three hundredths of one cent ($0.0033) on each one hundred dollars ($100) of assessed valuation. The state tax rate is not subject to review by county boards of tax adjustment **(before January 1, 2009), county boards of tax and capital projects review (after December 31, 2008),** or county auditors. This section does not apply to political subdivisions of the state.

SECTION 18. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

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

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

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

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

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

(3) To pay the principal or interest upon:

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

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

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

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

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

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

(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment **(before January 1, 2009), a county board of tax and capital projects review (after December 31, 2008),** a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 19. IC 6-1.1-18.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) **Subject to subsection (c),** for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

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

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is zero (0) unless a tax rate of one percent (1%) will be in effect under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that calendar year.

SECTION 20. IC 6-1.1-18.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section

2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation. In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

(A) the amount determined in STEP ONE; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:

(i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or

(ii) the civil taxing unit's base year certified share.

STEP FOUR: Determine the greater of:

(A) zero (0); or

(B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified share for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the remainder of:

(i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus

(ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:

(A) the amount determined in STEP TWO; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

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

(f) As used in this section, a taxing unit's "determination year" means the latest of:

(1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;

(2) the taxing unit's base year, as defined in section 5 of this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or

(3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county

adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF ½%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	0

COUNTIES WITH A TAX RATE OF 3/4%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	½

COUNTIES WITH A TAX RATE OF 1.0%

Year	Subsection (d) Factor	Subsection (e) Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year following the determination year by two (2) years	1/3	1/3

(g) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter and except as provided in subsection (h), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

(h) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:

(1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and

(2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 21. IC 6-1.1-18.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the local government tax control board established by section 11 of this chapter **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** before the tax levy is advertised. The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall then review and make a recommendation to the department of local government finance on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 22. IC 6-1.1-18.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

(1) bonded indebtedness; or

(2) lease rentals under a lease with an original term of at least five (5) years.

(b) **This subsection does not apply to bonded indebtedness incurred or leases executed for a capital project approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.** A civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

(1) incur the bonded indebtedness; or

(2) enter into the lease.

Before January 1, 2009, the department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 23. IC 6-1.1-18.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A local government tax control board is established. The board consists of nine (9) members, seven (7) of whom are voting members and two (2) of whom are nonvoting members.

(b) The seven (7) voting members shall be appointed as follows:

(1) One (1) member appointed by the state board of accounts.

(2) One (1) member appointed by the department of local government finance.

(3) Five (5) members appointed by the governor. Three (3) of the members appointed by the governor must be citizens of Indiana who do not hold a political or elective office in state or local government. The governor may seek the recommendation of representatives of the cities, towns, and counties before appointing the other two (2) members to the board.

(c) The two (2) nonvoting members of the board shall be appointed as follows:

(1) One (1) member of the house of representatives, appointed by the speaker of the house.

(2) One (1) member of the senate, appointed by the president pro tempore of the senate.

(d) All members of the local government tax control board shall serve at the will of the board or person that appointed them.

(e) The local government tax control board shall annually hold an organizational meeting. At this organizational meeting the board shall elect a chairman and a secretary from its membership. The board shall meet after each organizational meeting as often as its business requires.

(f) The department of local government finance shall provide the local government tax control board with rooms, staff, and secretarial assistance for its meetings.

(g) Members of the local government tax control board shall serve without compensation, except as provided in subsections (h) and (i).

(h) Each member of the local government tax control board who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the local government tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) The local government tax control board is abolished December 31, 2008.

SECTION 24. IC 6-1.1-18.5-12, AS AMENDED BY P.L.67-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

(1) before September 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before:

(A) December 31of the calendar year immediately preceding the ensuing calendar year; or

(B) with the approval of the county fiscal body of the county in which the civil taxing unit is located, March 1 of the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall promptly deliver to the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board **or the county board of tax and capital projects review** shall immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the local government tax control board **or the county board of tax and capital projects review** has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the board with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing of the local government tax control board **or the county board of tax and capital projects review** after having been given written notice from the local government tax control board **or the county board of tax and capital projects review** requiring that person's attendance; or

(2) fails to produce for the local government tax control board's **or the county board of tax and capital projects review's** use the books and records that the local government tax control board **or the county board of tax and capital projects review** by written notice required the officer or member to produce;

then the local government tax control board **or the county board of tax and capital projects review** may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the local government tax control board **or the county board of tax and capital projects review,** to provide information to the local government tax control board **or the county board of tax and capital projects review,** or to produce books and records for the local government tax control board's **or the county board of tax and capital projects review's** use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

SECTION 25. IC 6-1.1-18.5-13, AS AMENDED BY P.L.154-2006, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars ($10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for

pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent ($0.01) per one hundred dollars ($100) of assessed valuation.

(8) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents ($0.0667) for each one hundred dollars ($100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a township to increase its levy in excess of the limitations established

under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter.

SECTION 26. IC 6-1.1-18.5-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. **A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009.** With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy recommended by the local government tax control board under this section for the ensuing calendar year may not exceed the greater of:

(1) twenty-five thousand dollars ($25,000); or

(2) twenty percent (20%) of the sum of:

(A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus

(B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 27. IC 6-1.1-18.5-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.6. **A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009.** For an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a county to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that the county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system;

under IC 3-11-6.

SECTION 28. IC 6-1.1-18.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may recommend to the department of local government finance a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year that affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 29. IC 6-1.1-18.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) The department of local government finance, upon receiving a recommendation made under section 13 or 14 of this chapter, shall enter an order adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(b) A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under subsection (a). The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 30. IC 6-1.1-18.5-16 IS AMENDED TO READ

AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** determines that a shortfall described in subsection (a) or (b) has occurred, it shall recommend to the department of local government finance that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter, and the department may adopt such recommendation. However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 31. IC 6-1.1-20-3.2, AS AMENDED BY P.L.2-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;

(D) govern the closing date for the petition and remonstrance period; and

(E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may

not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance **if** required by:

(A) IC 6-1.1-18.5-8; or

(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 32. IC 6-1.1-20-3.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.4. (a) Notwithstanding any other provision of this chapter, the executive of a political subdivision may initiate the petition and remonstrance process under this chapter for the approval or disapproval of a proposed controlled project of the political subdivision that has been disapproved under IC 6-1.1-29.5 by the county board of tax and capital projects review.**

(b) The executive of a political subdivision may initiate the petition and remonstrance process under this chapter for a proposed controlled project that has been disapproved by the county board of tax and capital projects review by giving notice of the applicability of the petition and remonstrance process as provided in section 3.2(1) of this chapter not more than sixty (60) days after the county board of tax and capital projects review disapproves the proposed controlled project.

(c) Section 3.2 of this chapter applies to a petition and remonstrance process initiated under this section. However, a sufficient petition requesting the application of a petition and remonstrance process is not required to be filed as set forth in section 3.1 of this chapter before the executive of a political subdivision may initiate the petition and remonstrance process as provided in this section.

(d) If the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a petition in favor of the proposed controlled project is greater than the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a remonstrance against the proposed controlled project, the political subdivision may undertake the proposed controlled project, notwithstanding the disapproval of the proposed controlled project by the county board of tax and capital projects review under IC 6-1.1-29.5.

SECTION 33. IC 6-1.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds in a total amount which exceeds five thousand dollars ($5,000), they shall give notice of the decision by:

(1) posting; and

(2) publication once each week for two (2) weeks.

The notice required by this section shall be posted in three (3) public places in the political subdivision and published in accordance with IC 5-3-1-4. The decision to issue bonds may be a preliminary decision.

(b) **This subsection does not apply to bonds issued for a controlled project approved after December 31, 2008, by a county board of tax and capital projects review under IC 6-1.1-29.5.** Ten (10) or more taxpayers who will be affected by the proposed issuance of the bonds and who wish to object to the issuance on the grounds that it is unnecessary or excessive may file a petition in the office of the auditor of the county in which the political subdivision is located. The petition must be filed within fifteen (15) days after the notice required by subsection (a) is given, and it must contain the objections of the taxpayers and facts which show that the proposed issue is unnecessary or excessive. When taxpayers file a petition in the manner prescribed in this subsection, the county auditor shall immediately forward a certified copy of the petition and any other relevant information to the department of local government finance.

SECTION 34. IC 6-1.1-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. **(a) This section does not apply to bonds, notes, or warrants issued for a controlled project approved after December 31, 2008, by a county board of tax and capital projects review under IC 6-1.1-29.5.**

(b) When the proper officers of a political subdivision decide to issue any bonds, notes, or warrants which will be payable from property taxes and which will bear interest in excess of eight percent (8%) per annum, the political subdivision shall submit the matter to the department of local government finance for review. The department of local government finance may either approve or disapprove the rate of interest.

SECTION 35. IC 6-1.1-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of:

(1) the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue; or

(2) the time period during which a petition for review of the proposed issue is pending before the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(b) **This subsection applies before January 1, 2009.** When a petition for review of a proposed issue is pending before the department of local government finance, the department may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the department of local government finance issues such an order, the political subdivision shall file a bid report with the department within five (5) days after the bids are received, and the department shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

(c) This subsection applies after December 31, 2008. When a petition for review of a proposed issue is pending before the county board of tax and capital projects review, the board may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the county board of tax and capital projects review issues such an order, the political subdivision shall file a bid report with the board within five (5) days after the bids are received, and the board shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection,

a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue that is to finance the improvement is pending before the county board of tax and capital projects review.

SECTION 36. IC 6-1.1-20.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 20.3. Distressed Political Subdivisions

Sec. 1. As used in this chapter, "circuit breaker board" refers to the circuit breaker relief appeal board established by section 4 of this chapter.

Sec. 2. As used in this chapter, "distressed political subdivision" means a political subdivision that will have the political subdivision's property tax collections reduced by at least two percent (2%) in a calendar year as a result of the application of the credit under IC 6-1.1-20.6 for that calendar year.

Sec. 3. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 4. (a) The circuit breaker relief appeal board is established.

(b) The circuit breaker relief appeal board consists of the following members:

(1) The director of the office of management and budget or the director's designee. The director or the director's designee shall serve as chairperson of the circuit breaker relief appeal board.

(2) The commissioner of the department of local government finance or the commissioner's designee.

(3) The commissioner of the department of state revenue or the commissioner's designee.

(4) The state examiner of the state board of accounts or the state examiner's designee.

(5) The following members appointed by the governor:

(A) One (1) member appointed from nominees submitted by the Indiana Association of Cities and Towns.

(B) One (1) member appointed from nominees submitted by the Association of Indiana Counties.

(C) One (1) member appointed from nominees submitted by the Indiana Association of School Superintendents.

A member nominated and appointed under this subdivision must be an elected official of a political subdivision.

(c) The members appointed under subsection (b)(5) serve at the pleasure of the governor.

(d) Each member of the commission is entitled to reimbursement for:

(1) traveling expenses as provided under IC 4-13-1-4; and

(2) other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 5. (a) The department of local government finance shall provide the circuit breaker board with the staff and assistance that the circuit breaker board reasonably requires.

(b) The department of local government finance shall provide from the department's budget funding to support the circuit breaker board's duties under this chapter.

(c) The circuit breaker board may contract with accountants, financial experts, and other advisors and consultants as necessary to carry out the circuit breaker board's duties under this chapter.

Sec. 6. (a) For property taxes first due and payable in 2008 and thereafter, the fiscal body of a county containing a distressed political subdivision (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) may petition the circuit breaker board for relief as authorized under this chapter from the application of the credit under IC 6-1.1-20.6 for a calendar year.

(b) A petition under subsection (a) must include a proposed financial plan for political subdivisions in the county. The proposed financial plan must include the following:

(1) Proposed budgets that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.

(2) Proposed efficiencies, consolidations, cost reductions, uses of alternative or additional revenues, or other actions that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.

(c) The circuit breaker board may adopt procedures governing the timing and required content of a petition under subsection (a).

Sec. 7. (a) If the fiscal body of a county (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) submits a petition under section 6 of this chapter, the circuit breaker board shall review the petition and assist in establishing a financial plan for political subdivisions in the county.

(b) In reviewing a petition submitted under section 6 of this chapter, the circuit breaker board:

(1) shall consider:

(A) the proposed financial plan;

(B) comparisons to similarly situated political subdivisions;

(C) the existing revenue and expenditures of political subdivisions in the county; and

(D) any other factor considered relevant by the circuit breaker board; and

(2) may establish subcommittees or temporarily appoint nonvoting members to the circuit breaker board to assist in the review.

Sec. 8. (a) The circuit breaker board may authorize relief as provided in subsection (b) from the application of the credit under IC 6-1.1-20.6 for a calendar year if the governing body of each political subdivision in the county has adopted a resolution agreeing to the terms of the financial plan.

(b) If the conditions of subsection (a) are satisfied, the circuit breaker board may, notwithstanding IC 6-1.1-20.6, do either of the following:

(1) Increase uniformly in the county the percentage threshold (specified as a percentage of gross assessed value) at which the credit under IC 6-1.1-20.6 applies to a person's property tax liability.

(2) Provide for a uniform percentage reduction to credits otherwise provided under IC 6-1.1-20.6 in the county.

(c) If the circuit breaker board provides relief described in subsection (b) in a county, the circuit breaker board shall conduct audits and reviews as necessary to determine whether the political subdivisions in the county are abiding by the terms of the financial plan agreed to under subsection (a).

SECTION 37. IC 6-1.1-20.6-6.5, AS ADDED BY P.L.162-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6.5. (a) This subsection applies only to property taxes first due and payable after December 31, 2006, and before January 1, ~~2007,~~ **2008,** attributable to qualified residential property located in Lake County. A person is entitled to a credit each calendar year under section 7(a) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's qualified residential property.

However, the county fiscal body may, by ordinance adopted before January 1, 2007, limit the application of the credit granted by this subsection to homesteads.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007, and before January 1, 2010. A person is entitled to a credit each calendar year under section 7(a) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to:

(1) the person's qualified residential property, **in the case of a calendar year before 2008; or**

(2) the person's homestead (as defined in IC 6-1.1-20.9-1) property, in the case of a calendar year after 2007 and before 2010.

(c) This subsection applies only to property taxes first due and payable after December 31, 2009. A person is entitled to a credit each calendar year under section 7(b) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property.

SECTION 38. IC 6-1.1-20.6-7, AS AMENDED BY P.L.162-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to:

(A) the person's qualified residential property located in the county, **in the case of a calendar year before 2008; or**

(B) the person's homestead (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before 2010; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to:

(A) the person's qualified residential property, **in the case of a calendar year before 2008; or**

(B) the person's homestead property, in the case of a calendar year after 2007 and before 2010;

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property **(in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before 2010)** for property taxes first due and payable in that calendar year, **as adjusted under subsection (c).**

(b) In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property located in the county; and

(2) the amount of the credit is ~~the amount by which the person's property tax liability attributable to the person's real property and personal property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the real property and personal property for property taxes first due and payable in that calendar year.~~ **equal to the following:**

(A) In the case of property tax liability attributable to the person's homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).

(B) In the case of property tax liability attributable to property other than homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).

(c) This subsection applies to property taxes first due and payable after December 31, 2007. The amount of a credit to which a person is entitled under subsection (a) or (b) in a county shall be adjusted as determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable) that is for tuition support levy property taxes.

STEP TWO: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable).

STEP THREE: Determine the result of:

(A) the STEP TWO amount; minus

(B) the STEP ONE amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; divided by

(B) the STEP TWO amount.

STEP FIVE: Multiply the credit to which the person is entitled under subsection (a) or (b) by the STEP FOUR amount.

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

SECTION 39. IC 6-1.1-20.9-2, AS AMENDED BY P.L.162-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

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

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied

first against the assessed value of the individual's homestead before those deductions are applied against any other property.

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

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 through 2005	20%
2006	28%
2007 and thereafter	20%

~~However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year.~~ However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

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

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

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

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 40. IC 6-1.1-21.2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) A tax levied under this chapter shall be certified by the department of local government finance to the auditor of the county in which the district is located and shall be:

(1) estimated and entered upon the tax duplicates by the county auditor; and

(2) collected and enforced by the county treasurer;

in the same manner as state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected by the county treasurer, it shall be transferred to the governing body and accumulated and kept in the special fund for the allocation area.

(c) A tax levied under this chapter:

(1) is exempt from the levy limitations imposed under IC 6-1.1-18.5; and

(2) is not subject to IC 6-1.1-20.

(d) Notwithstanding any other provision of this chapter or IC 6-1.1-20.6, a governing body may file with the county auditor a certified statement providing that for purposes of computing and applying a credit under IC 6-1.1-20.6 for a particular calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter. The department of local government finance shall adopt the form of the certified statement that a governing body may file under this subsection. The department of local government finance shall establish procedures governing the filing of a certified statement under this subsection. If a governing body files a certified statement under this subsection, then for purposes of computing and applying a credit under IC 6-1.1-20.6 for the specified calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter.

~~(d)~~ **(e)** A tax levied under this chapter and the use of revenues from a tax levied under this chapter by a governing body do not create a constitutional or statutory debt, pledge, or obligation of the governing body, the district, or any unit.

SECTION 41. IC 6-1.1-29-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. **(a)** Except as provided in section 9 of this chapter, each county shall have a county board of tax adjustment composed of seven (7) members. The members of the county board of tax adjustment shall be selected as follows:

(1) The county fiscal body shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(2) Either the executive of the largest city in the county or a public official of any city in the county appointed by that executive shall serve as a member of the board. However, if there is no incorporated city in the county, the fiscal body of the largest incorporated town of the county shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(3) The governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county shall appoint a member of the governing body to serve as a member of the county board of tax adjustment.

(4) The remaining four (4) members of the county board of tax adjustment must be residents of the county and freeholders and shall be appointed by the board of commissioners of the county.

(b) This section expires December 31, 2008.

SECTION 42. IC 6-1.1-29-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.5. (a) On January 1, 2009, there is established in each county a county board of tax and capital projects review. Except as provided by subsections (b)(7), (b)(8), (c)(7), (c)(8), and (e), each member of the board must be an elected official serving on the fiscal body of the taxing unit or the group of taxing units that the individual represents. The board consists of nine (9) members. All members except the county auditor are voting members. However, the county auditor is entitled to vote to break a tie vote.**

(b) This subsection does not apply to a county containing a consolidated city. For a county having at least two (2) cities, at least two (2) towns, and at least two (2) school corporations, the members of the county board of tax and capital projects review are as follows:

(1) One (1) individual from the county fiscal body.

(2) One (1) individual from the fiscal body of the municipality that has the greatest taxable assessed valuation in the county.

(3) One (1) individual from the fiscal body of the school corporation that has the greatest taxable assessed valuation in the county.

(4) One (1) individual from the fiscal bodies of the cities within the county, excluding a municipality described in subdivision (2).

(5) One (1) individual from the fiscal body of a school

corporation within the county (excluding a school corporation described in subdivision (3)), appointed jointly by the fiscal bodies of the school corporations. The appointment under this subdivision must be made from the fiscal bodies of the school corporations (excluding a school corporation described in subdivision (3)) on a rotating basis determined by the school corporations.

(6) One (1) individual from the fiscal bodies of the towns within the county, excluding a town described in subdivision (2).

(7) Two (2) individuals who are residents of the county and are elected by the voters of the county under IC 3-11-2-12.8.

(8) The county auditor.

(c) This subsection does not apply to a county containing a consolidated city. For a county not described in subsection (b), the members of the county board of tax and capital projects review are as follows:

(1) One (1) individual from the county fiscal body.

(2) One (1) individual from the fiscal body of the municipality that has the greatest taxable assessed valuation in the county.

(3) One (1) individual from the fiscal body of the school corporation that has the greatest taxable assessed valuation in the county.

(4) One (1) individual from the fiscal bodies of the cities within the county, or towns within the county in the case of a county not having any cities. However, a municipality described in subdivision (2) is excluded.

(5) One (1) individual from the fiscal bodies of the school corporations within the county, excluding the school corporation described in subdivision (3), unless that school corporation is the only school corporation within the county. If there is more than one (1) school corporation represented under this subdivision, the appointment under this subdivision must be made from the fiscal bodies of the school corporations (excluding a school corporation described in subdivision (3)) on a rotating basis determined by the school corporations.

(6) One (1) individual from the fiscal bodies of the towns within the county. However, a town described in subdivision (2) and a town described in subdivision (4) are excluded.

(7) Two (2) individuals who are residents of the county and are elected by the voters of the county under IC 3-11-2-12.8.

(8) The county auditor.

However, if the county has less than three (3) municipalities, subsection (d), rather than subdivisions (2), (4), and (6), governs the selection of members to represent those municipalities.

(d) If a county is subject to subsection (c) but has less than three (3) municipalities, the members of the board who represent those municipalities are determined in the following manner:

(1) If the county has two (2) municipalities, the members representing those municipalities are two (2) individuals from the fiscal body of the municipality that has the greatest taxable assessed valuation and one (1) individual from the fiscal body of the other municipality.

(2) If the county has only one (1) municipality, the members representing that municipality are three (3) individuals from the fiscal body of the municipality.

(e) The members of the county board of tax and capital projects review in a county containing a consolidated city are as follows:

(1) One (1) individual appointed by the county executive.

(2) One (1) member appointed by the fiscal body of the largest municipality in the county.

(3) One (1) individual appointed by the executive of the largest municipality in the county.

(4) One (1) individual appointed jointly by the executives of all municipalities in the county (other than the largest municipality in the county).

(5) One (1) individual appointed jointly by the fiscal bodies of all municipalities in the county (other than the largest municipality in the county).

(6) The county auditor.

(7) The fiscal officer of the largest municipality in the county.

(8) One (1) individual from the fiscal body of the largest school corporation in the county.

(9) One (1) individual appointed jointly by the fiscal officers of all municipalities in the county (other than the largest municipality in the county). An individual appointed under this subdivision must be the fiscal officer of a municipality in the county.

(f) Members of a county board of tax and capital projects review shall be appointed or elected as provided in section 2 of this chapter.

(g) For purposes of Article 2, Section 9 of the Constitution of the State of Indiana, membership on a county board of tax and capital projects review is not a lucrative office.

(h) A county board of tax and capital projects review is subject to IC 5-14-1.5 and IC 5-14-3.

SECTION 43. IC 6-1.1-29-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. **(a)** The seven (7) members of the county board of tax adjustment shall be appointed before April 15th of each year, and their appointments shall continue in effect until April 15th of the following year. The four (4) freehold members of the county board of tax adjustment may not be, or have been during the year preceding their appointment, an official or employee of a political subdivision. The four (4) freehold members shall be appointed in such a manner that no more than four (4) of the board members are members of the same political party. **This subsection expires December 31, 2008.**

(b) The following apply, notwithstanding any other provision:

(1) A member may not be appointed to a county board of tax adjustment after December 31, 2008.

(2) The term of a member of a county board of tax adjustment serving on December 31, 2008, expires on December 31, 2008.

(3) Each county board of tax adjustment is abolished on December 31, 2008.

(c) On or before December 31 of 2008 and each even-numbered year thereafter, each person or entity required to make an appointment to a county board of tax and capital projects review under section 1.5 of this chapter shall make the required appointment or appointments of members who will represent the person or entity on the county board of tax and capital projects review. The appointments take effect January 1 of the following odd-numbered year and continue in effect until December 31 of the following even-numbered year. If a member is to be appointed by one (1) entity, the appointment must be made by a majority vote of the fiscal body in official session. If a member is to be appointed by more than one (1) entity, the appointment must be made by a majority vote of the total members of the entities taken in joint session. If:

(1) a person or entity fails; or

(2) the entities, in the case of a joint appointment, fail; to make a required appointment of a member by December 31 of an even-numbered year, the county fiscal body shall make the appointment.

(d) This subsection does not apply to a county containing

a consolidated city. At the general election in 2008 and every four (4) years thereafter, the voters of each county shall under IC 3-11-2-12.8 elect two (2) individuals who are residents of the county as members of the county board of tax and capital projects review. The term of office of a member elected under this subsection begins January 1 of the year following the member's election and ends December 31 of the fourth year following the member's election. The two (2) members who are elected for a position on the county board of tax and capital projects review are determined as follows:

(1) The members shall be elected on a nonpartisan basis.

(2) Each prospective candidate must file a nomination petition with the county election board not earlier than one hundred four (104) days and not later than noon seventy-four (74) days before the election at which the members are to be elected. The nomination petition must include the following information:

(A) The name of the prospective candidate.

(B) The signatures of at least one hundred (100) registered voters residing in the county.

(C) A certification that the prospective candidate meets the qualifications for candidacy imposed by this chapter.

(3) Only eligible voters residing in the county may vote for a candidate.

(4) The two (2) candidates within the county who receive the greatest number of votes in the county are elected.

(e) A member elected under this section may not be, or have been during the year preceding the member's appointment or election, an officer or employee of a political subdivision.

SECTION 44. IC 6-1.1-29-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.5. (a) This section applies after December 31, 2008.**

(b) Five (5) members of the county board of tax and capital projects review constitute a quorum.

(c) The county board of tax and capital projects review may adopt rules for the transaction of business at its meetings.

(d) The affirmative votes of at least five (5) members of the county board of tax and capital projects review are required for the board to take action.

(e) The county auditor is the clerk of the county board of tax and capital projects review and shall:

(1) preserve the board's records in the auditor's office;

(2) keep an accurate record of the board's proceedings; and

(3) record the ayes and nays on each vote of the board.

SECTION 45. IC 6-1.1-29-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. **(a)** If a vacancy occurs in the membership of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) with respect to an appointment made by a fiscal body,** the vacancy shall be filled in the same manner provided for the original appointment.

(b) If a vacancy occurs after December 31, 2008, in the membership of the county board of tax and capital projects review with respect to a member elected under section 2(d) of this chapter, the county fiscal body shall appoint an individual to fill the vacancy for the remainder of the term.

SECTION 46. IC 6-1.1-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. **(a) Except as provided in subsection (b),** each county board of tax adjustment **(before January 1, 2009) or county board of tax and capital projects review (after December 31, 2008),** except the board for a consolidated city and county and for a county containing a second class city, shall hold its first meeting of each year **for the purpose of reviewing budgets, tax rates, and levies** on September 22 or on the first business day after September 22, if September 22 is not a business day. The board for a consolidated city and county and for a county containing a second class city shall hold its first meeting of each year **for the purpose of reviewing budgets, tax rates, and levies** on the first Wednesday following the adoption of city and county budget, tax rate, and tax levy ordinances. The board shall hold the ~~first~~ meeting at the office of the county auditor. At the first meeting of each year, the board shall elect a chairman and a vice-chairman. After ~~the first~~ **this** meeting, the board shall continue to meet from day to day **at any convenient place** until its business is completed. However, the board must, **except as provided in subsection (b),** complete its duties on or before the date prescribed in IC 6-1.1-17-9(a). ~~After the first meeting, the board may hold subsequent meetings at any convenient place.~~

(b) This section does not limit the ability of the county board of tax and capital projects review to meet after December 31, 2008, at any time during a year to carry out its duties under IC 6-1.1-29.5.

SECTION 47. IC 6-1.1-29-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The county auditor shall serve as clerk of the county board of tax adjustment. The clerk shall keep a complete record of all the board's proceedings. The clerk may not vote on matters before the board. **This section expires December 31, 2008.**

SECTION 48. IC 6-1.1-29-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. **(a)** The four (4) freehold members of the county board of tax adjustment shall receive compensation on a per diem basis for each day of actual service. The rate of this compensation is the same as the rate that the freehold members of the county property tax assessment board of appeals of that county receive. The county auditor shall keep an attendance record of each meeting of the county board of tax adjustment. At the close of each annual session, the county auditor shall certify to the county board of commissioners the number of days actually served by each freehold member. The county board of commissioners may not allow claims for service on the county board of tax adjustment for more days than the number of days certified by the county auditor. **This subsection expires December 31, 2008.**

(b) A member of the county board of tax and capital projects review who is elected under section 1.5 of this chapter shall receive compensation from the county on a per diem basis for each day of actual service on the board. The rate of the compensation is equal to the rate that members of the county property tax assessment board of appeals in the county receive under IC 6-1.1-28-3. The county auditor shall keep an attendance record of each meeting of the county board of tax and capital projects review. The county auditor shall certify to the county executive the number of days actually served by each elected member. The county executive may not allow claims for service on the county board of tax and capital projects review for more days than the number of days certified by the county auditor. Appointed members of the county board of tax and capital projects review are not entitled to per diem compensation.

SECTION 49. IC 6-1.1-29-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may require an official of a political subdivision of the county to appear before the board. In addition, the board may require such an official to provide the board with information which is related to the budget, tax rate, or tax levy of the political subdivision.

SECTION 50. IC 6-1.1-29-8 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may employ an examiner of the state board of accounts to assist the county board with its duties. If the board desires to employ an examiner, it shall adopt a resolution which states the number of days that the examiner is to serve, when the county board files a copy of the resolution with the chief examiner of the state board of accounts, the state board of accounts shall assign an examiner to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** for the number of days stated in the resolution. When an examiner of the state board of accounts is employed by a county board of tax adjustment **(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)** under this section, the county shall pay the expenses related to ~~his~~ **the examiner's** services in the same manner that expenses are to be paid under IC ~~1971,~~ 5-11-4-3.

SECTION 51. IC 6-1.1-29-9, AS AMENDED BY P.L.2-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) **This subsection expires December 31, 2008.** A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45, IC 20-46, IC 12-19-7, IC 12-19-7.5, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) This subsection applies after December 31, 2008. Subject to subsection (e), a county board of tax and capital projects review may not review or modify tax rates, tax levies, and budgets if the county council:

(1) adopts an ordinance to abolish the county board of tax adjustment before January 1, 2009; or

(2) adopts an ordinance before July 2 of any year to prohibit the county board of tax and capital projects review from carrying out such reviews.

An ordinance described in this subsection may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted and has not been rescinded, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax and capital projects review. If an ordinance described in subdivision (1) or (2) has been adopted in a county and has not been rescinded, the county board of tax and capital projects review may not review tax rates, tax levies, and budgets (other than for capital projects) under IC 6-1.1-17-3, IC 6-1.1-17-5, IC 6-1.1-17-5.6, IC 6-1.1-17-6, IC 6-1.1-17-7, IC 6-1.1-17-9, IC 6-1.1-17-10, IC 6-1.1-17-11, IC 6-1.1-17-12, IC 6-1.1-17-14, IC 6-1.1-17-15, IC 6-1.1-29-4(a), IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, or IC 36-9-13.

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

~~(c)~~ **(d) If an ordinance described in subsection (a) or (b) is adopted and has not been rescinded,** a tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

(e) This section does not prohibit a county board of tax and capital projects review from reviewing tax rates, tax levies, and budgets for informational purposes as necessary to carry out its duties under IC 6-1.1-29.5.

SECTION 52. IC 6-1.1-29.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 29.5. Capital Projects Review

Sec. 0.5. This chapter applies only to a capital project that meets both of the following conditions:

(1) The capital project is a controlled project (as defined in IC 6-1.1-20-1.1), except as provided in subdivision (2).

(2) Notwithstanding IC 6-1.1-20-1.1(2), the capital project will cost the political subdivision more than seven million dollars ($7,000,000).

Sec. 1. (a) As used in this chapter, "capital project" means any:

(1) acquisition of land;

(2) site improvements;

(3) infrastructure improvements;

(4) construction of buildings or structures;

(5) rehabilitation, renovation, or enlargement of buildings or structures; or

(6) acquisition or improvement of machinery, equipment, furnishings, or facilities required for the operation of buildings, structures, or infrastructure;

(or any combination of subdivisions (1) through (6)) by a political subdivision.

(b) The term does not include projects for the construction, reconstruction, improvement, enlargement, extension, or maintenance of any of the following:

(1) Wastewater treatment.

(2) Sewer systems, including storm water management.

(3) Water storage, water distribution (including water lines), and other drinking water systems.

(4) Water management or water supply.

(5) Drainage or flood control.

(6) Any works (as defined in IC 13-11-2-269(1)) for a water project.

(7) Any works (as defined in IC 13-11-2-269(2)) for a sewage project.

(8) Highways or roads.

(9) Bridges.

(10) Any other water project, sewer project, bridge project, or highway or road project.

Sec. 2. As used in this chapter, "fiscal body" has the meaning set forth in IC 36-1-2-6.

Sec. 3. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 4. As used in this chapter, "review board" refers to the county board of tax and capital projects review established in a county under IC 6-1.1-29.

Sec. 5. (a) The fiscal body of each political subdivision shall do the following:

(1) After January 1 and before October 1 of 2009 and every two (2) years thereafter:

(A) hold a public hearing on a proposed capital projects plan for the political subdivision; and

(B) adopt a capital projects plan by ordinance or resolution.

(2) Submit a copy of the capital projects plan and the ordinance or resolution to the review board not later than fifteen (15) days following the adoption of the capital projects plan.

(b) If a political subdivision contains territory in more

than one (1) county, the fiscal body shall transmit a copy of the capital projects plan and the ordinance or resolution to the review board of each county in which the political subdivision contains territory.

Sec. 6. (a) The department of local government finance shall by rule prescribe the format of a capital projects plan. A capital projects plan must apply to at least the five (5) years immediately following the year the capital projects plan is adopted and must include the following components for each year covered by the capital projects plan:

(1) A general description of the political subdivision.

(2) A description of facilities owned by the political subdivision and the use of the facilities.

(3) The location and general description of each proposed capital project and the intended use of each proposed capital project.

(4) The estimated total cost of each proposed capital project.

(5) Identification of all sources of funds expected to be used for each proposed capital project.

(6) The planning, development, and construction schedule of each proposed capital project.

(7) Any other element required by the department of local government finance.

(b) The department of local government finance shall by rule establish a procedure for amendment of a capital projects plan in the case of an emergency.

Sec. 7. Before a public hearing on a proposed capital projects plan is held by the fiscal body of a political subdivision under section 5(a)(1) of this chapter, the fiscal body shall publish a summary of the proposed capital projects plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

Sec. 8. When the fiscal body of a political subdivision holds a public hearing on a proposed capital projects plan under section 5(a)(1) of this chapter, the fiscal body shall allow the public the opportunity to testify concerning the proposed capital projects plan. However, the fiscal body may limit testimony at the public hearing to a reasonable time stated at the opening of the public hearing.

Sec. 9. (a) The review board shall hold a public hearing on a proposed capital projects plan submitted by a political subdivision. The review board shall allow the public the opportunity to testify concerning the proposed capital projects plan.

(b) The review board shall provide the fiscal body of a political subdivision with a written report concerning the review board's findings and recommendations concerning the fiscal body's capital projects plan not more than sixty (60) business days after the review board's receipt of the capital projects plan.

(c) If the fiscal body of a political subdivision receives a written report under subsection (b) that makes a recommendation against an element included in the political subdivision's capital projects plan, the political subdivision may retain that element in the capital projects plan only if the fiscal body at a public meeting addresses the review board's concerns and enters into the record of the public meeting an explanation of why that element should be retained in the capital projects plan.

Sec. 10. (a) The fiscal body of a political subdivision that intends to construct, acquire, or carry out a capital project subject to this chapter:

(1) must submit the plan of the capital project to the review board in the manner provided by this chapter; and

(2) except as provided in section 14 of this chapter, may not:

(A) begin construction or acquisition of the capital project;

(B) enter into contracts for the construction or acquisition of the capital project;

(C) procure supplies necessary for construction or acquisition of the capital project;

(D) issue bonds, notes, or warrants, or otherwise borrow money for the capital project;

(E) enter into a lease or other agreement that would provide debt service for bonds or other obligations issued by the political subdivision or another entity to finance the capital project; or

(F) approve any of the actions described in clauses (A) through (E) by another entity;

unless the review board approves the capital project under section 13 of this chapter.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body of the political subdivision must submit the proposed capital project to the review board of each of those counties.

(c) The fiscal body of a political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section.

Sec. 11. (a) Before the fiscal body of a political subdivision may submit a capital project described in section 10 of this chapter to the review board, the fiscal body shall:

(1) hold a public hearing on the proposed capital project; and

(2) prepare a feasibility study that supports the scope and cost of the proposed capital project.

Before a public hearing on a proposed capital project is held by the fiscal body of a political subdivision under this section, the fiscal body shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The fiscal body of a political subdivision may consider multiple capital projects at a public hearing held under this section.

(c) When the fiscal body of a political subdivision holds a public hearing under this section, the fiscal body shall allow any person an opportunity to be heard in the presence of others who are present to testify with respect to the proposed capital project. However, the fiscal body may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

(d) After holding a public hearing under this section and considering all information submitted by persons testifying at the hearing, the fiscal body of a political subdivision may adopt an ordinance or resolution requesting approval of the proposed capital project by the review board. The fiscal body shall immediately transmit a copy of the ordinance or resolution to the review board. If the political subdivision contains territory in more than one (1) county, the fiscal body shall transmit a copy of the ordinance or resolution to the review board of each of those counties.

Sec. 12. (a) Before taking action on a request for approval of a proposed capital project described in section 10 of this chapter, a review board must conduct a public hearing on the proposed project. If a public hearing is scheduled under this section, the review board shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The review board may consider multiple capital projects at a public hearing held under this section.

(c) The review board may require the fiscal body of a political subdivision that submits a request for approval of a capital project to provide plans, specifications, cost estimates, estimated impacts on tax rates, and other relevant information concerning that project.

(d) When a review board holds a public hearing under this section, the review board shall allow the public an opportunity to testify concerning the proposed capital

project. However, the review board may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

Sec. 13. (a) After considering all information submitted at the hearing under section 12 of this chapter by the fiscal body of the political subdivision and by persons testifying at the hearing, the review board may approve or disapprove a proposed capital project. The review board may consider the following factors when reviewing a proposed capital project:

(1) The age, condition, and adequacy of existing facilities.

(2) The cost per square foot of the proposed capital project.

(3) The relative priority the proposed capital project should have among other capital projects proposed within the county.

(4) The estimated impact the proposed capital project would have on tax rates.

(5) Any other factors considered pertinent by the review board.

(b) A review board may not disapprove a proposed capital project that is required by a court order.

(c) If a review board does not issue a decision with respect to a proposed capital project within ninety (90) days after the review board's receipt of the plan of the capital project under section 11 of this chapter, the capital project is considered approved by the review board as submitted.

(d) If a proposed capital project is submitted to the review boards of two (2) or more counties as required by section 10(b) of this chapter and the project is disapproved by any of the review boards, the project is considered to be disapproved.

(e) All orders of the review board under this section shall be filed with the affected political subdivision and with the department of local government finance.

Sec. 14. If the review board disapproves a capital project under section 13 of this chapter, the political subdivision that proposed the project may take any action under section 10(a)(2) of this chapter with regard to the capital project if:

(1) not more than sixty (60) days after the review board's disapproval, the political subdivision initiates the petition and remonstrance process under IC 6-1.1-20-3.4; and

(2) the capital project is approved in the petition and remonstrance process under IC 6-1.1-20.

SECTION 53. IC 6-2.5-5-8, AS AMENDED BY SEA 500-2007, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) As used in this section, "new motor vehicle" has the meaning set forth in IC 9-13-2-111.

(b) Transactions involving tangible personal property other than a new motor vehicle are exempt from the state gross retail tax if the person acquiring the property acquires it for resale, rental, or leasing in the ordinary course of the person's business without changing the form of the property.

(c) The following transactions involving a new motor vehicle are exempt from the state gross retail tax:

(1) A transaction in which a person that has a franchise in effect at the time of the transaction for the vehicle trade name, trade or service mark, or related characteristics acquires a new motor vehicle for resale, rental, or leasing in the ordinary course of the person's business.

(2) A transaction in which a person that is a franchisee appointed by a manufacturer or converter manufacturer licensed under IC 9-23 acquires a new motor vehicle that has at least one (1) trade name, service mark, or related characteristic as a result of modification or further manufacture by the manufacturer or converter manufacturer for resale, rental, or leasing in the ordinary course of the person's business.

(3) A transaction in which a person acquires a new motor vehicle for rental or leasing in the ordinary course of the person's business.

(d) The rental or leasing of accommodations to a promoter by a political subdivision (including a capital improvement board) or the state fair commission is not exempt from the state gross retail tax, if the rental or leasing of the property by the promoter is exempt under IC 6-2.5-4-4.

(e) This subsection applies only after June 30, 2008. A transaction in which a person acquires an aircraft for rental or leasing in the ordinary course of the person's business is not exempt from the state gross retail tax unless the person establishes, under guidelines adopted by the department in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules, that the annual amount of the lease revenue derived from leasing the aircraft is equal to or greater than:

(1) ten percent (10%) of the greater of the original cost or the book value of the aircraft, if the original cost of the aircraft was less than one million dollars ($1,000,000); or

(2) seven and five-tenths percent (7.5%) of the greater of the original cost or the book value of the aircraft, if the original cost of the aircraft was at least one million dollars ($1,000,000).

SECTION 54. IC 6-3.5-1.1-2, AS AMENDED BY P.L.162-2006, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on ~~July~~ **October** 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.3, 2.5, **2.6,** 2.7, 2.8, 2.9, 3.3, 3.5, ~~or~~ 3.6, **24, 25, or 26** of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (_____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect ~~July~~ **October** 1 of this year.".

(d) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax

shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 55. IC 6-3.5-1.1-2.3, AS ADDED BY P.L.162-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. (a) This section applies to Jasper County.

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:
(A) jail facilities;
(B) juvenile court, detention, and probation facilities;
(C) other criminal justice facilities; and
(D) related buildings and parking facilities;
located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and
(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to operate or maintain any of the facilities described in subsection (b)(1)(A) through (b)(1)(D) that are located in the county. The county council may make a determination under both this subsection and subsection (b).

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);
(2) two-tenths percent (0.2%); or
(3) twenty-five hundredths percent (0.25%);
on the adjusted gross income of county taxpayers if the county council makes a finding and determination set forth in subsection (b) or (c).

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and
(2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;
the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

(f) An ordinance adopted under this section before ~~June 1, 2006, or April~~ **August** 1 in a ~~subsequent~~ year applies to the imposition of county income taxes after ~~June~~ **September** 30 in that year. An ordinance adopted under this section after ~~May 31, 2006, and March~~ **July** 31 of a ~~subsequent~~ year initially applies to the imposition of county option income taxes after ~~June~~ **September** 30 of the immediately following year.

(g) The tax imposed under this section may be imposed only until the latest of the following:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.
(2) The date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid.
(3) The date on which an ordinance adopted under subsection (c) is rescinded.

(h) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(i) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

(j) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;
(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
(3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

(k) Notwithstanding any other law, money remaining in the criminal justice facilities revenue fund established under subsection (i) after the tax imposed by this section is terminated under ~~subsection (f)~~ **subsection (g)** shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 56. IC 6-3.5-1.1-2.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.6. (a) This section applies to Parke County.**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) fund the costs (including pre-trial costs) of a capital trial that has been moved to another county for trial; and
(2) to repay money borrowed for the purpose described in subdivision (1).

(c) In addition to the rates permitted by section 2 of this chapter, if the county council makes a determination described in subsection (b), the county council may by ordinance impose the county adjusted gross income tax at a rate not to exceed the lesser of:

(1) a rate necessary to carry out the purposes of subsection (b); or
(2) twenty-five hundredths percent (0.25%);
on the adjusted gross income of county taxpayers.

(d) The tax imposed under this section may be imposed only until the later of the following:

(1) The date on which the costs described in subsection (b), including the repayment of money borrowed for the purposes described in subsection (b), are fully paid.
(2) The date on which an ordinance adopted under subsection (c) is rescinded.

(e) The term of any borrowing described in subsection (b)(2) may not exceed three (3) years.

(f) The county treasurer shall establish a capital trial revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the capital trial revenue fund before making a certified distribution under section 11 of this chapter.

(g) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;
(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the payment of costs described in subsection (b).

(h) Notwithstanding any other law, money remaining in the capital trial revenue fund established under subsection (f) after the tax imposed by this section is terminated under subsection (d) shall be transferred to the county general fund to be used for criminal justice costs.

SECTION 57. IC 6-3.5-1.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The county council may increase the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To increase the rate, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council increases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate increase takes effect ~~July~~ **October** 1 of this year.".

(b) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 58. IC 6-3.5-1.1-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate decrease takes effect ~~July~~ **October** 1 of this year.".

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

(c) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(e) Notwithstanding IC 6-3.5-7, and except as provided in subsection (f), a county council that decreases the county adjusted gross income tax rate in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

(f) This subsection applies only to a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000). The county council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

SECTION 59. IC 6-3.5-1.1-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000).

(b) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and justice center.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for only eight (8) years. After the county has imposed the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for eight (8) years, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If a county imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) under this section, the revenue derived from a tax rate of three-tenths percent (0.3%) on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating and maintaining a jail and justice center; and

(3) may not be considered by the department of local government finance under any provision of IC 6-1.1-18.5, including the determination of the county's maximum permissible property tax levy.

~~(c) Notwithstanding section 3 of this chapter, the county fiscal body may adopt an ordinance under this section before June 1.~~

SECTION 60. IC 6-3.5-1.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The county adjusted gross income tax imposed by a county council under this chapter remains in effect until rescinded.

(b) Except as provided in subsection (e), the county council may rescind the county adjusted gross income tax by adopting an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a year.

(c) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(e) A county council may not rescind the county adjusted gross income tax or take any action that would result in a civil taxing unit in the county having a smaller certified share than the certified share to which the civil taxing unit was entitled when the civil taxing unit pledged county adjusted gross income tax if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county adjusted gross income tax has pledged county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute. The prohibition in this section does not apply if the civil taxing unit pledges legally available revenues to fully replace the civil taxing unit's certified share that has been pledged.

SECTION 61. IC 6-3.5-1.1-9, AS AMENDED BY P.L.207-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget

agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), ~~and~~ (g), **and (h).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(g) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(h) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2).

SECTION 62. IC 6-3.5-1.1-10, AS AMENDED BY P.L.147-2006, SECTION 2, AS AMENDED BY P.L.162-2006, SECTION 29, AND AS AMENDED BY P.L.2-2006, SECTION 68, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b), one-half (½) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (½) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the *calendar* year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or ~~*IC 6-1.1-19-1.7.*~~ *IC 20-44-3.* Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

~~*(1)*~~ *(2)* revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

~~*(2)*~~ *(3)* revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, ~~*or*~~ equipping, *operating, or maintaining* facilities and buildings;

(B) debt service on bonds; or
(C) lease rentals;
under section 2.8 of this chapter;
~~(3)~~ *(4)* revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;
~~(4)~~ *(5)* revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~
~~(5)~~ *(6)* revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;
(7) revenue under section 2.6 of this chapter; or
(8) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;
distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b) **and sections 24, 25, and 26 of this chapter,** the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 63. IC 6-3.5-1.1-11, AS AMENDED BY P.L.147-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 30, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:
(1) revenue that must be used to pay the costs of:
(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;
(B) debt service on bonds; or
(C) lease rentals;
under section 2.3 of this chapter;
~~(1)~~ *(2)* revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;
~~(2)~~ *(3)* revenue that must be used to pay the costs of:
(A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, *operating, or maintaining* facilities and buildings;
(B) debt service on bonds; or
(C) lease rentals;
under section 2.8 of this chapter;
~~(3)~~ *(4)* revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;
~~(4)~~ *(5)* revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~
~~(5)~~ *(6)* revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; **or**
(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;
the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 64. IC 6-3.5-1.1-15, AS AMENDED BY P.L.207-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:
(1) the allocation amount of the civil taxing unit for that calendar year; plus
(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
(3) in the case of a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:
STEP ONE: Divide:
(A) the attributed allocation amount of the civil taxing unit during that calendar year; by
(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.
STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by IC 6-1.1-18.5-11 **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be

received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 65. IC 6-3.5-1.1-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) A pledge of county adjusted gross income tax revenues under this chapter **(other than tax revenue attributable to a tax rate under section 24, 25, or 26 of this chapter)** is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 66. IC 6-3.5-1.1-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.**

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section.

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distribution to the county for deposit in the county family and children's fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distribution to the county for deposit in the county children's psychiatric residential treatment services fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section, the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (½) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

(n) A pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 67. IC 6-3.5-1.1-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 25. (a) As used in this section, "public safety" refers to the following:**

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) If a county council has imposed a tax rate under section 24 of this chapter and has imposed a tax rate under section 26 of this chapter, the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed the lesser of:

(A) twenty-five hundredths of one percent (0.25%); or

(B) the tax rate imposed under section 26 of this chapter.

(d) If a county council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) The county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the attributed allocation amount (as defined in IC 6-3.5-1.1-15) of the county or municipality for the calendar year; divided by

(B) the sum of the attributed allocation amounts of the county and each municipality in the county for

the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 68. IC 6-3.5-1.1-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.**

(b) A tax rate under this section may be imposed in increments of five-tenths of one percent (0.5%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 69. IC 6-3.5-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 1.5. Calculation of Levy Freeze Amounts

Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax

rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

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

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 for the ensuing calendar year (before any adjustment under IC 12-19-7.5-6(b) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services property tax imposed by the county under IC 12-19-7.5-6 for the current calendar year.

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

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(b) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the department of state revenue shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the department of state revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

(c) The department and the department of local government finance shall make the calculations under subsections (a) and (b) based on the best information available at the time the calculation is made.

(d) For purposes of calculating a tax rate under this section, the department of local government shall round up to the nearest one-tenth of one percent (0.1%).

Sec. 2. The department of local government finance shall, before July 1 of each year, certify the amount calculated for a county under section 1 of this chapter to the county auditor.

Sec. 3. The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this chapter.

SECTION 70. IC 6-3.5-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on ~~July~~ **October** 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county effective ~~July~~ **October** 1 of that same year.

(b) **Except as provided in sections 30, 31, and 32 of this chapter,** the county option income tax may initially be imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) for all other county taxpayers.

(c) To impose the county option income tax, a county income tax council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of the year, pass an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) on all other county taxpayers. This tax takes effect ~~July~~ **October** 1 of this year.".

(d) **Except as provided in sections 30, 31, and 32 of this chapter,** if the county option income tax is imposed on the county taxpayers of a county, then the county option income tax rate that is in effect for resident county taxpayers of that county increases by one-tenth of one percent (0.1%) on each succeeding ~~July~~ **October** 1 until the rate equals six-tenths of one percent (0.6%).

(e) The county option income tax rate in effect for the county taxpayers of a county who are not resident county taxpayers of that county is at all times one-fourth (1/4) of the tax rate imposed upon resident county taxpayers.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 71. IC 6-3.5-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If on ~~January 1~~ **March 31** of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), ~~then~~ **excluding a tax rate imposed under section 30, 31, or 32 of this chapter,** the county income tax council of that county may after ~~January 1~~ **March 31** and before ~~April~~ **August** 1 of that year pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one tenth of one percent (0.1%) each succeeding ~~July~~ **October** 1 until its rate reaches a maximum of one percent (1%), **excluding a tax rate imposed under section 30, 31, or 32 of this chapter.**

(b) The auditor of the county shall record any vote taken on an

ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 72. IC 6-3.5-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. If during a particular calendar year the county council of a county adopts an ordinance to impose the county adjusted gross income tax in its county on ~~July~~ **October** 1 of that year and the county option income tax council of the county adopts an ordinance to impose the county option income tax in the county on ~~July~~ **October** 1 of that year, the county option income tax takes effect in that county and the county adjusted gross income tax shall not take effect in that county.

SECTION 73. IC 6-3.5-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a) This section does not apply to a tax rate imposed under section 30 of this chapter.**

~~(a)~~ **(b)** The county income tax council of any county may adopt an ordinance to permanently freeze the county option income tax rates at the rate in effect for its county on ~~January 1~~ **March 31** of a year.

~~(b)~~ **(c)** To freeze the county option income tax rates, a county income tax council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council permanently freezes the county option income tax rates at the rate in effect on ~~January 1~~ **March 31** of the current year.".

~~(c)~~ **(d)** An ordinance adopted under the authority of this section remains in effect until rescinded. The county income tax council may rescind such an ordinance after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of any calendar year. Such an ordinance shall take effect ~~July~~ **October** 1 of that same calendar year.

~~(d)~~ **(e)** If a county income tax council rescinds an ordinance as adopted under this section, the county option income tax rate shall automatically increase by one-tenth of one percent (0.01%) until:

(1) the tax rate is again frozen under another ordinance adopted under this section; or

(2) the tax rate equals six tenths of one percent (0.6%) (if the frozen tax rate equaled an amount less than six tenths of one percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled an amount in excess of six tenths of one percent (0.6%)).

~~(e)~~ **(f)** The county auditor shall record any vote taken on an ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 74. IC 6-3.5-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The county option income tax imposed by a county income tax council under this chapter remains in effect until rescinded.

(b) Subject to subsection (c), the county income tax council of a county may rescind the county option income tax by passing an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year.

(c) A county income tax council may not rescind the county option income tax or take any action that would result in a civil taxing unit in the county having a smaller distributive share than the distributive share to which it was entitled when it pledged county option income tax, if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county option income tax, has pledged county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) The auditor of a county shall record all votes taken on a proposed ordinance presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 75. IC 6-3.5-6-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) The county income tax council may adopt an ordinance to decrease the county option income tax rate in effect.

(b) To decrease the county option income tax rate, the county income tax council must adopt an ordinance after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year. The ordinance must substantially state the following:

"The _____ County Income Tax Council decreases the county option income tax rate from _____ percent (___ %) to _____ percent (___ %). This ordinance takes effect ~~July~~ **October** 1 of this year.".

(c) A county income tax council may not decrease the county option income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the county option income tax has pledged the county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) An ordinance adopted under this subsection takes effect ~~July~~ **October** 1 of the year in which the ordinance is adopted.

(e) The county auditor shall record the votes taken on an ordinance under this subsection and shall send a certified copy of the ordinance to the department by certified mail not more than thirty (30) days after the ordinance is adopted.

(f) Notwithstanding IC 6-3.5-7, a county income tax council that decreases the county option income tax in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

SECTION 76. IC 6-3.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to increase the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2.

(b) A county income tax council may not increase the percentage credit allowed for homesteads by an amount that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) for property taxes first due and payable in 2003.

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

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g)) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that increases the homestead credit

percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 77. IC 6-3.5-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. If for any taxable year a county taxpayer is subject to different tax rates for the county option income tax imposed by a particular county, the taxpayer's county option income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede ~~July~~ **October** 1 by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow ~~June~~ **September** 30 by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

SECTION 78. IC 6-3.5-6-17, AS AMENDED BY P.L.207-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), ~~and~~ (e), **and (f).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

~~(f)~~ **(g)** One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

~~(g)~~ **(h)** Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

~~(h)~~ **(i)** All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 79. IC 6-3.5-6-18, AS AMENDED BY P.L.162-2006, SECTION 31, AND AS AMENDED BY P.L.184-2006, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

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

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

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

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

(5) make payments permitted under subsection (i);

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

(7) make the distributions permitted under ~~*section*~~ *sections 27, 28,* ~~*and*~~ 29, **30, 31, 32, and 33** of this chapter.

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

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section *27, 28,* ~~*or*~~ 29, **30, 31, 32, or 33** of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

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

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

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

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

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

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

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

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

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter **(other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter)** to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 80. IC 6-3.5-6-28, AS ADDED BY P.L.214-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 28. (a) This section applies only to Howard County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this ~~chapter~~ **section** and as needed in the county to fund the operation and maintenance of a jail and juvenile detention center, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose ~~the~~ **a** county option income tax at a rate ~~of~~ **that does not exceed** twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers. ~~if~~ **The tax rate may be adopted in any increment of one hundredth percent (0.01%). Before** the county fiscal body ~~makes~~ **may adopt a tax rate under this section, the county fiscal body must make** the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional **tax** rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a jail, a juvenile detention center, or both; and

(2) agreeing to freeze the part of any property tax levy imposed in the county for the operation of the jail or juvenile detention center, or both, covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section for the term in which an ordinance is in effect under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(f) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement under subsection (d)(2).

(i) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

(j) The department shall separately designate a tax rate imposed under this section in any tax form as the Howard County jail operating and maintenance income tax.

SECTION 81. IC 6-3.5-6-29, AS ADDED BY P.L.162-2006, SECTION 32, AND AS ADDED BY P.L.184-2006, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or maintenance.

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before June 1, 2006, or ~~April~~ **August** 1 in a subsequent year applies to the imposition of county income taxes after June 30 **(in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter)** in that year. An ordinance adopted under this section after May 31, 2006, ~~*and*~~ *or* ~~March~~ **July** 31 of a subsequent year initially applies to the imposition of county option income taxes after June 30 **(in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter)** of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 82. IC 6-3.5-6-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) A pledge of county option income tax revenues under this chapter **(other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter)** is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 83. IC 6-3.5-6-30 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.**

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section.

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.
(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:
(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by
(B) the following:
(i) In a county containing a consolidated city, one and five-tenths (1.5).
(ii) In a county other than a county containing a consolidated city, two (2).
(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.
(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section.
(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.
(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:
(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
(B) the tax rate currently in effect in the county under this section.
The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.
(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:
STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.
STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:
(1) the quotient of:
(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.
STEP THREE: For distribution to the county for deposit in the county family and children's fund, determine the result of:
(1) the quotient of:
(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.
STEP FOUR: For distribution to the county for deposit in the county children's psychiatric residential treatment services fund, determine the result of:
(1) the quotient of:
(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.
STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:
(1) the quotient of:
(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.
Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:
(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or
(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:
(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and
(2) one-half (½) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county

stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(r) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 84. IC 6-3.5-6-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31. (a) As used in this section, "public safety" refers to the following:**

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) The county income tax council may adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety if:

(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or

(2) the county income tax council has imposed a tax rate under section 30 of this chapter and has also imposed a tax rate under section 32 of this chapter, in the case of a county other than a county containing a consolidated city.

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) The lesser of:

(A) twenty-five hundredths of one percent (0.25%); or

(B) the tax rate imposed under section 32 of this chapter;

in the case of a county other than a county containing a consolidated city.

(d) If a county income tax council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) The county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by

(B) the sum of the total property taxes being collected in the county by the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 30 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(k) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 85. IC 6-3.5-6-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.**

(b) A tax rate under this section may be imposed in increments of five-tenths of one percent (0.5%) determined by the county income tax council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to civil taxing units and school corporations in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed

in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 86. IC 6-3.5-6-33 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 33. (a) This section applies only to Monroe County.**

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose an additional county option income tax at a rate of not more than twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county fiscal body makes the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities necessary to provide juvenile services; and

(2) agreeing to freeze for the term in which an ordinance is in effect under this section the part of any property tax levy imposed in the county for the operation of the juvenile detention center and other facilities covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before August 1 in a year applies to the imposition of county income taxes after September 30 in that year. An ordinance adopted under this section after July 31 of a year initially applies to the imposition of county option income taxes after September 30 of the immediately following year.

(f) The county treasurer shall establish a county juvenile detention center revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county juvenile detention center revenue fund before a certified distribution is made under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement made under subsection (d)(2).

(i) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 87. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006, SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on ~~January 1~~ **March 31** of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on ~~January 1~~ **March 31** of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r), the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);
(2) two-tenths percent (0.2%);
(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), ~~or~~ (s), ~~or~~ *(v),* **(w), or (x),** the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), ~~or~~ (u), **(w), or (x),** the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must,

after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect ~~July~~ **October** 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) *or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county,* resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p),

in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) The income tax rate limits imposed by subsection (c) or (x) or any other provision of this chapter do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (x) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(x) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 88. IC 6-3.5-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) or 5(g) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate increase (decrease) takes effect ~~July~~ **October** 1 of this year.".

(b) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 89. IC 6-3.5-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The county economic development income tax imposed under this chapter remains in effect until rescinded.

(b) Subject to section 14 of this chapter, the body imposing the county economic development income tax may rescind the tax by adopting an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year.

(c) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 90. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (i); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the

county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 91. IC 6-3.5-7-26, AS AMENDED BY P.L.162-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) This section applies only to homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20.9.

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20.9.

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

(i) residential property; or

(ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1, 2006, and before June 1, 2006, or, in a year following 2006, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

(A) Uniformly applied increased homestead credits as provided in subsection (f).

(B) Uniformly applied increased residential credits as provided in subsection (g).

(C) Allocated increased homestead credits as provided in subsection (i).

(D) Allocated increased residential credits as provided in subsection (j).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (k); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase:

(1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county under IC 6-1.1-20.9 for a year; or

(2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed in the county under IC 6-1.1-21-5 for a year for the residential property;

to offset the effect on homesteads or residential property, as applicable, in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. The amount of an additional residential property tax replacement credit granted under this section may not be considered in computing the amount of any homestead credit to which the residential property may be entitled under IC 6-1.1-20.9 or another law other than IC 6-1.1-20.6.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the

county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) If the imposing entity specifies the application of uniform increased residential credits under subsection (c)(2)(B), the county auditor shall determine for each calendar year in which an increased homestead credit percentage is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit percentage for the year;

(2) the amount of uniformly applied residential property tax replacement credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of residential property tax replacement credit that equates to the amount of residential property tax replacement credits determined under subdivision (2).

(h) The increased percentage of homestead credit determined by the county auditor under subsection (f) or the increased percentage of residential property tax replacement credit determined by the county auditor under subsection (g) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(i) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(C), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) except as provided in subsection (l), an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(j) If the imposing entity specifies the application of allocated increased residential property tax replacement credits under subsection (c)(2)(D), the county auditor shall determine for each calendar year in which an increased residential property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit for the year; and

(2) except as provided in subsection (l), an increased percentage of residential property tax replacement credit for each taxing district in the county that allocates to the taxing district an amount of increased residential property tax replacement credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(k) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit or residential property tax replacement credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit or residential property tax replacement credit.

(l) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

(1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or

(2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

SECTION 92. IC 6-3.5-7-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) This section applies to a county that:

(1) operates a courthouse that is subject to an order that:

(A) is issued by a federal district court;

(B) applies to an action commenced before January 1, 2003; and

(C) requires the county to comply with the federal Americans with Disabilities Act; and

(2) has insufficient revenues to finance the construction, acquisition, improvement, renovation, equipping, and operation of the courthouse facilities and related facilities.

(b) A county described in this section possesses unique fiscal challenges in financing, renovating, equipping, and operating the county courthouse facilities and related facilities because the county consistently has one of the highest unemployment rates in Indiana. Maintaining low property tax rates is essential to economic development in the county. The use of economic development income tax revenues under this section for the purposes described in subsection (c) promotes that purpose.

(c) In addition to actions authorized by section 5 of this chapter, a county council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county economic development income tax on the adjusted gross income of county taxpayers. The ordinance imposing the additional tax must include a finding that revenues from additional tax are needed to pay the costs of:

(1) constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities;

(2) repaying any bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities; and

(3) economic development projects described in the county's capital improvement plan.

(d) The tax rate imposed under this section may not exceed twenty-five hundredths percent (0.25%).

(e) If the county council adopts an ordinance to impose an additional tax under this section, the county auditor shall immediately send a certified copy of the ordinance to the department by certified mail. The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in subsection (c)(1) and (c)(2). The amount of county economic development income tax revenues derived from the tax rate imposed under this section that are necessary to pay the costs described in subsection (c)(1) and (c)(2) shall be deposited into

the county facilities revenue fund before a certified distribution is made under section 12 of this chapter. The remainder shall be deposited into the economic development income tax funds of the county's units.

(f) County economic development income tax revenues derived from the tax rate imposed under this section may not be used for purposes other than those described in this section.

(g) County economic development income tax revenues derived from the tax rate imposed under this section that are deposited into the county facilities revenue fund may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) Notwithstanding section 5 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before ~~June~~ **August** 1 of a year, a tax rate imposed under this section takes effect ~~July~~ **October** 1 of that year. If the ordinance is adopted after ~~May~~ **July** 31 of a year, a tax rate imposed under this section takes effect on the ~~January~~ **October** 1 immediately following adoption of the ordinance.

(i) For a county adopting an ordinance before June 1 in a year, in determining the certified distribution under section 11 of this chapter for the calendar year beginning with the immediately following January 1 and each calendar year thereafter, the department shall take into account the certified ordinance mailed to the department under subsection (e). For a county adopting an ordinance after May 31, the department shall issue an initial or a revised certified distribution for the calendar year beginning with the immediately following January 1. Except for a county adopting an ordinance after May 31, a county's certified distribution shall be distributed on the dates specified under section 16 of this chapter. In the case of a county adopting an ordinance after May 31, the county, beginning with the calendar year beginning on the immediately following January 1, shall receive the entire certified distribution for the calendar year on November 1 of the year.

(j) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section and deposited into the county facilities revenue fund or any other revenues of the county may be deposited into a nonreverting fund of the county to be used for operating costs of the courthouse facilities, juvenile detention facilities, or related facilities. Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

SECTION 93. IC 6-9-2.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The county council may levy tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any commercial hotel, motel, inn, tourist camp, or tourist cabin located in a county described in section 1 of this chapter. Such tax shall not exceed the rate of ~~six~~ **eight** percent ~~(6%)~~ **(8%)** on the gross income derived from lodging income only and shall be in addition to the state gross retail tax imposed on such persons by IC 6-2.5.

(b) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected pursuant to IC 6-2.5.

(c) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross income" shall have the same meaning in this section as they have in IC 6-2.5. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule or regulation, determine.

(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 94. IC 6-9-2.5-7.5, AS AMENDED BY P.L.168-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

~~(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.~~

~~(2) After December 31, 1999, and before January 1, 2003, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.~~

~~(3) After December 31, 2002, and~~ **(1)** Before January 1, 2010, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~one~~ **three** and one-half percent ~~(1.5%)~~ **(3.5%)** rate.

~~(4)~~ **(2)** After December 31, 2009, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~two~~ **four** and one-half percent ~~(2.5%)~~ **(4.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 95. IC 6-9-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The tax imposed by section 2 of this chapter shall be at the rate of ~~six~~ **seven** percent ~~(6%)~~ **(7%)** on the gross income derived from lodging income only.

(b) At least ~~one-sixth (1/6)~~ **two-sevenths (2/7)** of the tax proceeds paid to the capital improvement board of managers under this chapter must be used to provide grants to the convention and visitor bureau in the county to be used solely for the purpose of the development and promotion of the tourism and convention industry within the county.

(c) The capital improvement board of managers may establish

budgetary requirements for the convention and visitors bureau. If the convention and visitors bureau fails to conform, the board may elect to suspend funding until the bureau complies.

SECTION 96. IC 8-18-21-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The annual operating budget of a toll road authority is subject to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and then by the department of local government finance as in the case of other political subdivisions.

SECTION 97. IC 8-22-3.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) An authority that is located in a:

(1) city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

(2) county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); or

(3) county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

may enter into a lease of an airport project with a lessor for a term not to exceed fifty (50) years and the lease may provide for payments to be made by the airport authority from property taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues available to the airport authority, or any combination of these sources.

(b) A lease may provide that payments by the authority to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the authority or the eligible entity for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the authority only after a public hearing by the board at which all interested parties are provided the opportunity to be heard. After the public hearing, the board may adopt an ordinance authorizing the execution of the lease if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the authority and is in the best interest of the residents of the authority district.

(d) Upon execution of a lease providing for payments by the authority in whole or in part from the levy of property taxes under IC 8-22-3-17, the board shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the authority district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of a petition under subsection (d), the county auditor shall immediately certify a copy of the petition, together with any other data necessary to present the questions involved, to the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).** Upon receipt of the certified petition and information, the department of local government finance **or the county board of tax and capital projects review** shall fix a time and place for a hearing in the authority district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the board, and to the first fifty (50) petitioners on the petition, by a letter signed by one (1) member of the state board of tax commissioners **or the county board of tax and capital projects review** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance **or the county board of tax and capital projects review** on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) An authority entering into a lease payable from any sources permitted under this chapter may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; or

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the airport authority to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c); or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d), if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance **or the county board of tax and capital projects review,** an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department of local government finance **or the county board of tax and capital projects review.**

(j) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 98. IC 12-19-7-3, AS AMENDED BY P.L.234-2005, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A family and children's fund is established in each county. The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:

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

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

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

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

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

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any local option income taxes distributed to the county to replace growth in the family and children's

fund levy.

~~(3)~~ **(4)** Any other money required by law to be placed in the fund.

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

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 99. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (b),** for taxes first due and payable in each year after 2005, each county shall impose a county family and children property tax levy equal to the county family and children property tax levy necessary to pay the costs of the child services of the county for the next fiscal year.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's family and children property tax levy under this section for the ensuing calendar year may not exceed the county's family and children property tax levy for the current calendar year.

~~(b)~~ **(c)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy and comply with IC 6-1.1-17-3.

SECTION 100. IC 12-19-7.5-6, AS AMENDED BY P.L.234-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **Except as provided by subsection (b),** for taxes first due and payable in each year after 2005, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the county children's psychiatric residential treatment services property tax levy necessary to pay the costs of children's psychiatric residential treatment services of the county for the next fiscal year.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the maximum county children's psychiatric residential treatment services property tax levy for the ensuing calendar year is equal to the maximum county children's psychiatric residential treatment services property tax levy in the current year.

~~(b)~~ **(c)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 101. IC 12-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 102. IC 12-29-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

(2) **Except as provided in subsection (c),** for 2005 and each year thereafter, the result equal to:

(A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by

(B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's maximum property tax levy under this section to fund the operation of community mental health centers for the ensuing calendar year is equal to the county's maximum property tax levy to fund the operation of community mental health centers for the current calendar year.

SECTION 103. IC 13-18-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If the offender is a municipal corporation, the cost of:

(1) acquisition, construction, repair, alteration, or extension of the necessary plants, machinery, or works; or

(2) taking other steps that are necessary to comply with the order;

shall be paid out of money on hand available for these purposes

or out of the general money of the municipal corporation not otherwise appropriated.

(b) If there is not sufficient money on hand or unappropriated, the necessary money shall be raised by the issuance of bonds. The bond issue is subject only to the approval of the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

SECTION 104. IC 14-30-2-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. However, the annual budget is not subject to review and modification by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of any county. Notwithstanding any other law, the budget of the commission shall be treated for all other purposes as if the appropriate county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** had approved the budget.

SECTION 105. IC 14-30-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. The annual budget is subject to review and modification by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of any participating county.

(b) The commission is not eligible for funding through the Wabash River heritage corridor commission established by IC 14-13-6-6.

SECTION 106. IC 14-33-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The budget of a district:

(1) must be prepared and submitted:
(A) at the same time;
(B) in the same manner; and
(C) with notice;
as is required by statute for the preparation of budgets by municipalities; and
(2) is subject to the same review by:
(A) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** and
(B) the department of local government finance;
as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:
(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the district; and
(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:
(1) shall be certified to the auditor of that county; and
(2) is subject to review at the county level only by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of that county.

SECTION 107. IC 20-45-2-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until the general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised, is:
(1) considered by the proper county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** as provided by law;
(2) reviewed by the tax control board, which shall make its recommendations in respect to the general fund tax levy to the department; and
(3) approved by the department of local government finance.

(b) For purposes of this article, the school corporation's initial maximum permissible tuition support levy must be based on the taxes collectible in the first full calendar year after the approval.

(c) If territory is transferred from one (1) school corporation to another under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, maximum permissible tuition support levy and the other terms used in this article shall be interpreted as though the assessed valuation of the territory had been transferred before March 1, 1977, in accordance with rules and a final determination by the department of local government finance.

SECTION 108. IC 20-45-4-1, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may not approve or recommend the approval of an excessive tax levy.

SECTION 109. IC 20-45-4-2, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** that reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum permissible tuition support levy.

SECTION 110. IC 20-45-4-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. If a county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** approves or recommends the approval of an excessive tax levy for a school corporation, the auditor of the county for which the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** is acting shall reduce the excessive tax levy to the maximum permissible tuition support levy. The reduction shall be set out in the notice required to be published by the county auditor under IC 6-1.1-17-12. An appeal shall be permitted as provided under IC 6-1.1-17 as modified by IC 6-1.1-19 and this article.

SECTION 111. IC 20-45-4-4, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Appeals from any action of a county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or **a** county auditor concerning a school corporation's budget, property tax levy, or property tax rate may be taken as provided for by IC 6-1.1-17 and IC 6-1.1-19. Notwithstanding IC 6-1.1-17 and IC 6-1.1-19, a school corporation may appeal to the department of local government finance for emergency financial relief for the ensuing calendar year at any time before:
(1) September 20; or

(2) in the case of a request described in IC 20-45-6-5 or IC 20-46-6-6, December 31;

of the calendar year immediately preceding the ensuing calendar year.

SECTION 112. IC 20-45-5-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The tax control board shall, after the tax control board studies the appeal petition and related materials, recommend to the department of local government finance that:

(1) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor, in respect of the appellant school corporation's budget, tax levy, or tax rate for the ensuing calendar year, be approved;

(2) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor concerning the appellant school corporation's budget, tax levy, or tax rate for the calendar year be disapproved and that the appellant school corporation's budget, tax levy, or tax rate for the calendar year be:

(A) reduced; or

(B) increased;

as specified in the tax control board's recommendation; or

(3) combined with a recommendation allowed under subdivision (1) or (2), a new facility adjustment be granted to permit the school corporation's tuition support levy to be increased if the school corporation can show a need for the increase because of:

(A) the opening after December 31, 1972, of a new school facility; or

(B) the reopening after July 1, 1988, of an existing facility that:

(i) was not used for at least three (3) years immediately before the reopening; and

(ii) is reopened to provide additional classroom space.

SECTION 113. IC 20-45-6-2, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This section applies with respect to every appeal petition of a school corporation that:

(1) is delivered to the tax control board by the department of local government finance under IC 6-1.1-19-4.1; and

(2) includes a request for emergency financial relief.

(b) This section does not apply to an appeal petition described in section 5 or 6 of this chapter.

(c) The tax control board shall, after studying the appeal petition and related materials, make an appropriate recommendation to the department of local government finance.

(d) If the appeal petition requests a referendum under IC 20-46-1, the tax control board shall expedite the tax control board's review as necessary to permit the referendum to be conducted without a special election.

(e) In respect to the appeal petition, the tax control board may make to the department of local government finance any of the recommendations described in IC 20-45-5-3, subject to the limitations described in IC 20-45-5-6.

(f) In addition to a recommendation under subsection (c) or (e), if the tax control board concludes that the appellant school corporation cannot, in a calendar year, carry out the public educational duty committed to the appellant school corporation by law if the appellant school corporation does not receive emergency financial relief for the calendar year, the tax control board may recommend to the department of local government finance that:

(1) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be:

(A) approved; or

(B) disapproved and modified;

as specified in the tax control board's recommendation; and

(2) the appellant school corporation receive emergency financial relief from the state:

(A) on terms to be specified by the tax control board in the tax control board's recommendation; and

(B) in the form permitted under subsection (g).

(g) The tax control board may recommend emergency financial relief for a school corporation under subsection (f) in the form of:

(1) a grant or grants from any funds of the state that are available for that purpose;

(2) a loan or loans from any funds of the state that are available for that purpose;

(3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;

(4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;

(5) permission to the appellant school corporation to:

(A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's capital projects fund; or

(B) use for general fund purposes:

(i) any unobligated balance in the appellant school corporation's capital projects fund; and

(ii) the proceeds of any levy made or to be made by the school corporation for;

the school corporation's capital projects fund;

(6) permission to use, for general fund purposes, any unobligated balance in any debt service or other construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or

(7) a combination of the emergency financial relief described in subdivisions (1) through (6).

SECTION 114. IC 20-45-7-20, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) The county auditor shall compute the amount of the tax to be levied each year. Before August 2, the county auditor shall certify the amount to the county council.

(b) The tax rate shall be advertised and fixed by the county council in the same manner as other property tax rates. The tax rate shall be subject to all applicable law relating to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance.

(c) The department of local government finance shall certify the tax rate at the time it certifies the other county tax rates.

(d) The department of local government finance shall raise or lower the tax rate to the tax rate provided in this chapter, regardless of whether the certified tax rate is below or above the tax rate advertised by the county.

SECTION 115. IC 20-45-8-20, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. The tax levy is subject to all laws concerning review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance.

SECTION 116. IC 20-46-7-8, AS AMENDED BY

P.L.192-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to:

(1) incur bond indebtedness;

(2) enter into a lease rental agreement; or

(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;

(2) enter into the lease agreement; or

(3) repay the school bus purchase loan.

(c) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under IC 21-2-11.5-3.1.

(d) This section does not apply to:

(1) school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation; **or**

(2) bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.

SECTION 117. IC 20-46-7-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) This section applies only to an obligation described in section 8 of this chapter. **This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.**

(b) The department of local government finance may:

(1) approve;

(2) disapprove; or

(3) modify then approve;

a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. Before the department of local government finance approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department of local government finance sends notice of the extension to the executive officer of the school corporation.

SECTION 118. IC 20-46-7-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter. **This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.**

(b) The department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and

(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(c) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department of local government finance enters its order under this section.

SECTION 119. IC 20-46-7-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2007 (RETROACTIVE)]: **Sec. 14. After May 15, 2007, the department of local government finance may not approve under section 9 of this chapter a school corporation's proposed:**

(1) bond issue that does not provide for payments toward the principal of the bonds on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance;

(2) lease rental agreement that does not provide for repayments toward the present asset value of the lease at its inception on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance; or

(3) debt service fund loan to purchase school buses that does not provide for payments toward the principal of the loan on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance.

SECTION 120. IC 33-37-7-8, AS AMENDED BY P.L.174-2006, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund fifty-five percent (55%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(d) The clerk of a city or town court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and ~~corrections~~ **correction** fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(4) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(5) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(e) The clerk of a city or town court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and corrections fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the following:

(1) The late payment fees collected under IC 33-37-5-22.

(2) The small claims service fee collected under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2).

(3) The small claims garnishee service fee collected under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3).

The city or town fiscal officer (as defined in IC 36-1-2-7) shall deposit fees distributed by a clerk under this subsection in the city or town general fund.

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The DNA sample processing fees collected under IC 33-37-5-26.2.

(3) The court administration fees collected under IC 33-37-5-27.

(h) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(i) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund seventy-five percent (75%) of the judicial salaries fee collected under IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five percent (25%) of the judicial salaries fee collected under IC 33-37-5-26. ~~as the city or town share.~~ **The funds retained by the city or town shall be prioritized to fund city or town court operations.**

SECTION 121. IC 36-7-14-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27.5. (a) The redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the department of local government finance, or as determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or, if appealed, by the department of local government finance, unless the issuance of the warrants has been approved by the department.

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

(1) the date of the warrants;

(2) the interest rate of the warrants;

(3) the time of interest payments on the warrants;

(4) the denomination of the warrants;

(5) the form either registered or payable to bearer, of the warrants;

(6) the place or places of payment of the warrants, either inside or outside the state;

(7) the medium of payment of the warrants;

(8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;

(9) the manner of execution of the warrants; and

(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 122. IC 36-7-15.1-26.9, AS AMENDED BY P.L.2-2006, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which

the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

(1) allocated to the redevelopment district;

(2) paid into the special fund for that allocation area; and

(3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

(1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and

(2) used by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** the department of local government finance, and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct payments to taxpayers under section 26.5(h) of this chapter, is not part of the total county tax levy under IC 6-1.1-21-2(g) and is not subject to IC 6-1.1-20.

(f) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 and IC 20-45-3 do not apply to ad valorem property taxes imposed that are used to offset the effect of paying personal property taxes into an allocation area special fund during the taxable year under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter. For purposes of computing the ad valorem property tax levy limits imposed under IC 6-1.1-18.5-3 and IC 20-45-3, a taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed to offset the effect of paying personal property taxes into an allocation area special fund under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter.

(g) Property taxes on personal property that are deposited in the allocation area special fund:

(1) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area; and

(2) may not be treated as property taxes used to pay interest or principal due on debt under IC 6-1.1-21-2(g)(1)(D).

SECTION 123. IC 36-8-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) The local board may provide in its annual budget and pay all necessary expenses of operating the 1925 fund, including the payment of all costs of litigation and attorney fees arising in connection with the fund, as well as the payment of benefits and pensions. Notwithstanding any other law, neither the municipal legislative body, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;

(2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. A tax levy shall be made annually for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall levy an annual tax in the amount and at the rate that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. All money derived from the levy is for the exclusive use of the police pensions and benefits. The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the levy.

SECTION 124. IC 36-8-7-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) The local board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be receipted into and disbursed from the 1937 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements must be divided into two (2) parts, designated as part 1 and part 2.

(b) Part 1 of the estimated disbursements consists of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the next fiscal year, and to the dependents of deceased members. Part 2 of the estimated disbursements consists of an estimate of the amount of money that will be needed to pay death benefits and other expenditures that are authorized or required by this chapter.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing the following:

(1) The name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled.

(2) The name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive.

(3) The name and the age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(4) The amount that would be required for the next fiscal year to maintain level cost funding during the active fund members' employment on an actuarial basis.

(5) The amount that would be required for the next fiscal year to amortize accrued liability for active members, retired members, and dependents over a period determined by the local board, but not to exceed forty (40) years.

(d) The total receipts shall be deducted from the total expenditures as listed in the itemized estimate. The amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the unit in the same manner as other expenses of the unit are paid, and an appropriation shall be made annually for that purpose. The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other offices and departments of the unit are prepared and filed.

(e) The estimates shall be made a part of the annual budget of the unit. When revising the estimates, the executive, the fiscal officer, and other fiduciary officers may not reduce the items in part 1 of the estimated disbursements.

(f) The unit's fiscal body shall make the appropriations necessary to pay that proportion of the budget of the 1937 fund that the unit is obligated to pay under subsection (d). In addition, the fiscal body may make appropriations for purposes of subsection (c)(4), (c)(5), or both. All appropriations shall be made to the local board for the exclusive use of the 1937 fund. The amounts listed in part 1 of the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the unit. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the appropriations made to pay the amount equal to estimated disbursements minus estimated receipts.

SECTION 125. IC 36-8-7-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22. The 1937 fund may not be, either before or after an order for distribution to members of the fire department or to the surviving spouses or guardians of a child or children of a deceased, disabled, or retired member, held, seized, taken, subjected to, detained, or levied on by virtue of an attachment, execution, judgment, writ, interlocutory or other order, decree, or process, or proceedings of any nature issued out of or by a court in any state for the payment or satisfaction, in whole or in part, of a debt, damages, demand, claim, judgment, fine, or amercement of the member or the member's surviving spouse or children. The 1937 fund shall be kept and distributed only for the purpose of pensioning the persons named in this chapter. The local board may, however, annually expend an amount from the 1937 fund that it considers proper for the necessary expenses connected with the fund. Notwithstanding any other law, neither the fiscal body, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce these expenditures.

SECTION 126. IC 36-8-7.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the estimated number of beneficiaries from the 1953 fund during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;

(2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent of a member of the police department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate that is necessary to produce sufficient revenue to equal the deficit. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the tax levy.

SECTION 127. IC 36-8-11-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget.

(b) The budget must be approved by the fiscal body of the county, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** and the department of local government finance.

(c) Upon approval by the department of local government finance, the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue a warrant on the treasurer to transfer the revenues collected to the board, as provided by statute.

SECTION 128. IC 36-8-11-22.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22.1. (a) This section applies to a district that consists of a municipality that is located in two (2) counties.

(b) This section does not apply to a merged district under section 23 of this chapter.

(c) Sections 6 and 7 of this chapter apply to the petition.

(d) The board of fire trustees for the district shall be appointed as prescribed by section 12 of this chapter. However, the legislative body of each county within which the district is located shall jointly appoint one (1) trustee from each township or part of a township contained in the district and one (1) trustee from the municipality contained in the district. The legislative body of each county shall jointly appoint a member to fill a vacancy.

(e) Sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the district. However, the county legislative bodies serving the district shall jointly decide where the board shall locate (or approve location of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to the district. However, the budget must be approved by the county fiscal body and county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** in each county in the district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 129. IC 36-8-11-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) Any fire protection district may merge with one (1) or more protection districts to form a single district if at least one-eighth (1/8) of the aggregate external boundaries of the districts coincide.

(b) The legislative body of the county where at least two (2) districts are located (or if the districts are located in more than one (1) county, the legislative body of each county) shall, if petitioned by freeholders in the two (2) districts, adopt an ordinance merging the districts into a single fire protection district.

(c) Freeholders who desire the merger of at least two (2) fire protection districts must initiate proceedings by filing a petition in the office of the county auditor of each county where a district is located. The petition must be signed:

(1) by at least twenty percent (20%), with a minimum of five hundred (500) from each district, of the freeholders owning land within the district; or

(2) by a majority of the freeholders from the districts;

whichever is less.

(d) The petition described in subsection (c) must state the same items listed in section 7 of this chapter. Sections 6, 8, and 9 of this chapter apply to the petition and to the legislative body of each county in the proposed district.

(e) The board of fire trustees for each district shall form a single board, which shall continue to be appointed as prescribed by section 12 of this chapter. In addition, sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the merged district, except that if the merged district lies in more than one (1) county, the county legislative bodies serving the combined district shall jointly decide where the board shall locate (or approve relocation of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to a merged district. However, the budget must be approved by the county fiscal body and county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** in each county in the merged district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 130. IC 36-8-13-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.7. (a) For a township that elects to have the township provide fire protection and emergency services under section 3(c) of this chapter, the department of local government finance shall adjust the township's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection or emergency services under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. For the ensuing calendar year, the township's maximum permissible property tax levy shall be increased by the product of:

(1) one and five-hundredths (1.05); multiplied by

(2) the amount the township contracted or billed to receive, regardless of whether the amount was collected:

(A) in the year in which the change is elected; and

(B) as fire protection or emergency service payments from the municipalities or residents of the municipalities covered by the election under section 3(c) of this chapter.

The maximum permissible levy for a general fund or other fund of a municipality covered by the election under section 3(c) of this chapter shall be reduced for the ensuing calendar year to reflect the change to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of the municipality. The total reduction in the maximum permissible levies for all electing municipalities must equal the amount that the maximum permissible levy for the township is increased under this subsection for contracts or billings, regardless of whether the amount was collected, less the amount actually paid from sources other than property tax revenue.

(b) For purposes of determining a township's and each municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's and each municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

(c) The township may use the amount of a maximum permissible property tax levy computed under this section in setting budgets and property tax levies for any year in which the election in section 3(c) of this chapter is in effect. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax

levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 131. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) This subsection applies to a county not having a consolidated city. For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

SECTION 132. IC 36-9-3-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. The board shall prepare an annual budget for the authority's operating and maintenance expenditures and necessary capital expenditures. Each annual budget is subject to review and modification by the:

(1) fiscal body of the county or municipality that establishes the authority; and

(2) county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance under IC 6-1.1-17.

SECTION 133. IC 36-9-4-47 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 47. (a) The board of directors of a public transportation corporation may:

(1) borrow money in anticipation of receipt of the proceeds of taxes that have been levied by the board and have not yet been collected; and

(2) evidence this borrowing by issuing warrants of the corporation.

The money that is borrowed may be used by the corporation for payment of principal and interest on its bonds or for payment of current operating expenses.

(b) The warrants:

(1) bear the date or dates;

(2) mature at the time or times on or before December 31 following the year in which the taxes in anticipation of which the warrants are issued are due and payable;

(3) bear interest at the rate or rates and are payable at the time or times;

(4) may be in the denominations;

(5) may be in the forms, either registered or payable to bearer;

(6) are payable at the place or places, either inside or outside Indiana;

(7) are payable in the medium of payment;

(8) are subject to redemption upon the terms, including a price not exceeding par and accrued interest; and

(9) may be executed by the officers of the corporation in the manner;

provided by resolution of the board of directors. The resolution may also authorize the board to pay from the proceeds of the warrants all costs incurred in connection with the issuance of the warrants.

(c) The warrants may be authorized and issued at any time after the board of directors levies the tax or taxes in anticipation of which the warrants are issued.

(d) The warrants may be sold for not less than par value after notice inviting bids has been published in accordance with IC 5-3-1. The board of directors may also publish the notice inviting bids in other newspapers or financial journals.

(e) After the warrants are sold, they may be delivered and paid for at one (1) time or in installments.

(f) The aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed eighty percent (80%) of the levy or levies, as the amount of the levy or levies is certified by the department of local government finance, or as is determined by multiplying the rate of tax as finally approved by the total assessed valuation of taxable property within the taxing district of the public transportation corporation as most recently certified by the county auditor.

(g) For purposes of this section, taxes for any year are considered to be levied when the board of directors adopts the ordinance prescribing the tax levies for the year. However, warrants may not be delivered and paid for before final approval of a tax levy or levies by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** (or, if appealed, by the department of local government finance) unless the issuance of the warrants has been approved by the department of local government finance.

(h) The warrants and the interest on them are not subject to sections 43 and 44 of this chapter and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

(i) All actions of the board of directors under this section may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by a majority of the members of the board of directors.

(j) An action to contest the validity of any tax anticipation warrants may not be brought later than ten (10) days after the sale date.

SECTION 134. IC 36-9-13-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35. The annual operating budget of a building authority is subject to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and then by the department of local government finance as in the case of other political subdivisions.

SECTION 135. IC 36-12-14-2, AS ADDED BY P.L.199-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. An appointed library board subject to section 1 of this chapter shall submit its proposed operating budget and property tax levy for the operating budget to the following fiscal body at least fourteen (14) days before the first meeting of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** under IC 6-1.1-29-4:

(1) If the library district is located entirely within the corporate boundaries of a municipality, the fiscal body of the municipality.

(2) If the library district:

(A) is not described by subdivision (1); and

(B) is located entirely within the boundaries of a township;

the fiscal body of the township.

(3) If the library district is not described by subdivision (1) or (2), the fiscal body of each county in which the library district is located.

SECTION 136. IC 21-14-2-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] **Sec. 12.5. This section applies to tuition and mandatory fees that a board of trustees of a state educational institution votes to increase after June 30, 2007.**

(b) After the enactment of a state budget, the commission for higher education shall recommend nonbinding tuition and mandatory fee increase targets for each state educational institution.

(c) The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.

(d) The state budget committee shall review the targets recommended under subsection (b) and reports received under subsection (c) and may request that a state educational institution appear at a public meeting of the state budget committee concerning the report.

SECTION 137. IC 21-14-2-12 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 138. IC 20-12-1-12, AS AMENDED BY HEA 1001-2007, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.

(b) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) A state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before ~~June~~ **May** 30 of the odd numbered year; or

(2) ~~sixty (60)~~ **thirty (30)** days after the state budget bill is enacted into law;

whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May ~~31~~ **15** of each odd numbered year; or

(2) ~~thirty-one (31)~~ **fifteen (15)** days after the state budget bill is enacted into law;

whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

~~(h) For tuition and fees set by a state educational institution before July 1, 2007, a state educational institution must appear before the state budget committee before June 30, 2007. The state budget committee shall review the tuition and fees proposed by the state educational institution under section 8 of this chapter.~~

~~(i) After July 1, 2007, the commission for higher education shall recommend biennially nonbinding tuition targets based on the mission of the state educational institution. The board of trustees of a state educational institution may set a tuition rate that exceeds the tuition target only if the proposed tuition rate is reviewed by both the commission for higher education and the state budget committee before the later of the following:~~

~~(1) June 30 in the odd-numbered year.~~

~~(2) Sixty (60) days after the state budget is adopted for the biennium beginning in the odd-numbered year.~~

SECTION 139. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-29.5, as added by this act, does not apply to any of the following:**

(1) The issuance of bonds or other obligations or the entering into a lease, if the preliminary determination to issue the bonds or other obligations or to enter into the lease is made before January 1, 2009.

(2) The construction of a capital project, if the construction begins before January 1, 2009.

(3) The entering into a contract for the construction of a capital project, if the contract is entered into before January 1, 2009.

(4) The procuring of supplies necessary for construction of a capital project, if the supplies are procured or a contract for the procuring of the supplies is entered into before January 1, 2009.

(5) The construction of a capital project, the entering into a contract for the construction of a capital project, or the procuring of supplies necessary for the construction of a capital project, if the issuance of bonds or other obligations, or the entering into a lease, to finance the capital project has been approved by the department of local government finance under IC 20-46-7 before January 1, 2009.

SECTION 140. [EFFECTIVE JULY 1, 2007] **(a) Any matter pending before a county board of tax adjustment on December 31, 2008, is transferred to the county board of tax and capital projects review for that county on January 1, 2009.**

(b) Any property and obligations of a county board of tax adjustment on December 31, 2008, are transferred to the county board of tax and capital projects review for that county on January 1, 2009.

(c) Each county board of tax adjustment is abolished on December 31, 2008. The term of a member serving on a county board of tax adjustment on December 31, 2008, expires December 31, 2008.

(d) This SECTION expires January 1, 2009.

SECTION 141. [EFFECTIVE UPON PASSAGE] **(a) The legislative services agency shall prepare legislation for introduction in the 2008 regular session of the general assembly to organize and correct statutes affected by this act, if necessary.**

(b) This SECTION expires January 1, 2009.

SECTION 142. [EFFECTIVE UPON PASSAGE] **An ordinance adopted after January 1, 2007, and before April 1, 2007, under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7, all as in effect before amendment by this act, takes effect October 1, 2007, and not July 1, 2007.**

SECTION 143. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the annexation study committee established by this SECTION.**

(b) The annexation study committee is established. The committee shall study:

(1) revising the statutes concerning municipal annexation of territory. The committee's study may not include the annexation statutes in IC 36-3-2; and

(2) whether "one and fifteen hundredths (1.15)" in STEP THREE of IC 6-1.1-18.5-3(a) and STEP THREE of IC 6-1.1-18.5-3(b) is sufficient to raise adequate property taxes for a municipality annexing territory.

(c) The committee consists of sixteen (16) members appointed as follows:

(1) Two (2) members of the house of representatives appointed by the speaker of the house of representatives.

(2) Two (2) members of the house of representatives appointed by the minority leader of the house of representatives.

(3) Two (2) members of the senate appointed by the president pro tempore of the senate.

(4) Two (2) members of the senate appointed by the minority leader of the senate.

(5) One (1) member who is a member of the city council of a second class city or third class city appointed by the president pro tempore of the senate.

(6) One (1) member who is a member of the city council of a second class city or third class city appointed by the speaker of the house of representatives.

(7) One (1) member who is a member of the town council of a town that is not located in Marion County appointed by the president pro tempore of the senate.

(8) One (1) member who is a member of a county council of a county other than Marion County appointed by the speaker of the house of representatives.

(9) Two (2) members representing township government from a county other than Marion County. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint one (1) member.

(10) Two (2) members of the public that have experience in preparing an annexation remonstrance. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint one (1) member.

(d) Not more than one (1) member appointed under subsection (c)(9) and one (1) member appointed under subsection (c)(10) may be from the same political party.

(e) The legislative services agency shall staff the committee.

(f) The committee shall operate under the rules and procedures of the legislative council for study committees.

(g) Each member of the committee who is not a member of the general assembly is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(i) The affirmative votes of a majority of the legislator members of the committee are required for the committee to take action on any recommendation.

(j) The chairman of the legislative council shall appoint a member of the committee to serve as chairperson.

(k) The committee shall prepare and submit a written report of the committee's findings in an electronic format under IC 5-14-6 to the legislative council not later than November 1, 2007.

(l) This SECTION expires November 2, 2007.

SECTION 144. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **(a) Notwithstanding the provisions in IC 6-1.1-20.4-4 specifying that an ordinance or a resolution must be adopted before December 31 for homestead credits to be provided under IC 6-1.1-20.4 in the following year, a political subdivision may adopt an ordinance or a resolution after December 31, 2006, and before June 1, 2007, to provide for the use of revenue for the purpose of providing a homestead credit under IC 6-1.1-20.4 in 2007.**

(b) If a political subdivision adopts an ordinance or a resolution described in subsection (a):

(1) the local homestead credit under IC 6-1.1-20.4 shall be applied in the political subdivision in 2007; and

(2) the department of local government finance may take any action necessary to apply the local homestead credit in the political subdivision in 2007.

(c) This SECTION expires December 31, 2008.

SECTION 145. [EFFECTIVE UPON PASSAGE] **Notwithstanding the provisions in IC 6-3.5-6, before amendment by this act, specifying that an ordinance establishing or increasing the rate of a county option income tax in 2007 must be adopted before April 1, 2007, an ordinance adopted in 2007 to establish an additional rate under IC 6-3.5-6-33, as added by this act, may be adopted before June 1, 2007. An ordinance adopted under this SECTION is effective on the later of the following:**

(1) July 1, 2007.

(2) Fifteen (15) regular business days after the department of state revenue receives a certified copy of the ordinance from the county auditor.

SECTION 146. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **An ordinance adopted by the fiscal body for Howard County that:**

(1) was adopted before April 29, 2007; and

(2) would have been in compliance with IC 6-3.5-6-28,

as amended by this act, if this act had been enacted before the ordinance was adopted;

is legalized and validated to the same extent as if this act had been enacted before the ordinance was adopted.

SECTION 147. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-12-37, as amended by this act, applies to property taxes first due and payable after December 31, 2007.**

SECTION 148. **An emergency is declared for this act.**

(Reference is to EHB 1478 as reprinted April 11, 2007.)

KUZMAN	KENLEY
CRAWFORD	BRODEN
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

Representative Timothy Harris announced that a soldier from Grant County, Army PFC David Austin Kirkpatrick, had been killed in Iraq. The House stood for a moment of silence in memory of PFC Kirkpatrick.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 8:40 p.m. with the Speaker in the Chair.

Representatives Foley, E. Harris, Pelath, Stilwell, VanHaaften, and Whetstone, who had been excused, were present. Representatives Crawford, Goodin, Kuzman, and L. Lawson were excused.

The Speaker ordered the roll of the House to be called to determine the presence or absence of a quorum. Roll Call 670: 87 present. The Speaker declared a quorum present.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed House Bills 1192, 1237, 1426, 1503, and 1717.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 2 on Engrossed House Bill 1379.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed Senate Bills 45, 105, 287, 390, and 500.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has withdrawn the adoption of the motion to dissent on Engrossed Senate Bill 450 and rescinds its action whereby it adopted conference committee report 1 on Engrossed Senate Bill 450.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1505.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1557.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1647.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1774.

MARY C. MENDEL
Principal Secretary of the Senate

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
ESB 503–3; filed April 29, 2007, at 7:08 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 503 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning health care.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 12-15-15-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.1. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and

IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount ~~equal to~~ **not to exceed** one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in ~~proportion to~~ **an amount not to exceed** each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. ~~Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the state fiscal year's end.~~ A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer **or certification of expenditures** is made under subsection (d).

(d) Subject to subsection (e):

~~a hospital may make an intergovernmental transfer under this subsection, or~~ **(1)** an intergovernmental transfer may be made **by or** on behalf of the hospital; **or**

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP SEVEN of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP SEVEN of subsection (b).~~ **this section.** The office shall use the intergovernmental transfer to fund payments made under this section. ~~and as otherwise provided under IC 12-15-20-2(8).~~

(e) A hospital ~~making~~ **that makes a certification of expenditures or makes or has** an intergovernmental transfer **made on the hospital's behalf** under ~~subsection (d)~~ **this section** may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under ~~STEP SEVEN of~~ subsection (b). The periods described in subsections (c) and (d) for the hospital **or another entity** to make an intergovernmental transfer **or certification of expenditures** are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP SEVEN of~~ subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP SEVEN of~~ subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 2. IC 12-15-15-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.3. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount ~~equal to~~ **not to exceed** one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in ~~proportion to~~ **an amount not to exceed** each hospital's Medicaid shortfall as defined in subsection (f).

(c) ~~Subject to subsection (c), the reimbursement for a state fiscal year under this section consists of payments made before December 31 following the end of the state fiscal year.~~ A hospital is not eligible for a payment described in this ~~subsection~~ **section** unless:

(1) an intergovernmental transfer is made ~~under subsection (d).~~ **by the hospital or on behalf of the hospital; or**

(2) the hospital or another entity certifies the hospital's expenditures as eligible for federal financial participation.

(d) Subject to subsection (e):

~~a hospital may make an intergovernmental transfer under this subsection, or~~ **(1)** an intergovernmental transfer may be made **by or** on behalf of the hospital; **or**

(2) a certification of expenditures as eligible for federal financial participation may be made;

after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP SEVEN of~~ subsection (b). ~~In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP SEVEN of subsection (b).~~ The office shall use the intergovernmental transfer to fund payments made under this section. ~~and as otherwise provided under IC 12-15-20-2(8).~~

(e) A hospital ~~making~~ **that makes a certification of expenditures or makes or has** an intergovernmental transfer **made on the hospital's behalf** under ~~subsection (d)~~ **this section** may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under ~~STEP SEVEN of~~ subsection (b). The periods described in subsections (c) and (d) for the hospital **or other entity** to make an intergovernmental transfer **or certification of expenditures** are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP SEVEN of~~ subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP SEVEN of~~ subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23 is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 3. IC 12-15-15-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. (a) This section applies to a hospital that:

(1) is licensed under IC 16-21;

(2) is not a unit of state or local government; and

(3) is not owned or operated by a unit of state or local government.

(b) For a state fiscal year ending after June 30, 2003, **and before July 1, 2007,** in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars ($10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than ~~seventy~~ **sixty** thousand ~~(70,000)~~ **(60,000)** Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services. **For purposes of this clause, a hospital's**

Medicaid inpatient days are the hospital's in-state and paid Medicaid fee for service and managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office.

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a) that are eligible under this clause. A hospital is eligible for a payment under this clause only if the non-federal share of the hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those eligible hospitals:

(i) on a pro rata basis in relation to all hospitals eligible under this clause based on the hospitals' Medicaid inpatient days; or

(ii) other payment methodology **determined by the office and** approved by the Centers for Medicare and Medicaid Services.

~~(D) For purposes of the clauses (A), (B) and (C), a hospital's Medicaid inpatient days are based on the Medicaid inpatient days allowed for the hospital by the office for purposes of the office's most recent determination of eligibility for the Medicaid disproportionate payment program under IC 12-15-16.~~

(c) ~~Reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the end of the state fiscal year.~~ **As used in this subsection, "Medicaid supplemental payments" means Medicaid payments for hospitals that are in addition to Medicaid fee-for-service payments, Medicaid risk-based managed care payments, and Medicaid disproportionate share payments, and that are included in the Medicaid state plan, including Medicaid safety-net payments, and payments made under sections 1.1, 1.3, 1.5, 9, and 9.5 of this chapter. For a state fiscal year ending after June 30, 2007, in addition to the reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:**

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services reimbursable under this article and under the state Medicaid plan that were provided during the state fiscal year for all hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified in STEP ONE, the office shall calculate the total payments made under this article and under the state Medicaid plan to all hospitals described in subsection (a). A calculation under this STEP excludes a payment made under the following:

(A) IC 12-15-16.

(B) IC 12-15-17.

(C) IC 12-15-19.

STEP THREE: The office shall calculate, under Medicare payment principles, a reasonable estimate of the total amount that would have been paid by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) As used in this clause, "Medicaid inpatient days" are the hospital's in-state paid Medicaid fee for service and risk-based managed care days for the state fiscal year for which services are identified under STEP ONE, as determined by the office. Subject to the availability of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(c) and remaining in the Medicaid indigent care trust fund under IC 12-15-20-2(8)(G) to serve as the non-federal share of the payments, the amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis, based on the hospitals' Medicaid inpatient days or in accordance with another payment methodology determined by the office and approved by the Centers for Medicare and Medicaid Services.

(B) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A), the remaining amount shall be paid as described in clauses (C) and (D) to a hospital that is described in subsection (a) and that is described as eligible under this clause. A hospital is eligible for a payment under clause (C) only if the hospital:

(i) has less than sixty thousand (60,000) Medicaid inpatient days annually;

(ii) was eligible for Medicaid disproportionate share hospital payments in the state fiscal year ending June 30, 1998, or the hospital met the office's Medicaid disproportionate share payment criteria based upon state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001; and

(iii) received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

The payment amount under clause (C) for an eligible hospital is subject to the availability of the non-federal share of the hospital's payment being provided by the hospital or on behalf of the hospital.

(C) For state fiscal years ending after June 30, 2007, but before July 1, 2009, payments to eligible hospitals described in clause (B) shall be made as follows:

(i) The payment to an eligible hospital that merged two (2) hospitals under a single Medicaid provider number effective January 1, 2004, shall equal one hundred percent (100%) of the hospital's hospital-specific limit for the state fiscal year ending June 30, 2005, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(ii) The payment to an eligible hospital described in clause (B) other than a hospital described in item (i) shall equal one hundred percent (100%) of the hospital's hospital specific limit for the state fiscal year ending June 30, 2004, when the payment is combined with any Medicaid disproportionate share payment made under IC 12-15-19-2.1, Medicaid, and other Medicaid supplemental payments, paid or to be paid to the hospital for a state fiscal year.

(D) For state fiscal years beginning after June 30, 2009, payments to an eligible hospital described in clause (B) shall be made in a manner determined by

the office.

(E) Subject to IC 12-15-20.7, if the entire amount calculated under STEP FOUR is not distributed following the payments made under clause (A), and clauses (C) or (D), the remaining amount may be paid as described in clause (F) to a hospital described in subsection (a) that is described as eligible under this clause. A hospital is eligible for a payment for a state fiscal year under clause (F) if the hospital:

(i) is eligible to receive Medicaid disproportionate share payments for the state fiscal year for which the Medicaid disproportionate share payment is attributable under IC 12-15-19-2.1, for a state fiscal year ending after June 30, 2007; and

(ii) does not receive a payment under clauses (C) or (D) for the state fiscal year.

A payment to a hospital under this clause is subject to the availability of non-federal matching funds.

(F) Payments to eligible hospitals described in clause (E) shall be made:

(i) to best use federal matching funds available for hospitals that are eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(ii) by using a methodology that allocates available funding under this clause, Medicaid supplemental payments, and payments under IC 12-15-19-2.1, in a manner in which all hospitals eligible under clause (E) receive payments in a manner that takes into account the situation of eligible hospitals that have historically qualified for Medicaid disproportionate share payments and ensures that payments for eligible hospitals are equitable.

(G) If the Centers for Medicare and Medicaid Services does not approve the payment methodologies in clauses (A) through (F), the office may implement alternative payment methodologies, that are eligible for federal financial participation, to implement a program consistent with the payments for hospitals described in clauses (A) through (F).

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of ~~subsection~~ **subsections** (b) **or (c).** The distribution to other hospitals under STEP FIVE of subsection (b) **or (c)** may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) **or (c)** pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office.

SECTION 4. IC 12-15-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

(b) For each state fiscal year ending after June 30, 2003, **and before July 1, 2007,** a hospital licensed under IC 16-21-2 that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5 is entitled to a payment under ~~this section.~~ **subsection (c).**

(c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP SIX of the following STEPS:

STEP ONE: Identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 during the state fiscal year; and

(B) the county to which each payable claim is attributed.

STEP TWO: For each county identified in STEP ONE, identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 attributed to the county during the state fiscal year; and

(B) the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP THREE: For each county identified in STEP ONE, identify the amount of county funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.**

STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.** Each hospital's percentage share is based on the total amount of the hospital's payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year, calculated as a percentage of the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP FIVE: Subject to subsection (j), for each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b).~~ **IC 12-16-7.5-4.5.**

STEP SIX: Determine the sum of all amounts calculated under STEP FIVE for each hospital identified in STEP ONE with respect to each county identified in STEP ONE.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid in an amount equal to the amount determined for the hospital under STEP SIX of subsection (c) for the state fiscal year ending June 30, 2007.

~~(d)~~ **(e)** A hospital's payment under subsection (c) **or (d)** is in the form of a Medicaid ~~add-on~~ **supplemental** payment. The amount of a hospital's ~~add-on~~ **Medicaid supplemental** payment is subject to the availability of funding for the non-federal share of the payment under subsection ~~(c).~~ **(f).** The office shall make the payments under subsection (c) **and (d)** before December 15 that next succeeds the end of the state fiscal year.

~~(e)~~ **(f)** The non-federal share of a payment to a hospital under subsection (c) **or (d)** is funded from the funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b) of each county to which a payable claim under IC 12-16-7.5 submitted to the division during the state fiscal year by the hospital is attributed.~~ **IC 12-16-7.5-4.5.**

~~(f)~~ **(g)** The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds of the county transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year.

~~(g)~~ **(h)** Any county's funds identified in subsection ~~(f)~~ **(g)** that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

~~(h)~~ **(i)** For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

~~(i)~~ **(j)** For purposes of ~~this section.~~ **subsection (c):**

(1) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

~~(j)~~ **(k)** The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year.

SECTION 5. IC 12-15-15-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.5. (a) For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

(b) For each state fiscal year ending after June 30, 2003, **but before July 1, 2007,** a hospital licensed under IC 16-21-2:

(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and

(2) whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;

is entitled to a payment under ~~this section.~~ **subsection (c).**

(c) Except as provided in section 9.8 of this chapter and subject to section 9.6 of this chapter, for a state fiscal year, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP EIGHT of the following STEPS:

STEP ONE: Identify each county whose transfer of funds to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** for the state fiscal year was less than the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP TWO: For each county identified in STEP ONE, calculate the difference between the amount of funds of the county transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** and the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP THREE: Calculate the sum of the amounts calculated for the counties under STEP TWO.

STEP FOUR: Identify each hospital whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP FIVE: Calculate for each hospital identified in STEP FOUR the difference between the hospital's payment under section 9(c) of this chapter and the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP SIX: Calculate the sum of the amounts calculated for each of the hospitals under STEP FIVE.

STEP SEVEN: For each hospital identified in STEP FOUR, calculate the hospital's percentage share of the amount calculated under STEP SIX. Each hospital's percentage share is based on the amount calculated for the hospital under STEP FIVE calculated as a percentage of the sum calculated under STEP SIX.

STEP EIGHT: For each hospital identified in STEP FOUR, multiply the hospital's percentage share calculated under STEP SEVEN by the sum calculated under STEP THREE. The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter.

(d) For state fiscal years beginning after June 30, 2007, a hospital that received a payment determined under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007, shall be paid an amount equal to the amount determined for the hospital under STEP EIGHT of subsection (c) for the state fiscal year ending June 30, 2007.

~~(d)~~ **(e)** A hospital's payment under subsection (c) **or (d)** is in the form of a Medicaid ~~add-on~~ **supplemental** payment. The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection ~~(c).~~ **(f).** The office shall make the payments under subsection (c) **or (d)** before December 15 that next succeeds the end of the state fiscal year.

~~(e)~~ **(f)** The non-federal share of a payment to a hospital under subsection (c) **or (d)** is derived from funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** and not expended under section 9 of this chapter. ~~To the extent possible, the funds shall be derived on a proportional basis from the funds transferred by each county identified in subsection (c), STEP ONE:~~

~~(1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and~~

~~(2) whose funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) were not completely expended under section 9 of this chapter.~~

~~The amount available to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) to serve as the non-federal share of the payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under~~

~~subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX.~~

~~(f)~~ **(g)** Except as provided in subsection ~~(g),~~ **(h),** the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

~~(g)~~ **(h)** If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

(1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and

(2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of hospitals eligible for a payment under this section.

~~(h)~~ **(i)** Any funds transferred to the Medicaid indigent care trust fund under ~~STEP FOUR of IC 12-16-7.5-4.5(b)~~ **IC 12-16-7.5-4.5** remaining after payments are made under this section shall be used as provided in ~~IC 12-15-20-2(8)(D).~~ **IC 12-15-20-2(8).**

(i) For purposes of ~~this section:~~ **subsection (c):**

(1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

(2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

SECTION 6. IC 12-15-15-9.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.6. **For state fiscal years beginning after June 30, 2007,** the total amount of payments to hospitals under sections 9 and 9.5 of this chapter may not exceed the amount ~~transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).~~ **paid to hospitals under sections 9 and 9.5 of this chapter for the state fiscal year ending June 30, 2007.**

SECTION 7. IC 12-15-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) This section applies to a hospital that:

(1) is licensed under IC 16-21; and

(2) qualifies as a provider under **IC 12-15-16, IC 12-15-17, or IC 12-15-19 of** the Medicaid disproportionate share provider program.

(b) The office may, after consulting with affected providers, do one (1) or more of the following:

~~(1) Expand the payment program established under section 1.1(b) of this chapter to include all hospitals described in subsection (a).~~

~~(2)~~ **(1)** Establish a nominal charge hospital payment program.

~~(3)~~ **(2)** Establish any other permissible payment program.

(c) A program expanded or established under this section is subject to the availability of:

(1) intergovernmental transfers; ~~or~~

(2) funds certified as being eligible for federal financial participation; **or**

(3) other permissible sources of non-federal share dollars.

(d) The office may not implement a program under this section until the federal Centers for Medicare and Medicaid Services approves the provisions regarding the program in the amended state plan for medical assistance.

(e) The office may determine not to continue to implement a program established under this section if federal financial participation is not available.

SECTION 8. IC 12-15-19-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.1. (a) For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate share payment methodology that ensures that each hospital qualifying for disproportionate share payments under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as developed by the office must:

(1) maximize disproportionate share hospital payments to qualifying hospitals to the extent practicable;

(2) take into account the situation of those qualifying hospitals that have historically qualified for Medicaid disproportionate share payments; and

(3) ensure that payments ~~net of intergovernmental transfers made by or on behalf of~~ **for** qualifying hospitals are equitable.

(b) Total disproportionate share payments to a hospital under this chapter shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall be determined by the office taking into account data provided by each hospital that is considered reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) The office shall include a provision in each amendment to the state plan regarding Medicaid disproportionate share payments that the office submits to the federal Centers for Medicare and Medicaid Services that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. However, the total disproportionate share payments to:

(1) each individual hospital; and

(2) all qualifying hospitals in the aggregate;

may not exceed the limits provided by federal law and regulation.

~~(d) The office shall, in each state fiscal year, provide sufficient funds for acute care hospitals licensed under IC 16-21 that qualify for disproportionate share payments under IC 12-15-16-1(a). Funds provided under this subsection:~~

~~(1) do not include funds transferred by other governmental units to the Medicaid indigent care trust fund; and~~

~~(2) must be in an amount equal to the amount that results from the following calculation:~~

~~STEP ONE: Multiply twenty-six million dollars ($26,000,000) by the federal medical assistance percentage.~~

~~STEP TWO: Subtract the amount determined under STEP ONE from twenty-six million dollars ($26,000,000).~~

SECTION 9. IC 12-15-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The office is not required to make disproportionate share payments under this chapter from the Medicaid indigent care trust fund established by IC 12-15-20-1 until the fund has received sufficient deposits, **including intergovernmental transfers of funds and certifications of expenditures,** to permit the office to make the state's share of the required disproportionate share payments.

(b) **For state fiscal years beginning after June 30, 2006,** if:

(1) sufficient deposits have not been received; **or**

(2) the statewide Medicaid disproportionate share allocation is insufficient to provide federal financial participation for the entirety of all eligible disproportionate share hospitals' hospital-specific

limits;

the office shall reduce disproportionate share payments **made under IC 12-15-19-2.1 and Medicaid safety-net payments made in accordance with the Medicaid state plan** to ~~all~~ eligible institutions ~~by the same percentage.~~ **using an equitable methodology consistent with subsection (c).**

(c) For state fiscal years beginning after June 30, 2006, payments reduced under this section shall, in accordance with the Medicaid state plan, be made:

(1) to best utilize federal matching funds available for hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1; and

(2) by utilizing a methodology that allocates available funding under this subdivision, and Medicaid supplemental payments as defined in IC 12-15-15-1.5, in a manner that all hospitals eligible for Medicaid disproportionate share payments under IC 12-15-19-2.1 receive payments using a methodology that:

(A) takes into account the situation of the eligible hospitals that have historically qualified for Medicaid disproportionate share payments; and

(B) ensures that payments for eligible hospitals are equitable.

(d) The percentage reduction shall be sufficient to ensure that payments do not exceed the **statewide Medicaid disproportionate share allocation or the** amounts that can be financed with:

(1) ~~the state share that is in~~ the **amount transferred from the hospital care for the indigent trust** fund;

(2) other intergovernmental transfers;

(3) certifications of public expenditures; or

(4) any other permissible sources of non-federal match.

SECTION 10. IC 12-15-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The Medicaid indigent care trust fund is established to pay the non-federal share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

(2) Subject to subdivision (8), disproportionate share payments to providers under IC 12-15-19-2.1.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) Payments to hospitals under IC 12-15-15-9.

(6) Payments to hospitals under IC 12-15-15-9.5.

(7) Payments, funding, and transfers as otherwise provided in clauses (8)(D), ~~and~~ (8)(F), **and (8)(G).**

(8) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the following apply:

(A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for state fiscal years beginning July 1, 2001, and July 1, 2002, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, and July 1, 2002;

shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(D) ~~Of~~ The intergovernmental transfers, which shall include amounts transferred under ~~IC 12-16-7.5-4.5(b), STEP FOUR,~~ **IC 12-16-7.5-4.5,** deposited into the Medicaid indigent care trust fund **and the certifications of public expenditures deemed to be made to the medicaid indigent care trust fund,** for **the** state fiscal years ending after June 30, ~~2003,~~ **2005, but before July 1, 2007,** ~~an amount equal to:~~

~~(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, minus~~

~~(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) for the state fiscal year ending after June 30, 2003,~~

shall be used, ~~to fund the non-federal share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal years shall be used to fund, in descending order of priority, the non-federal share of payments to hospitals under IC 12-15-15-9, the non-federal share of payments to hospitals under IC 12-15-15-9.5, the amount to be transferred under clause (F), and the non-federal share of payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).~~ **in descending order of priority, as follows:**

(i) As provided in clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (B) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the amount to be transferred to the office.

(ii) As provided in clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (C) of STEP THREE of IC 12-16-7.5-4.5(b)(2), to fund the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) To fund the non-federal share of the payments made under IC 12-15-15-1.1, IC 12-15-15-1.3, and IC 12-15-19-8.

(iv) As provided under clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(1) and clause (A) of STEP THREE of IC 12-16-7.5-4.5(b)(2), for the payment to be made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b).

(v) As provided under STEP FOUR of IC 12-16-7.5-4.5(b)(1) and STEP FOUR of IC 12-16-7.5-4.5(b)(2), to fund the payments to be made under clause (B) of STEP FIVE of

IC 12-15-15-1.5(b).

(vi) To fund, in an order of priority determined by the office to best use the available non-federal share, the programs listed in clause (H).

(E) **For state fiscal years ending after June 30, 2007,** the total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount ~~calculated under STEP TWO of the following formula:~~

~~STEP ONE: Calculate the total amount of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).~~

~~STEP TWO: Multiply the state Medicaid medical assistance percentage for the state fiscal year for which the payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to be made by the amount calculated under STEP ONE.~~ **provided in clause (G)(ii).**

(F) As provided in clause (D), for **the following:**

(i) Each **state** fiscal year ending after June 30, 2003, **but before July 1, 2005,** an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:

STEP ONE: Calculate the product of thirty-five million dollars ($35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(ii) The state fiscal years ending after June 30, 2005, but before July 1, 2007, an amount equal to thirty million dollars ($30,000,000) shall be transferred to the office.

(G) Subject to IC 12-15-20.7-2(b), for each state fiscal year ending after June 30, 2007, the total amount in the Medicaid indigent care trust fund, including the amount of intergovernmental transfers of funds transferred, and the amounts of certifications of expenditures eligible for federal financial participation deemed to be transferred, to the Medicaid indigent care trust fund, shall be used to fund the following:

(i) Thirty million dollars ($30,000,000) transferred to the office for the Medicaid budget.

(ii) An amount not to exceed the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5.

(iii) An amount not to exceed the non-federal share of payments to hospitals made under IC 12-15-15-1.1 and IC 12-15-15-1.3.

(iv) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-8.

(v) An amount not to exceed the non-federal share of payments to hospitals under clause (A) of STEP FIVE of IC 12-15-15-1.5(c).

(vi) An amount not to exceed the non-federal share of Medicaid safety-net payments.

(vii) An amount not to exceed the non-federal share of payments to hospitals made under clauses (C) or (D) of STEP FIVE of IC 12-15-15-1.5(c).

(viii) An amount not to exceed the non-federal share of payments to hospitals made under clause (F) of STEP FIVE of IC 12-15-15-1.5(c).

(ix) An amount not to exceed the non-federal share of disproportionate share payments to hospitals under IC 12-15-19-2.1.

(x) If additional funds are available after making payments under items (i) through (ix), to fund other Medicaid supplemental payments for hospitals approved by the office and included in the Medicaid state plan.

(H) For purposes of clause (D)(vi), the office shall fund the following:

(i) An amount equal to the non-federal share of the payments to the hospital that is eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments and any payment made under IC 12-15-19-2.1. The amount of the payments to the hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2005, when the payments are combined with payments made under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998, the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004, and the hospital merged two (2) hospitals under a single Medicaid provider number, effective January 1, 2004.

(ii) An amount equal to the non-federal share of payments to hospitals that are eligible under this item, for payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office, Medicaid safety-net payments, and any payment made under IC 12-15-19-2.1. The amount of payments to each hospital under this item shall be equal to one hundred percent (100%) of the hospital's hospital-specific limit for state fiscal year 2004, when the payments are combined with payments made to the hospital under IC 12-15-15-9, IC 12-15-15-9.5, and clause (B) of STEP FIVE of IC 12-15-15-1.5(b) for a state fiscal year. A hospital is eligible under this item if the hospital did not receive a payment under item (i), the hospital has less than sixty thousand (60,000) Medicaid inpatient days annually, the hospital either was eligible for Medicaid disproportionate share hospital payments for the state fiscal year ending June 30, 1998 or the hospital met the office's Medicaid disproportionate share payment criteria based on state fiscal year 1998 data and received a Medicaid disproportionate share payment for the state fiscal year ending June 30, 2001, and the hospital received a Medicaid disproportionate share payment under IC 12-15-19-2.1 for state fiscal years 2001, 2002, 2003, and 2004.

(iii) Subject to IC 12-15-19-6, an amount not less than the non-federal share of Medicaid safety-net payments in accordance with the Medicaid state plan.

(iv) An amount not less than the non-federal share

of payments made under clause (C) of STEP FIVE of IC 12-15-15-1.5(b) under an agreement with the office to a hospital having sixty thousand (60,000) Medicaid inpatient days annually.

(v) An amount not less than the non-federal share of Medicaid disproportionate share payments for hospitals eligible under this item, and made under IC 12-15-19-6 and the approved Medicaid state plan. A hospital is eligible for a payment under this item if the hospital is eligible for payments under IC 12-15-19-2.1.

(vi) If additional funds remain after the payments made under (i) through (v), payments approved by the office and under the Medicaid state plan, to fund the non-federal share of other Medicaid supplemental payments for hospitals.

SECTION 11. IC 12-15-20.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. **(a)** For each state fiscal year **ending before July 1, 2005, and** subject to section 3 of this chapter, the office shall make the payments identified in this section in the following order:

(1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

(2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

(3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.

(4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.

(5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

(6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

(7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

(b) For each state fiscal year ending after June 30, 2007, the office shall make the payments for the programs identified in IC 12-15-20-2(8)(G) in the order of priority that best utilizes available non-federal share, Medicaid supplemental payments, and Medicaid disproportionate share payments, and may change the order or priority at any time as necessary for the proper administration of one (1) or more of the payment programs listed in IC 12-15-20-2(8)(G).

SECTION 12. IC 12-16-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. A ~~hospital shall~~ **provider may** provide a patient, and if the patient is not able to understand the statement, the patient's representative, with a statement of the eligibility and benefit standards adopted by the division if at least one (1) of the following occurs:

(1) The ~~hospital~~ **provider** has reason to believe that the patient may be indigent.

(2) The patient requests a statement of the standards.

SECTION 13. IC 12-16-4.5-1, AS AMENDED BY P.L.145-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) To receive assistance under the hospital care for the indigent program under this article, a ~~hospital, a physician, a transportation~~ provider, the person, or the person's representative must file an application regarding the person with the division.

(b) Upon receipt of an application under subsection (a), the division shall determine whether the person is a resident of Indiana and, if so, the person's county of residence. If the person is a resident of Indiana, the division shall provide a copy of the application to the county office of the person's county of residence. If the person is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred. If the division cannot determine whether the person is a resident of Indiana or, if the person is a resident of Indiana, the person's county of residence, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred.

(c) A county office that receives a request from the division shall cooperate with the division in determining whether a person is a resident of Indiana and, if the person is a resident of Indiana, the person's county of residence.

SECTION 14. IC 12-16-4.5-2, AS AMENDED BY P.L.145-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. A ~~hospital, physician, or transportation~~ provider must file the application with the division not more than forty-five (45) days after the person has been released or discharged from the hospital, unless the person is medically unable and the next of kin or legal representative is unavailable.

SECTION 15. IC 12-16-4.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A patient must sign an application if the patient is medically able to sign.

(b) If a patient is medically unable to sign an application, the patient's next of kin or a legal representative, if available, may sign the application.

(c) If no person under subsections (a) and (b) is able to sign the application to file a timely application, a ~~hospital~~ **provider's** representative may sign the application instead of the patient.

SECTION 16. IC 12-16-4.5-8.5, AS ADDED BY P.L.145-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8.5. A claim for ~~hospital items or services, physician services, or transportation~~ services must be filed with the division not more than one hundred eighty (180) days after the person who received the care has been released or discharged from the hospital. For good cause as determined by the division, this one hundred eighty (180) day limit may be extended or waived for a claim.

SECTION 17. IC 12-16-5.5-1, AS AMENDED BY P.L.145-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The division shall, upon receipt of an application of or for a person who was admitted to, or who was otherwise provided care by a ~~hospital,~~ **provider,** promptly investigate to determine the person's eligibility under the hospital care for the indigent program. The division shall consider the following information obtained by the ~~hospital~~ **provider** regarding the person:

(1) Income.

(2) Resources.

(3) Place of residence.

(4) Medical condition.

~~(5) Hospital care.~~

~~(6)~~ **(5)** Physician care.

~~(7)~~ **(6)** Transportation to and from the hospital.

The division may rely on the ~~hospital's~~ **provider's** information in determining the person's eligibility under the program.

(b) The division may choose not to interview the person if, based on the information provided to the division, the division determines that it appears that the person is eligible for the program. If the division determines that an interview of the person is necessary, the division shall allow the interview to occur by telephone with the person or with the person's representative if the person is not able to participate in the interview.

(c) The county office located in:

(1) the county where the person is a resident; or

(2) the county where the onset of the medical condition that necessitated the care occurred if the person's Indiana residency or Indiana county of residence cannot be determined;

shall cooperate with the division in determining the person's eligibility under the program.

SECTION 18. IC 12-16-5.5-1.2, AS ADDED BY P.L.145-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) The division shall, upon receipt of a claim pertaining to a person:

(1) who was ~~admitted to, or who was otherwise~~ provided care by ~~a hospital,~~ **an eligible provider;** and

(2) whose medical condition satisfies one (1) or more of the medical conditions identified in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3);

promptly review the claim to determine if the health care items or services identified in the claim were necessitated by the person's medical condition or, if applicable, if the items or services were a direct consequence of the person's medical condition.

(b) In conducting the review of a claim referenced in subsection (a), the division shall calculate the amount of the claim. For purposes of this section, IC 12-15-15-9, IC 12-15-15-9.5, IC 12-16-6.5, and IC 12-16-7.5, the amount of a claim shall be calculated in a manner described in IC 12-16-7.5-2.5(c).

SECTION 19. IC 12-16-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The ~~hospital providing~~ **provider of** medical care to a patient shall provide information the ~~hospital~~ **provider** has that would assist in the verification of indigency of a patient.

(b) A ~~hospital~~ **provider** that provides information under subsection (a) is immune from civil and criminal liability for divulging the information.

SECTION 20. IC 12-16-5.5-3, AS AMENDED BY P.L.145-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Subject to subsection (b) and IC 12-16-6.5-1.5, if the division is unable after prompt and diligent efforts to verify information contained in the application that is reasonably necessary to determine eligibility, the division may deny assistance under the hospital care for the indigent program. The pending expiration of the period specified in IC 12-16-6.5-1.5 is not a valid reason for denying a person's eligibility for the hospital care for the indigent program.

(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person **and** the ~~hospital, and any other~~ provider who submitted a claim under IC 12-16-4.5-8.5 written notice of:

(1) the specific information or verification needed to determine eligibility;

(2) the specific efforts undertaken to obtain the information or verification; and

(3) the statute or rule requiring the information or verification identified under subdivision (1).

(c) The division must provide the ~~hospital and any other~~ provider who submitted a claim under IC 12-16-4.5-8.5 a period of time, not less than ten (10) days beyond the deadline established under IC 12-16-6.5-1.5, to submit to the division information concerning the person's eligibility. If the division does not make a determination of the person's eligibility within ten (10) days after receiving the information under this subsection, the person is eligible without the division's determination of the person's eligibility for the hospital care for the indigent care program under this article.

SECTION 21. IC 12-16-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The division shall notify in writing the person and the ~~hospital~~ **provider** of the following:

(1) A decision concerning eligibility.

(2) The reasons for a denial of eligibility.

(3) That either party has the right to appeal the decision.

SECTION 22. IC 12-16-6.5-1, AS AMENDED BY P.L.145-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. If the division determines that a person is not eligible for assistance for ~~medical care, hospital care, or transportation~~ services, an affected person ~~physician, hospital~~, or ~~transportation~~ provider may appeal to the division not later than ninety (90) days after the mailing of notice of that determination to the affected person ~~physician, hospital,~~ or ~~transportation~~ provider to the last known address of the person ~~physician, hospital,~~ or ~~transportation~~ provider.

SECTION 23. IC 12-16-6.5-1.2, AS ADDED BY P.L.145-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) If the division determines that an item or service identified in a claim:

(1) was not necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(2) was not a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3);

the affected person ~~physician, hospital, and transportation~~ **or** provider may appeal to the division not later than ninety (90) days after the mailing of the notice of that determination to the affected person ~~physician, hospital,~~ or ~~transportation~~ provider to the last known address of the person ~~physician, hospital,~~ or ~~transportation~~ provider.

(b) If the division determines that an item or service identified in a claim:

(1) was necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(2) was a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3);

but the affected ~~physician, hospital, or transportation~~ provider disagrees with the amount of the claim calculated by the division under IC 12-16-5.5-1.2(b), the affected ~~physician, hospital, or transportation~~ provider may appeal the calculation to the division not later than ninety (90) days after the mailing of the notice of that calculation to the affected ~~physician, hospital, or transportation~~ provider to the last known address of the ~~physician, hospital, or transportation~~ provider.

SECTION 24. IC 12-16-6.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter, including any affected ~~physician, hospital, or transportation~~ provider, at least twenty (20) days before the time fixed for the hearing.

SECTION 25. IC 12-16-7.5-1.2, AS ADDED BY P.L.145-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.2. (a) A person determined to be eligible under the hospital care for the indigent program is not financially obligated for ~~hospital items or services, physician services, or transportation~~ services provided to the person during the person's eligibility under the program, if the items or services were:

(1) identified in a claim filed with the division under IC 12-16-4.5; and

(2) determined:

(A) to have been necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(B) to be a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(b) ~~Based on a hospital's items or services identified in a claim under subsection (a), the hospital~~ **Hospitals** may receive a payment from the office calculated and made under

IC 12-15-15-9 and, if applicable, IC 12-15-15-9.5. **Hospitals shall not file claims for payments under IC 12-15-15-9 and IC 12-15-15-9.5 for payments attributable to state fiscal years beginning after June 30, 2007.**

(c) Based on a physician's services identified in a claim under subsection (a), the physician may receive a payment from the division calculated and made under section 5 of this chapter.

(d) Based on the transportation services identified in a claim under subsection (a), the transportation provider may receive a payment from the division calculated and made under section 5 of this chapter.

SECTION 26. IC 12-16-7.5-2.5, AS AMENDED BY P.L.1-2006, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) Payable claims shall be segregated by state fiscal year.

(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, "payable claim" refers to the following:

(1) Subject to subdivision (2), a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) that includes, on forms prescribed by the division, all the information required for timely payment;

(B) that is for a period during which the person is determined to be financially and medically eligible for the hospital care for the indigent program; and

(C) for which the payment amounts for the care and services are determined by the division.

This subdivision applies for the state fiscal year ending June 30, 2004.

(2) For state fiscal years ending after June 30, 2004, **and before July 1, 2007,** a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) provided to a person under the hospital care for the indigent program under this article during the person's eligibility under the program;

(B) identified in a claim filed with the division; and

(C) determined to:

(i) have been necessitated by one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(ii) be a direct consequence of one (1) or more of the medical conditions listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(3) For state fiscal years beginning after June 30, 2007, a claim for payment for physician care or transportation services under this chapter:

(A) provided to a person under the hospital care for the indigent program under this article during the person's eligibility under the program;

(B) identified in a claim filed with the division; and

(C) determined to:

(i) be necessary after the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the outcomes described in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3) or IC 12-16-3.5-2(a)(1) through IC 12-16-3.5-2(a)(3); or

(ii) be a direct consequence of the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the outcomes listed in IC 12-16-3.5-1(a)(1) through IC 12-16-3.5-1(a)(3).

(c) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, "amount" when used in regard to a claim or payable claim means an amount calculated under STEP THREE of the following formula:

STEP ONE: Identify the items and services identified in a claim or payable claim.

STEP TWO: Using the applicable Medicaid fee for service reimbursement rates, calculate the reimbursement amounts for each of the items and services identified in STEP ONE.

STEP THREE: Calculate the sum of the amounts identified in STEP TWO.

(d) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14, a ~~physician, hospital, or transportation~~ provider that submits a claim to the division is considered to have submitted the claim during the state fiscal year during which the amount of the claim was determined under IC 12-16-5.5-1.2(b) or, if successfully appealed by a ~~physician, hospital, or transportation~~ provider, the state fiscal year in which the appeal was decided.

(e) The division shall determine the amount of a claim under IC 12-16-5.5-1.2(b).

SECTION 27. IC 12-16-7.5-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) Not later than October 31 following the end of each state fiscal year, the division shall:

(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributed to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana;

(ii) whose state of residence could not be determined by the division; and

(iii) who were residents of Indiana but whose county of residence in Indiana could not be determined by the division;

and whose medical condition that necessitated the care or service occurred in the county;

(2) notify each county of the amount of payable claims attributed to the county under the calculation made under subdivision (1); and

(3) with respect to payable claims attributed to a county under subdivision (1):

(A) calculate the total amount of payable claims submitted during the state fiscal year for:

(i) each hospital;

(ii) each physician; and

(iii) each transportation provider; and

(B) determine the amount of each payable claim for each hospital, physician, and transportation provider listed in clause (A).

(b) **For the state fiscal years beginning after June 30, 2005, but before July 1, 2007, and** before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the **following** state fiscal ~~year.~~ **years:**

(1) For the state fiscal year ending June 30, 2006, as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims;

or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used by the division to make payments under section 5 of this chapter.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of the payments made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to sixty-one million dollars ($61,000,000) less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

STEP FIVE: Transfer to the Medicaid indigent care trust fund for the programs referenced at IC 12-15-20-2(8)(D)(vi) and funded in accordance with IC 12-15-20-2(8)(H) the amount determined under STEP ONE, less the sum of the amount:

(A) determined in STEP TWO;

(B) transferred in STEP THREE; and

(C) transferred in STEP FOUR.

(2) For the state fiscal year ending June 30, 2007, as required under the following steps:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used by the division for making payments under section 5 of this chapter or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of five million dollars ($5,000,000) for the payment made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to the amount determined under STEP ONE less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE; to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(c) For the state fiscal years beginning after June 30, 2007, before November 1 following the end of the state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from a county's hospital care for the indigent fund by the county to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year attributed to the county under subsection (a), determine the amount of total ~~hospital payable claims, total~~ physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of an amount equal to the sum of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars ($3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of ~~IC 12-15-20-2(8)(D)~~ **IC 12-15-20-2(8)(G)** an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter **or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.**

~~(c)~~ **(d)** The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund.

SECTION 28. IC 12-16-7.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. Before December 15 following the end of each state fiscal year, the division shall, from the amounts combined from the counties' hospital care for the indigent funds and retained under section 4.5(b) ~~STEP FIVE~~ **or 4.5(c)** of this chapter, pay each physician and transportation provider a pro rata part of that amount. The total payments available under this section may not exceed three million dollars ($3,000,000).

SECTION 29. IC 12-16-14-3, AS AMENDED BY P.L.246-2005, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) ~~For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).~~

~~(b)~~ For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

~~(c)~~ **(b)** For taxes first due and payable in 2004, ~~2005, 2006, 2007, and 2008,~~ **and each year after 2004,** each county shall impose a hospital care for the indigent property tax levy equal to the ~~product of:~~ **hospital care for the indigent program**

property tax levy for taxes first due and payable in the preceding calendar year, multiplied by the statewide average assessed value growth quotients determined under IC 6-1.1-18.5-2, for the year in which the tax levy under this subsection is first due and payable.

~~(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by~~

~~(2) the assessed value growth quotient determined in the last STEP of the following STEPS:~~

~~STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.~~

~~STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).~~

~~(d) Except as provided in subsection (e):~~

~~(1) for taxes first due and payable in 2009, each county shall impose a hospital care for the indigent property tax levy equal to the average of the annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:~~

~~(A) July 1, 2005;~~

~~(B) July 1, 2006; and~~

~~(C) July 1, 2007; and~~

~~(2) for all subsequent annual levies under this section, the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.~~

~~(e) A county may not impose an annual levy under subsection (d) in an amount greater than the product of:~~

~~(1) The greater of:~~

~~(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2008; or~~

~~(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by~~

~~(2) the assessed value growth quotient determined in the last STEP of the following STEPS:~~

~~STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.~~

~~STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).~~

SECTION 30. IC 34-30-2-45.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 45.7. IC 12-16-5.5-2 (Concerning ~~hospitals~~ **providers** for providing information verifying indigency of patient).

SECTION 31. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 12-15-15-9.8; IC 12-15-20.7-3; IC 12-16-2.5-6.5; IC 12-16-8.5; IC 12-16-12.5.

SECTION 32. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.**

(b) The office shall apply to the United States Department of Health and Human Services for approval of an amendment to the state's Medicaid plan that is necessary to do the following:

(1) Amend the state's upper payment limit program.

(2) Make changes to the state's disproportionate share hospital program.

(c) The office may not implement an approved amendment to the state plan until the office files an affidavit with the governor attesting that the state plan amendment applied for under subsection (b)(1) or (b)(2) of this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that the state plan amendment is approved.

(d) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(e) This SECTION expires December 31, 2013.

SECTION 33. [EFFECTIVE UPON PASSAGE] **(a) Not later than November 1, 2008, the department of insurance and the office of the secretary of family and social services shall study and make a final recommendation to the legislative council, in an electronic format under IC 5-14-6, concerning the following:**

(1) A plan to provide health insurance coverage to individuals who:

(A) have a family income that is more than two hundred percent (200%) of the federal income poverty level; and

(B) are uninsured.

(2) A health insurance program that would require local government employers, school corporations, and other public employers to join together to purchase employee health insurance coverage.

(b) The health finance commission shall study during the 2007 interim of the general assembly:

(1) reimbursement rates to providers under; and

(2) premium costs of;

accident and sickness insurance policies and health maintenance organization contracts.

(c) This SECTION expires December 31, 2008.

SECTION 34. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commission" refers to the health finance commission established by IC 2-5-23-3.**

(b) The commission shall, during the 2007 legislative interim, study the following concerning the Indiana tobacco use prevention and cessation program:

(1) The effectiveness of the program.

(2) Whether the program should be transferred to the state department of health.

(c) This SECTION expires December 31, 2007.

SECTION 35. [EFFECTIVE UPON PASSAGE] **(a) Not later than November 1, 2008, the office of the secretary of family and social services shall study and make a final recommendation to the legislative council, in an electronic format under IC 5-14-6, concerning the viability of keeping members of a family who are eligible for:**

(1) Medicaid;

(2) the children's health insurance program; or

(3) other state health care assistance plans;

together under the same health care plan by using health care accounts, market-based contributions by the recipients, assignment of Medicaid patients to private health insurance, or other health care plans.

(b) This SECTION expires December 31, 2008.

SECTION 36. **An emergency is declared for this act.**

(Reference is to ESB 503 as reprinted April 10, 2007.)

MILLER	C. BROWN
SIMPSON	T. BROWN
Senate Conferees	House Conferees

The conference committee report was filed and read a first time.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1503 because it conflicts with SEA 191-2007 and SEA 448-2007 without properly recognizing the existence of SEA 191-2007 and SEA 448-2007, has had Engrossed House Bill 1503 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1503 be corrected as follows:

In the Conference Committee Report to EHB 1503, page 7, line 17, delete "SEA 271-2007," and insert "SEA 191-2007,".

In the Conference Committee Report to EHB 1503, page 8, line 5, after "until" insert ":

(1)".

In the Conference Committee Report to EHB 1503, page 8, line 6, delete "." and insert "; and

(2) law enforcement and the coroner have finished their initial assessment of the scene of death.".

In the Conference Committee Report to EHB 1503, page 13, line 42, delete "IC 36-2-14-22" and insert "IC 36-2-14-22.1".

In the Conference Committee Report to EHB 1503, page 13, line 44, delete "Sec. 22." and insert "**Sec. 22.1.**".

(Reference is to EHB 1503 as reprinted April 11, 2007, and as amended by the Conference Committee Report to EHB 1503.)

PELATH, Chair
WHETSTONE, R.M.M.
ORENTLICHER, Author

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1557 because it conflicts with HEA 1281-2007, SEA 524-2007, and SEA 559-2007 without properly recognizing the existence of HEA 1281-2007, SEA 524-2007, and SEA 559-2007, has had Engrossed House Bill 1557 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1557 be corrected as follows:

Page 5, line 16, delete "P.L.184-2005," and insert "HEA 1281-2007, SECTION 1,".

Page 5, line 17, delete "SECTION 2,".

Page 5, line 21, after "However," insert "IC 5-22-5-9 and".

Page 5, line 21, delete "applies" and insert "apply".

Page 7, between lines 34 and 35, begin a new line double block indented and insert:

"**(iii) The industrial loan and investment company provides written consent allowing the department to inspect or examine all out of state locations in which an affiliate or a subsidiary of the industrial loan and investment company engages in the activities identified under clause (i), for the purpose of investigating the affiliate's or subsidiary's consumer lending practices involving Indiana residents. An inspection or examination performed by the department under this clause is subject to the schedule of fees established by the department under IC 28-11-3-5.**".

Page 64, line 14, delete "P.L.235-2005," and insert "SEA 524-2007, SECTION 38,".

Page 64, line 15, delete "SECTION 204,".

Page 64, line 24, delete "(17),".

Page 64, line 24, reset in roman "(16),".

Page 65, line 26, delete "health and educational facility".

Page 65, line 27, delete "under IC 20-12-63;" and insert ";".

(Reference is to EHB 1557 as reprinted March 30, 2007.)

PELATH, Chair
WHETSTONE, R.M.M.
BURTON, Author

Report adopted.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 87

Representative Cheatham introduced House Concurrent Resolution 87:

A CONCURRENT RESOLUTION urging the legislative council to establish an interim study committee to study issues relating to the need for more school nurses in Indiana's schools due to the increasing rate of students with chronic conditions.

Whereas, The current school nurse ratio is 750:1;

Whereas, While all Indiana schools have a nurse assigned to them, most schools lack a full-time school nurse physically located at the school;

Whereas, The need for more school nurses is greater than ever due to the number of students who have chronic conditions such as asthma, diabetes, allergies, and seizures;

Whereas, Students as young as kindergarten are diagnosed with these chronic conditions yet they may not be old enough to effectively monitor their condition without the help of a school nurse;

Whereas, Review by an interim study committee would help examine the appropriate number of school nurses that need to be added to our schools, the fiscal impact to the state and the rate of increase in the number of students who attend Indiana schools with a chronic condition: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the legislative council is urged to direct the interim study committee to study issues relating to the need for more school nurses in Indiana's schools due to the increasing rate of students with chronic conditions.

SECTION 2. That the committee, if established shall operate under the direction of the legislative council and the committee shall issue a final report when directed to do so by the council.

The resolution was read a first time and referred to the Committee on Rules and Legislative Procedures.

House Concurrent Resolution 89

Representative Welch introduced House Concurrent Resolution 89:

A CONCURRENT RESOLUTION honoring Tom Rugh for his dedication to community service in Indiana.

Whereas, Tom Rugh has been with the Indiana Association of United Ways since 1982;

Whereas, While President of the Indiana Association of United Ways, Tom Rugh was project director for the Hoosier Initiative 21and worked with state government, business and local community leaders to present an initiative that tied human services together into a fully functioning network to care for our state's citizens as we approached the new century;

Whereas, Tom Rugh was instrumental in legislation allowing state and municipal employees to volunteer for community service;

Whereas, Tom Rugh has been an active leader in the Indiana Coalition for Human Services, Indiana Covering Kids and

Families, the Indiana Institute for Working Families and Ladders to Success;

Whereas, Tom Rugh was the first chair of the Indiana 211 Partnership and has been a champion of 211 service for all Hoosiers for the past five years;

Whereas, Tom Rugh has guided the Emergency Food and Shelter Fund program in Indiana since its inception over 20 years ago;

Whereas, Tom Rugh has also worked as a parole officer, for the March of Dimes and at a neighborhood house;

Whereas, Tom Rugh has been awarded with the Sagamore of the Wabash two times and has been recognized with The Indiana Coalition on Human Services prestigious Oscar McCullough award: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Indiana House of Representatives and Senate honor Tom Rugh for his dedication to community service in Indiana.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to Tom Rugh.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Merritt.

House Resolution 103

Representative Pierce introduced House Resolution 103:

A HOUSE RESOLUTION urging the establishment of an interim committee to study Indiana's archaeological and burial ground laws, and the need to digitalize archaeological records at the Department of Natural Resources to improve protection of cultural resources.

Whereas, Indiana laws concerning archeology and burial grounds have not been updated or revised since their adoption; and

Whereas, archaeological records at the Department of Natural Resources have not yet been converted to a digital form, slowing response times for the review and approval of archaeological plans and studies; Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the legislative council is urged to establish a committee to study Indiana's archeological and burial ground laws and the need to convert archaeological records into digital format.

SECTION 2. That the committee, if established shall operate under the direction of the legislative council and the committee shall issue a final report and recommendations when directed to do so by the council.

The resolution was read a first time and referred to the Committee on Rules and Legislative Procedures.

House Resolution 104

Representative Kuzman introduced House Resolution 104:

A HOUSE RESOLUTION to congratulate John Spinks, Sr. and Janice Spinks on the birth of their grandson.

Whereas, John and Erin Spinks presented John Sr. and Janice Spinks with the best present any parents can ever receive–a grandchild;

Whereas, On April 14, 2007, Spencer Hawk Spinks was born;

Whereas, John Sr. and Janice Spinks will continue on one of the greatest voyages in their lifetime–being grandparents;

Whereas, The contributions grandparents make to their families are extraordinary;

Whereas, Some contributions, like baby-sitting or spoiling grandchildren with endless gifts, are tangible; while others, like providing a role model for them, are intangible; and

Whereas, The joy of having a grandchild is unmatched by anything ever experienced by a parent; Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the members of the Indiana House of Representatives wish to congratulate John Sr. and Janice Spinks on the occasion of the birth of their grandson.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to John Sr. and Janice Spinks and John and Erin Spinks.

The resolution was read a first time and adopted by voice vote.

House Resolution 105

Representatives Welch and Pierce introduced House Resolution 105:

A HOUSE RESOLUTION urging the establishment of an interim committee to conduct an economic analysis of Indiana's tax system.

Whereas, The council shall commission an economic analysis of Indiana's tax system and may contract with any entity to complete the analysis;

Whereas, Such a contract is worth $200,000;

Whereas, Any entity entering into a contract with the council shall study the following: The stability of the Indiana tax system, equity among taxpayers, tax elasticity, taxpayer compliance, the transparency of the Indiana tax system, the extent to which, if any, the Indiana tax system results in market distortion, and any other topic relevant to an economic analysis of the Indiana tax system;

Whereas, Any contract entered into shall require the entity conducting the economic analysis of the Indiana tax system to report its findings to the council in an electronic format under IC 5-14-6 no later than June 1, 2008: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the legislative council is urged to establish a committee to study to conduct an economic analysis of Indiana's tax system.

SECTION 2. That the committee, if established shall operate under the direction of the legislative council and the committee shall issue a final report and recommendations when directed to do so by the council.

The resolution was read a first time and referred to the Committee on Rules and Legislative Procedures.

House Resolution 106

Representative Denbo introduced House Resolution 106:

A HOUSE RESOLUTION to express appreciation and honor Peyton Manning.

Whereas, The world is aware of the many accomplishments that could be listed and the many deserving accolades for the quarterback of the Indianapolis Colts following his outstanding performance in leading his team to victory in Super Bowl XLI;

Whereas, In all that you do both on and off the field you conduct yourself as a gentleman, leader, and positive role model for your young fans: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives expresses its deep appreciation and gratitude to Peyton Manning for conducting himself with class and dignity in all that he does both on and off the field of play and for projecting such a fantastic image to the world.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Peyton Manning.

The resolution was read a first time and adopted by voice vote.

House Resolution 107

Representative Denbo introduced House Resolution 107:

A HOUSE RESOLUTION to honor Coach Kelvin Sampson's coaching efforts at Indiana University.

Whereas, Coach Kelvin Sampson has brought enthusiasm to Indiana University basketball;

Whereas, Coach Sampson is not just involved, but making a commitment to the long-term success of Hoosier basketball;

Whereas, The Hoosier men's basketball team's work ethic and intensity reflect Coach Sampson's ideals;

Whereas, Coach Sampson shall bring a championship back to Assembly Hall; and

Whereas, Coach Sampson takes true pride in IU basketball: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That Kelvin Sampson is honored for his hard work as coach of the men's basketball team at Indiana University.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Coach Kelvin Sampson.

The resolution was read a first time and adopted by voice vote.

House Resolution 108

Representative Denbo introduced House Resolution 108:

A HOUSE RESOLUTION honoring the achievements of Rick Greenspan as Athletic Director of Indiana University.

Whereas, Rick Greenspan was named Indiana University's 19th Athletic Director on September 2, 2004;

Whereas, Rick Greenspan has maintained and enhanced the Hoosiers' broad-based 24-sport athletic department;

Whereas, Rick Greenspan hired football coach Terry Hoeppner and men's basketball coach Kelvin Sampson; and

Whereas, Rick Greenspan has helped restore Hoosier pride by bringing tremendous amounts of energy, enthusiasm, and excitement to Indiana University sporting events: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That the Indiana House of Representatives honors Rick Greenspan for his efforts as Athletic Director of Indiana University.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to Rick Greenspan.

The resolution was read a first time and adopted by voice vote.

House Resolution 109

Representative Denbo introduced House Resolution 109:

A HOUSE RESOLUTION to honor Representative Jerry Denbo's grandchildren.

Whereas, There is no greater gift than that of grandchildren;

Whereas, Megan, Andi, Hannah, Emma, and Alayna have been an absolute blessing and have set the example of a genuine and meaningful relationship with their Papaw;

Whereas, Papaw's joy of these five granddaughters is unmatched by any earthly experience: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

SECTION 1. That Representative Jerry Denbo's granddaughters be honored for the joy they bring to his life.

SECTION 2. The Principal Clerk of the House is hereby directed to transmit copies of this resolution to Megan, Andi, Hannah, Emma, and Alayna.

The resolution was read a first time and adopted by voice vote.

Senate Concurrent Resolution 106

The Speaker handed down Senate Concurrent Resolution 106, sponsored by Representatives GiaQuinta, Bell, and Bauer:

A CONCURRENT RESOLUTION honoring Bishop John Michael D'Arcy.

Whereas, Bishop D'Arcy celebrated 50 years as a priest on February 2, 2007;

Whereas, Bishop D'Arcy, the son of Irish immigrants Margaret and Michael D'Arcy, was born on August 18, 1932, in Boston, Massachusetts;

Whereas, Bishop D'Arcy began preparation for the priesthood in September 1949, at Saint John's Seminary in Brighton, Massachusetts and was ordained a priest on February 2, 1957;

Whereas, Bishop D'Arcy studied in Rome at the Angelicum from 1965 to 1968 and received his doctorate in spiritual theology in 1968;

Whereas, Bishop D'Arcy served as a parish priest in the Boston area for nine years; and, in February 1975, was ordained an assistant bishop for the Archdiocese of Boston;

Whereas, Bishop D'Arcy also served as the diocese's vicar for spiritual development;

Whereas, Bishop D'Arcy was appointed the eighth Bishop of Fort Wayne-South Bend on February 26, 1985, and installed on May 1, 1985;

Whereas, During his time as Bishop of the Fort Wayne-South Bend diocese, Bishop D'Arcy has shown a strong interest in education and young people, strengthening elementary and high schools by raising salaries to retain skilled teachers;

Whereas, Bishop D'Arcy has helped the colleges within the diocese implement the 1990 Vatican guidelines by putting the local bishop in charge of ensuring Catholic colleges and their theologians teach in accordance with church beliefs;

Whereas, Bishop D'Arcy has stated that his priorities as bishop include "placing highly qualified priests, strengthening parish life, promoting prayer and the sacraments, and reaching out to young people"; and

Whereas, Bishop D'Arcy dedicates his life to God each day and describes the priesthood as "an extraordinary gift": Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the Indiana General Assembly congratulates Bishop John D'Arcy on his 50 years in the priesthood and thanks him for his 20 years of dedicated service to the diocese of Fort Wayne-South Bend and for his dedication and devotion to the spiritual, emotional, and physical well being of the members of the diocese and the citizens of the area.

SECTION 2. That a copy of this resolution be transmitted by the Secretary of the Senate to Bishop John D'Arcy and the diocese of Fort Wayne-South Bend.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

RESOLUTIONS ON SECOND READING

House Concurrent Resolution 34

The Speaker handed down on its passage House Concurrent Resolution 34, authored by Representatives Duncan, Summers, Tyler, and Hinkle.

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

House Concurrent Resolution 40

The Speaker handed down on its passage House Concurrent Resolution 40, authored by Representatives Koch, Welch, Austin, Cherry, Battles, Crouch, Cheatham, Dodge, Goodin, Lutz, Kersey, Noe, Klinker, Pond, Robertson, Soliday, V. Smith, Thompson, Ulmer, and Walorski.

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 91

The Speaker handed down on its passage Senate Concurrent Resolution 91, sponsored by Representatives Buell and Orentlicher.

The resolution was read a second time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

Engrossed Senate Bill 105–1

The conference committee report was reread. Roll Call 671: yeas 95, nays 3. Report adopted.

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
EHB 1478–2; filed April 29, 2007, at 8:53 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1478 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 3-8-1-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23.5. A candidate for election as a member of the county board of tax and capital projects review in 2008 and thereafter must have resided in the county for at least one (1) year before the election.**

SECTION 2. IC 3-11-2-12.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.8. (a) County board of tax and capital projects review offices to be elected at the general election shall be placed on the general election ballot after the offices described in sections 12 and 12.9 of this chapter.**

(b) County board of tax and capital projects review offices shall be placed in a separate column on the ballot.

(c) If the ballot contains a candidate for a county board of tax and capital projects review office, the ballot must also contain a statement that reads substantially as follows: "To vote for a candidate for this office, make a voting mark on or in the square to the left of the candidate's name. Vote for not more than two (2) candidates for this office.".

SECTION 3. IC 6-1.1-12-37, AS AMENDED BY P.L.162-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 37. (a) Each year a person who is entitled to receive the homestead credit provided under IC 6-1.1-20.9 for property taxes payable in the following year is entitled to a standard deduction from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that qualifies for the homestead credit. The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) one-half (½) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) for property taxes first due and payable:

(A) before January 1, 2007, thirty-five thousand dollars ($35,000);

(B) after December 31, 2006, and before January 1, ~~2008,~~ **2009,** forty-five thousand dollars ($45,000); ~~and~~

(C) after December 31, ~~2007, thirty-five thousand dollars ($35,000).~~ **2008, and before January 1, 2010, forty-four thousand dollars ($44,000);**

(D) after December 31, 2009, and before January 1, 2011, forty-three thousand dollars ($43,000);

(E) after December 31, 2010, and before January 1, 2012, forty-two thousand dollars ($42,000);

(F) after December 31, 2011, and before January 1, 2013, forty-one thousand dollars ($41,000); and

(G) after December 31, 2012, forty thousand dollars ($40,000).

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 4. IC 6-1.1-12.1-1, AS AMENDED BY P.L.154-2006, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of

improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means tangible personal property that a deduction applicant:

(A) installs after February 28, 1983, and on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;

(B) uses in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products;

(C) acquires **for use as described in clause (B):**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~for use as described in clause (B), and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(D) **has** never used for any purpose in Indiana before the installation described in clause (A).

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means:

(A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter;

(B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; or

(C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.

(9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "New research and development equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) laboratory equipment;

(ii) research and development equipment;

(iii) computers and computer software;

(iv) telecommunications equipment; or

(v) testing equipment;

(C) the deduction applicant uses in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products;

(D) the deduction applicant acquires **for purposes described in this subdivision:**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~for purposes described in this subdivision, and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); or**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(E) the deduction applicant **has** never used for any purpose in Indiana before the installation described in clause (A).

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical

distribution;

(C) the deduction applicant acquires **for the storage or distribution of goods, services, or information:**

(i) in an arms length transaction from an entity that is not an affiliate of the deduction applicant, ~~and uses for the storage or distribution of goods, services, or information, and~~ **if the tangible personal property has been previously used in Indiana before the installation described in clause (A); and**

(ii) in any manner, if the tangible personal property has never been previously used in Indiana before the installation described in clause (A); and

(D) the deduction applicant **has** never used for any purpose in Indiana before the installation described in clause (A).

(14) "New information technology equipment" means tangible personal property that:

(A) a deduction applicant installs after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

(iv) informatics;

(v) network administration;

(vi) software development; and

(vii) fiber optics;

(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and

(D) the deduction applicant never used for any purpose in Indiana before the installation described in clause (A).

(15) "Deduction applicant" means an owner of tangible personal property who makes a deduction application.

(16) "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control, whether by shareholdings or other means.

(17) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 5. IC 6-1.1-17-3, AS AMENDED BY P.L.162-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2009, before August 10 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(b);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

(i) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** or

(ii) the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by:

(i) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** or

(ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing;

statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings

published under IC 13-21-5-2.

(e) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 6. IC 6-1.1-17-5, AS AMENDED BY P.L.169-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.

(2) The fiscal body of a municipality, not later than September 30.

(3) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting **after September 20** of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** at the board's first meeting **under IC 6-1.1-29-4 after September 20 of that year.**

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 7. IC 6-1.1-17-5.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 20.

(c) Each year, at least two (2) days before the first meeting **after September 20** of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** at the board's first meeting **after September 20 of that year.**

(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school

year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 8. IC 6-1.1-17-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall review the budget, tax rate, and tax levy of each political subdivision filed with the county auditor under section 5 or 5.6 of this chapter. The board shall revise or reduce, but not increase, any budget, tax rate, or tax levy in order:

(1) to limit the tax rate to the maximum amount permitted under IC 6-1.1-18; and

(2) to limit the budget to the amount of revenue to be available in the ensuing budget year for the political subdivision.

(b) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall make a revision or reduction in a political subdivision's budget only with respect to the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(c) When the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** makes a revision or reduction in a budget, tax rate, or tax levy, it shall file with the county auditor a written order which indicates the action taken. If the board reduces the budget, it shall also indicate the reason for the reduction in the order. The chairman of the county board shall sign the order.

SECTION 9. IC 6-1.1-17-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. If the boundaries of a political subdivision cross one (1) or more county lines, the budget, tax levy, and tax rate fixed by the political subdivision shall be filed with the county auditor of each affected county in the manner prescribed in section 5 or 5.6 of this chapter. The board of tax adjustment of the county which contains the largest portion of the value of property taxable by the political subdivision, as determined from the abstracts of taxable values last filed with the auditor of state, has jurisdiction over the budget, tax rate, and tax levy to the same extent as if the property taxable by the political subdivision were wholly within the county. The secretary of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall notify the county auditor of each affected county of the action of the board. Appeals from actions of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may be initiated in any affected county.

SECTION 10. IC 6-1.1-17-8, AS AMENDED BY P.L.2-2006, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) If the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** determines that the maximum aggregate tax rate permitted within a political subdivision under IC 6-1.1-18 is inadequate, the county board shall, subject to the limitations prescribed in IC 20-45-4, file its written recommendations in duplicate with the county auditor. The board shall include with its recommendations:

(1) an analysis of the aggregate tax rate within the political subdivision;

(2) a recommended breakdown of the aggregate tax rate among the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision; and

(3) any other information that the county board considers relevant to the matter.

(b) The county auditor shall forward one (1) copy of the county board's recommendations to the department of local government finance and shall retain the other copy in the county auditor's office. The department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budgets by fund, tax rates, and tax levies of the political subdivisions described in subsection (a)(2).

SECTION 11. IC 6-1.1-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall complete the duties assigned to it under this chapter on or before October 1st of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until November 1 of each year.

(b) If the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, ~~he~~ **the county auditor** shall send a certificate notice of ~~the rate he has fixed~~ **those rates** to each political subdivision of the county. ~~He~~ **The county auditor** shall send these notices within five (5) days after publication of the notice required by section 12 of this chapter.

(d) When the county auditor calculates and fixes tax rates, ~~his~~ **that** action shall be treated as if it were the action of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

SECTION 12. IC 6-1.1-17-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. When the aggregate tax rate within a political subdivision, as approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** exceeds the maximum aggregate tax rate prescribed in IC 6-1.1-18-3(a), the county auditor shall certify the budgets, tax rates, and tax levies of the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision, as approved or modified by the county board, to the department of local government finance for final review. For purposes of this section, the maximum aggregate tax rate limit exceptions provided in IC 6-1.1-18-3(b) do not apply.

SECTION 13. IC 6-1.1-17-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. A budget, tax rate, or tax levy of a political subdivision, as approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** is final unless:

(1) action is taken by the county auditor in the manner provided under section 9 of this chapter;

(2) the action of the county board is subject to review by the department of local government finance under section 8 or 10 of this chapter; or

(3) an appeal to the department of local government finance is initiated with respect to the budget, tax rate, or

tax levy.

SECTION 14. IC 6-1.1-17-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. As soon as the budgets, tax rates, and tax levies are approved or modified by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** the county auditor shall within fifteen (15) days prepare a notice of the tax rates to be charged on each one hundred dollars ($100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of the county board's action. The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 15. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body, ~~or~~ the county board of tax adjustment **(before January 1, 2009), or the county board of tax and capital projects review (after December 31, 2008)** reduces:

(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance;

(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services.

SECTION 16. IC 6-1.1-17-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as fixed by the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 17. IC 6-1.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The state may not impose a tax rate on tangible property in excess of thirty-three hundredths of one cent ($0.0033) on each one hundred dollars ($100) of assessed valuation. The state tax rate is not subject to review by county boards of tax adjustment **(before January 1, 2009), county boards of tax and capital projects review (after December 31, 2008),** or county auditors. This section does not apply to political subdivisions of the state.

SECTION 18. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

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

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

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

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

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

(3) To pay the principal or interest upon:

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

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

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

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

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

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

(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment **(before January 1, 2009), a county board of tax and capital projects review (after December 31, 2008),** a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 19. IC 6-1.1-18.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) **Subject to subsection (c),** for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

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

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is zero (0) unless a tax rate of one percent (1%) will be in effect under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that calendar year.

SECTION 20. IC 6-1.1-18.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation. In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

(A) the amount determined in STEP ONE; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:

(i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or

(ii) the civil taxing unit's base year certified share.

STEP FOUR: Determine the greater of:

(A) zero (0); or

(B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified share for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the remainder of:

(i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus
(ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:
(A) the amount determined in STEP TWO; or
(B) the amount determined in subsection (f) for the civil taxing unit.

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

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

(f) As used in this section, a taxing unit's "determination year" means the latest of:
(1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;
(2) the taxing unit's base year, as defined in section 5 of this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or
(3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF ½%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	0

COUNTIES WITH A TAX RATE OF 3/4%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	½

COUNTIES WITH A TAX RATE OF 1.0%

Year	Subsection (d) Factor	Subsection (e) Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year following the determination year by two (2) years	1/3	1/3

(g) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter and except as provided in subsection (h), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

(h) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:
(1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and
(2) is partially located in a county that is not described in subdivision (1);
the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 21. IC 6-1.1-18.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the local government tax control board established by section 11 of this chapter **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** before the tax levy is advertised. The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall then review and make a recommendation to the department of local government finance on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 22. IC 6-1.1-18.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:
(1) bonded indebtedness; or
(2) lease rentals under a lease with an original term of at least five (5) years.

(b) **This subsection does not apply to bonded indebtedness incurred or leases executed for a capital project approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.** A civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of

notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

(1) incur the bonded indebtedness; or

(2) enter into the lease.

Before January 1, 2009, the department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 23. IC 6-1.1-18.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A local government tax control board is established. The board consists of nine (9) members, seven (7) of whom are voting members and two (2) of whom are nonvoting members.

(b) The seven (7) voting members shall be appointed as follows:

(1) One (1) member appointed by the state board of accounts.

(2) One (1) member appointed by the department of local government finance.

(3) Five (5) members appointed by the governor. Three (3) of the members appointed by the governor must be citizens of Indiana who do not hold a political or elective office in state or local government. The governor may seek the recommendation of representatives of the cities, towns, and counties before appointing the other two (2) members to the board.

(c) The two (2) nonvoting members of the board shall be appointed as follows:

(1) One (1) member of the house of representatives, appointed by the speaker of the house.

(2) One (1) member of the senate, appointed by the president pro tempore of the senate.

(d) All members of the local government tax control board shall serve at the will of the board or person that appointed them.

(e) The local government tax control board shall annually hold an organizational meeting. At this organizational meeting the board shall elect a chairman and a secretary from its membership. The board shall meet after each organizational meeting as often as its business requires.

(f) The department of local government finance shall provide the local government tax control board with rooms, staff, and secretarial assistance for its meetings.

(g) Members of the local government tax control board shall serve without compensation, except as provided in subsections (h) and (i).

(h) Each member of the local government tax control board who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the local government tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) The local government tax control board is abolished December 31, 2008.

SECTION 24. IC 6-1.1-18.5-12, AS AMENDED BY P.L.67-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

(1) before September 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before:

(A) December 31of the calendar year immediately preceding the ensuing calendar year; or

(B) with the approval of the county fiscal body of the county in which the civil taxing unit is located, March 1 of the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall promptly deliver to the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board **or the county board of tax and capital projects review** shall immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the local government tax control board **or the county board of tax and capital projects review** has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the board with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing of the local government tax control board **or the county board of tax and capital projects review** after having been given written notice from the local government tax control board **or the county**

board of tax and capital projects review requiring that person's attendance; or

(2) fails to produce for the local government tax control board's **or the county board of tax and capital projects review's** use the books and records that the local government tax control board **or the county board of tax and capital projects review** by written notice required the officer or member to produce;

then the local government tax control board **or the county board of tax and capital projects review** may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the local government tax control board **or the county board of tax and capital projects review,** to provide information to the local government tax control board **or the county board of tax and capital projects review,** or to produce books and records for the local government tax control board's **or the county board of tax and capital projects review's** use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

SECTION 25. IC 6-1.1-18.5-13, AS AMENDED BY P.L.154-2006, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control

board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars ($10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent ($0.01) per one hundred dollars ($100) of assessed valuation.

(8) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents ($0.0667) for each one hundred dollars ($100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) **A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.** Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter.

SECTION 26. IC 6-1.1-18.5-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. **A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009.** With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy recommended by the local government tax control board under this section for the ensuing calendar year may not exceed the greater of:

(1) twenty-five thousand dollars ($25,000); or

(2) twenty percent (20%) of the sum of:

(A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus

(B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 27. IC 6-1.1-18.5-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.6. **A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009.** For an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a county to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that the county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system; under IC 3-11-6.

SECTION 28. IC 6-1.1-18.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may recommend to the department of local government finance a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year that affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance

may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 29. IC 6-1.1-18.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) The department of local government finance, upon receiving a recommendation made under section 13 or 14 of this chapter, shall enter an order adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(b) A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under subsection (a). The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 30. IC 6-1.1-18.5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** determines that a shortfall described in subsection (a) or (b) has occurred, it shall recommend to the department of local government finance that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter, and the department may adopt such recommendation. However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 31. IC 6-1.1-20-3.2, AS AMENDED BY P.L.2-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;

(D) govern the closing date for the petition and remonstrance period; and

(E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the

date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance **if** required by:

(A) IC 6-1.1-18.5-8; or

(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 32. IC 6-1.1-20-3.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.4. (a) Notwithstanding any other provision of this chapter, the executive of a political subdivision may initiate the petition and remonstrance process under this chapter for the approval or disapproval of a proposed controlled project of the political subdivision that has been disapproved under IC 6-1.1-29.5 by the county board of tax and capital projects review.**

(b) The executive of a political subdivision may initiate the petition and remonstrance process under this chapter for a proposed controlled project that has been disapproved by the county board of tax and capital projects review by giving notice of the applicability of the petition and remonstrance process as provided in section 3.2(1) of this chapter not more than sixty (60) days after the county board of tax and capital projects review disapproves the proposed controlled project.

(c) Section 3.2 of this chapter applies to a petition and remonstrance process initiated under this section. However, a sufficient petition requesting the application of a petition and remonstrance process is not required to be filed as set forth in section 3.1 of this chapter before the executive of a political subdivision may initiate the petition and remonstrance process as provided in this section.

(d) If the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a petition in favor of the proposed controlled project is greater than the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a remonstrance against the proposed controlled project, the political subdivision may undertake the proposed controlled project, notwithstanding the disapproval of the proposed controlled project by the county board of tax and capital projects review under IC 6-1.1-29.5.

SECTION 33. IC 6-1.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds in a total amount which exceeds five thousand dollars ($5,000), they shall give notice of the decision by:

(1) posting; and

(2) publication once each week for two (2) weeks.

The notice required by this section shall be posted in three (3) public places in the political subdivision and published in accordance with IC 5-3-1-4. The decision to issue bonds may be a preliminary decision.

(b) **This subsection does not apply to bonds issued for a controlled project approved after December 31, 2008, by a county board of tax and capital projects review under IC 6-1.1-29.5.** Ten (10) or more taxpayers who will be affected by the proposed issuance of the bonds and who wish to object to the issuance on the grounds that it is unnecessary or excessive may file a petition in the office of the auditor of the county in which the political subdivision is located. The petition must be filed within fifteen (15) days after the notice required by subsection (a) is given, and it must contain the objections of the taxpayers and facts which show that the proposed issue is unnecessary or excessive. When taxpayers file a petition in the manner prescribed in this subsection, the county auditor shall immediately forward a certified copy of the petition and any other relevant information to the department of local government finance.

SECTION 34. IC 6-1.1-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. **(a) This section does not apply to bonds, notes, or warrants issued for a controlled project approved after December 31, 2008, by a county board of tax and capital projects review under IC 6-1.1-29.5.**

(b) When the proper officers of a political subdivision decide to issue any bonds, notes, or warrants which will be payable from property taxes and which will bear interest in excess of eight percent (8%) per annum, the political subdivision shall submit the matter to the department of local government finance for review. The department of local government finance may either approve or disapprove the rate of interest.

SECTION 35. IC 6-1.1-20-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of:

(1) the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue; or

(2) the time period during which a petition for review of the proposed issue is pending before the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(b) **This subsection applies before January 1, 2009.** When

a petition for review of a proposed issue is pending before the department of local government finance, the department may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the department of local government finance issues such an order, the political subdivision shall file a bid report with the department within five (5) days after the bids are received, and the department shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

(c) This subsection applies after December 31, 2008. When a petition for review of a proposed issue is pending before the county board of tax and capital projects review, the board may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the county board of tax and capital projects review issues such an order, the political subdivision shall file a bid report with the board within five (5) days after the bids are received, and the board shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue that is to finance the improvement is pending before the county board of tax and capital projects review.

SECTION 36. IC 6-1.1-20.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 20.3. Distressed Political Subdivisions

Sec. 1. As used in this chapter, "circuit breaker board" refers to the circuit breaker relief appeal board established by section 4 of this chapter.

Sec. 2. As used in this chapter, "distressed political subdivision" means a political subdivision that will have the political subdivision's property tax collections reduced by at least two percent (2%) in a calendar year as a result of the application of the credit under IC 6-1.1-20.6 for that calendar year.

Sec. 3. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 4. (a) The circuit breaker relief appeal board is established.

(b) The circuit breaker relief appeal board consists of the following members:

(1) The director of the office of management and budget or the director's designee. The director or the director's designee shall serve as chairperson of the circuit breaker relief appeal board.

(2) The commissioner of the department of local government finance or the commissioner's designee.

(3) The commissioner of the department of state revenue or the commissioner's designee.

(4) The state examiner of the state board of accounts or the state examiner's designee.

(5) The following members appointed by the governor:

(A) One (1) member appointed from nominees submitted by the Indiana Association of Cities and Towns.

(B) One (1) member appointed from nominees submitted by the Association of Indiana Counties.

(C) One (1) member appointed from nominees submitted by the Indiana Association of School Superintendents.

A member nominated and appointed under this subdivision must be an elected official of a political subdivision.

(c) The members appointed under subsection (b)(5) serve at the pleasure of the governor.

(d) Each member of the commission is entitled to reimbursement for:

(1) traveling expenses as provided under IC 4-13-1-4; and

(2) other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 5. (a) The department of local government finance shall provide the circuit breaker board with the staff and assistance that the circuit breaker board reasonably requires.

(b) The department of local government finance shall provide from the department's budget funding to support the circuit breaker board's duties under this chapter.

(c) The circuit breaker board may contract with accountants, financial experts, and other advisors and consultants as necessary to carry out the circuit breaker board's duties under this chapter.

Sec. 6. (a) For property taxes first due and payable in 2008 and thereafter, the fiscal body of a county containing a distressed political subdivision (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) may petition the circuit breaker board for relief as authorized under this chapter from the application of the credit under IC 6-1.1-20.6 for a calendar year.

(b) A petition under subsection (a) must include a proposed financial plan for political subdivisions in the county. The proposed financial plan must include the following:

(1) Proposed budgets that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.

(2) Proposed efficiencies, consolidations, cost reductions, uses of alternative or additional revenues, or other actions that would enable the distressed political subdivisions in the county to cease being distressed political subdivisions.

(c) The circuit breaker board may adopt procedures governing the timing and required content of a petition under subsection (a).

Sec. 7. (a) If the fiscal body of a county (or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly) submits a petition under section 6 of this chapter, the circuit breaker board shall review the petition and assist in establishing a financial plan for political subdivisions in the county.

(b) In reviewing a petition submitted under section 6 of this chapter, the circuit breaker board:

(1) shall consider:

(A) the proposed financial plan;

(B) comparisons to similarly situated political subdivisions;

(C) the existing revenue and expenditures of political subdivisions in the county; and

(D) any other factor considered relevant by the circuit breaker board; and

(2) may establish subcommittees or temporarily appoint nonvoting members to the circuit breaker board to assist in the review.

Sec. 8. (a) The circuit breaker board may authorize relief as provided in subsection (b) from the application of the credit under IC 6-1.1-20.6 for a calendar year if the governing body of each political subdivision in the county has adopted a resolution agreeing to the terms of the financial plan.

(b) If the conditions of subsection (a) are satisfied, the

circuit breaker board may, notwithstanding IC 6-1.1-20.6, do either of the following:

(1) Increase uniformly in the county the percentage threshold (specified as a percentage of gross assessed value) at which the credit under IC 6-1.1-20.6 applies to a person's property tax liability.

(2) Provide for a uniform percentage reduction to credits otherwise provided under IC 6-1.1-20.6 in the county.

(c) If the circuit breaker board provides relief described in subsection (b) in a county, the circuit breaker board shall conduct audits and reviews as necessary to determine whether the political subdivisions in the county are abiding by the terms of the financial plan agreed to under subsection (a).

SECTION 37. IC 6-1.1-20.6-6.5, AS ADDED BY P.L.162-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6.5. (a) This subsection applies only to property taxes first due and payable after December 31, 2006, and before January 1, ~~2007,~~ **2008,** attributable to qualified residential property located in Lake County. A person is entitled to a credit each calendar year under section 7(a) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's qualified residential property. However, the county fiscal body may, by ordinance adopted before January 1, 2007, limit the application of the credit granted by this subsection to homesteads.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007, and before January 1, 2010. A person is entitled to a credit each calendar year under section 7(a) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to:

(1) the person's qualified residential property, **in the case of a calendar year before 2008; or**

(2) the person's homestead (as defined in IC 6-1.1-20.9-1) property, in the case of a calendar year after 2007 and before 2010.

(c) This subsection applies only to property taxes first due and payable after December 31, 2009. A person is entitled to a credit each calendar year under section 7(b) of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property.

SECTION 38. IC 6-1.1-20.6-7, AS AMENDED BY P.L.162-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to:

(A) the person's qualified residential property located in the county, **in the case of a calendar year before 2008; or**

(B) the person's homestead (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before 2010; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to:

(A) the person's qualified residential property, **in the case of a calendar year before 2008; or**

(B) the person's homestead property, in the case of a calendar year after 2007 and before 2010;

for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property **(in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before 2010)** for property taxes first due and payable in that calendar year, **as adjusted under subsection (c).**

(b) In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property located in the county; and

(2) the amount of the credit is ~~the amount by which the person's property tax liability attributable to the person's real property and personal property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the real property and personal property for property taxes first due and payable in that calendar year.~~ **equal to the following:**

(A) In the case of property tax liability attributable to the person's homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).

(B) In the case of property tax liability attributable to property other than homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).

(c) This subsection applies to property taxes first due and payable after December 31, 2007. The amount of a credit to which a person is entitled under subsection (a) or (b) in a county shall be adjusted as determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable) that is for tuition support levy property taxes.

STEP TWO: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable).

STEP THREE: Determine the result of:

(A) the STEP TWO amount; minus

(B) the STEP ONE amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; divided by

(B) the STEP TWO amount.

STEP FIVE: Multiply the credit to which the person is entitled under subsection (a) or (b) by the STEP FOUR amount.

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

SECTION 39. IC 6-1.1-20.9-2, AS AMENDED BY

P.L.162-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

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

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

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

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

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 through 2005	20%
2006	28%
2007 and thereafter	20%

~~However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year.~~ However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

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

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

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

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 40. IC 6-1.1-21.2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) A tax levied under this chapter shall be certified by the department of local government finance to the auditor of the county in which the district is located and shall be:

(1) estimated and entered upon the tax duplicates by the county auditor; and

(2) collected and enforced by the county treasurer;

in the same manner as state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected by the county treasurer, it shall be transferred to the governing body and accumulated and kept in the special fund for the allocation area.

(c) A tax levied under this chapter:

(1) is exempt from the levy limitations imposed under IC 6-1.1-18.5; and

(2) is not subject to IC 6-1.1-20.

(d) Notwithstanding any other provision of this chapter or IC 6-1.1-20.6, a governing body may file with the county auditor a certified statement providing that for purposes of computing and applying a credit under IC 6-1.1-20.6 for a particular calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter. The department of local government finance shall adopt the form of the certified statement that a governing body may file under this subsection. The department of local government finance shall establish procedures governing the filing of a certified statement under this subsection. If a governing body files a certified statement under this subsection, then for purposes of computing and applying a credit under IC 6-1.1-20.6 for the specified calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter.

~~(d)~~ **(e)** A tax levied under this chapter and the use of revenues from a tax levied under this chapter by a governing body do not create a constitutional or statutory debt, pledge, or obligation of the governing body, the district, or any unit.

SECTION 41. IC 6-1.1-29-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. **(a)** Except as provided in section 9 of this chapter, each county shall have a county board of tax adjustment composed of seven (7) members. The members of the county board of tax adjustment shall be selected as follows:

(1) The county fiscal body shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(2) Either the executive of the largest city in the county or a public official of any city in the county appointed by that executive shall serve as a member of the board. However, if there is no incorporated city in the county, the fiscal body of the largest incorporated town of the county shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(3) The governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county shall appoint a member of the governing body to serve as a member of the county board of tax adjustment.

(4) The remaining four (4) members of the county board of tax adjustment must be residents of the county and freeholders and shall be appointed by the board of commissioners of the county.

(b) This section expires December 31, 2008.

SECTION 42. IC 6-1.1-29-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.5. (a) On January 1, 2009, there is established in each county a county board of tax and capital projects review. Except as provided by subsections (b)(7), (b)(8), (c)(7), (c)(8), and (e), each member of the board must be an elected official serving on the fiscal body of the taxing unit or the group of taxing units that the individual represents. The board consists of nine (9) members. All members except the county auditor are voting members. However, the county auditor is entitled to vote to break a tie vote.**

(b) This subsection does not apply to a county containing a consolidated city. For a county having at least two (2) cities, at least two (2) towns, and at least two (2) school corporations, the members of the county board of tax and capital projects review are as follows:

(1) One (1) individual from the county fiscal body.

(2) One (1) individual from the fiscal body of the municipality that has the greatest taxable assessed valuation in the county.

(3) One (1) individual from the fiscal body of the school corporation that has the greatest taxable assessed valuation in the county.

(4) One (1) individual from the fiscal bodies of the cities within the county, excluding a municipality described in subdivision (2).

(5) One (1) individual from the fiscal body of a school corporation within the county (excluding a school corporation described in subdivision (3)), appointed jointly by the fiscal bodies of the school corporations. The appointment under this subdivision must be made from the fiscal bodies of the school corporations (excluding a school corporation described in subdivision (3)) on a rotating basis determined by the school corporations.

(6) One (1) individual from the fiscal bodies of the towns within the county, excluding a town described in subdivision (2).

(7) Two (2) individuals who are residents of the county and are elected by the voters of the county under IC 3-11-2-12.8.

(8) The county auditor.

(c) This subsection does not apply to a county containing a consolidated city. For a county not described in subsection (b), the members of the county board of tax and capital projects review are as follows:

(1) One (1) individual from the county fiscal body.

(2) One (1) individual from the fiscal body of the municipality that has the greatest taxable assessed valuation in the county.

(3) One (1) individual from the fiscal body of the school corporation that has the greatest taxable assessed valuation in the county.

(4) One (1) individual from the fiscal bodies of the cities within the county, or towns within the county in the case of a county not having any cities. However, a municipality described in subdivision (2) is excluded.

(5) One (1) individual from the fiscal bodies of the school corporations within the county, excluding the school corporation described in subdivision (3), unless that school corporation is the only school corporation within the county. If there is more than one (1) school corporation represented under this subdivision, the appointment under this subdivision must be made from the fiscal bodies of the school corporations (excluding a school corporation described in subdivision (3)) on a rotating basis determined by the school corporations.

(6) One (1) individual from the fiscal bodies of the towns within the county. However, a town described in subdivision (2) and a town described in subdivision (4) are excluded.

(7) Two (2) individuals who are residents of the county and are elected by the voters of the county under IC 3-11-2-12.8.

(8) The county auditor.

However, if the county has less than three (3) municipalities, subsection (d), rather than subdivisions (2), (4), and (6), governs the selection of members to represent those municipalities.

(d) If a county is subject to subsection (c) but has less than three (3) municipalities, the members of the board who represent those municipalities are determined in the following manner:

(1) If the county has two (2) municipalities, the members representing those municipalities are two (2) individuals from the fiscal body of the municipality that has the greatest taxable assessed valuation and one (1) individual from the fiscal body of the other municipality.

(2) If the county has only one (1) municipality, the members representing that municipality are three (3) individuals from the fiscal body of the municipality.

(e) The members of the county board of tax and capital projects review in a county containing a consolidated city are as follows:

(1) One (1) individual appointed by the county executive.

(2) One (1) member appointed by the fiscal body of the largest municipality in the county.

(3) One (1) individual appointed by the executive of the largest municipality in the county.

(4) One (1) individual appointed jointly by the executives of all municipalities in the county (other than the largest municipality in the county).

(5) One (1) individual appointed jointly by the fiscal bodies of all municipalities in the county (other than the largest municipality in the county).

(6) The county auditor.

(7) The fiscal officer of the largest municipality in the county.

(8) One (1) individual from the fiscal body of the largest school corporation in the county.

(9) One (1) individual appointed jointly by the fiscal officers of all municipalities in the county (other than the largest municipality in the county). An individual appointed under this subdivision must be the fiscal officer of a municipality in the county.

(f) Members of a county board of tax and capital projects review shall be appointed or elected as provided in section 2 of this chapter.

(g) For purposes of Article 2, Section 9 of the Constitution of the State of Indiana, membership on a county board of tax and capital projects review is not a lucrative office.

(h) A county board of tax and capital projects review is subject to IC 5-14-1.5 and IC 5-14-3.

SECTION 43. IC 6-1.1-29-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. **(a)** The seven (7) members of the county board of tax adjustment shall be appointed before April 15th of each year, and their appointments shall continue in effect until April 15th of the following year. The four (4) freehold members of the county board of tax adjustment may not be, or have been during the year preceding their appointment, an official or employee of a political subdivision. The four (4) freehold members shall be appointed in such a manner that no more than four (4) of the board members are members of the same political party. **This subsection expires December 31, 2008.**

(b) The following apply, notwithstanding any other provision:

(1) A member may not be appointed to a county board of tax adjustment after December 31, 2008.

(2) The term of a member of a county board of tax adjustment serving on December 31, 2008, expires on December 31, 2008.

(3) Each county board of tax adjustment is abolished on December 31, 2008.

(c) On or before December 31 of 2008 and each even-numbered year thereafter, each person or entity required to make an appointment to a county board of tax and capital projects review under section 1.5 of this chapter shall make the required appointment or appointments of members who will represent the person or entity on the county board of tax and capital projects review. The appointments take effect January 1 of the following odd-numbered year and continue in effect until December 31 of the following even-numbered year. If a member is to be appointed by one (1) entity, the appointment must be made by a majority vote of the fiscal body in official session. If a member is to be appointed by more than one (1) entity, the appointment must be made by a majority vote of the total members of the entities taken in joint session. If:

(1) a person or entity fails; or

(2) the entities, in the case of a joint appointment, fail; to make a required appointment of a member by December 31 of an even-numbered year, the county fiscal body shall make the appointment.

(d) This subsection does not apply to a county containing a consolidated city. At the general election in 2008 and every four (4) years thereafter, the voters of each county shall under IC 3-11-2-12.8 elect two (2) individuals who are residents of the county as members of the county board of tax and capital projects review. The term of office of a member elected under this subsection begins January 1 of the year following the member's election and ends December 31 of the fourth year following the member's election. The two (2) members who are elected for a position on the county board of tax and capital projects review are determined as follows:

(1) The members shall be elected on a nonpartisan basis.

(2) Each prospective candidate must file a nomination petition with the county election board not earlier than one hundred four (104) days and not later than noon seventy-four (74) days before the election at which the members are to be elected. The nomination petition must include the following information:

(A) The name of the prospective candidate.

(B) The signatures of at least one hundred (100) registered voters residing in the county.

(C) A certification that the prospective candidate meets the qualifications for candidacy imposed by this chapter.

(3) Only eligible voters residing in the county may vote for a candidate.

(4) The two (2) candidates within the county who receive the greatest number of votes in the county are elected.

(e) A member elected under this section may not be, or have been during the year preceding the member's appointment or election, an officer or employee of a political subdivision.

SECTION 44. IC 6-1.1-29-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.5. (a) This section applies after December 31, 2008.**

(b) Five (5) members of the county board of tax and capital projects review constitute a quorum.

(c) The county board of tax and capital projects review may adopt rules for the transaction of business at its meetings.

(d) The affirmative votes of at least five (5) members of the county board of tax and capital projects review are required for the board to take action.

(e) The county auditor is the clerk of the county board of tax and capital projects review and shall:

(1) preserve the board's records in the auditor's office;

(2) keep an accurate record of the board's proceedings; and

(3) record the ayes and nays on each vote of the board.

SECTION 45. IC 6-1.1-29-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. **(a)** If a vacancy occurs in the membership of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) with respect to an appointment made by a fiscal body,** the vacancy shall be filled in the same manner provided for the original appointment.

(b) If a vacancy occurs after December 31, 2008, in the membership of the county board of tax and capital projects review with respect to a member elected under section 2(d) of this chapter, the county fiscal body shall appoint an individual to fill the vacancy for the remainder of the term.

SECTION 46. IC 6-1.1-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. **(a) Except as provided in subsection (b),** each county board of tax adjustment **(before January 1, 2009) or county board of tax and capital projects review (after December 31, 2008),** except the board for a consolidated city and county and for a county containing a second class city, shall hold its first meeting of each year **for the purpose of reviewing budgets, tax rates, and levies** on September 22 or on the first business day after September 22, if September 22 is not a business day. The board for a consolidated city and county and for a county containing a second class city shall hold its first meeting of each year **for the purpose of reviewing budgets, tax rates, and levies** on the first Wednesday following the adoption of city and county budget, tax rate, and tax levy ordinances. The board shall hold the ~~first~~ meeting at the office of the county auditor. At the first meeting of each year, the board shall elect a chairman and a vice-chairman. After ~~the first~~ **this** meeting, the board shall continue to meet from day to day **at any convenient place** until its business is completed. However, the board must, **except as provided in subsection (b),** complete its duties on or before the date prescribed in IC 6-1.1-17-9(a). ~~After the first meeting, the board may hold subsequent meetings at any convenient place.~~

(b) This section does not limit the ability of the county board of tax and capital projects review to meet after December 31, 2008, at any time during a year to carry out its duties under IC 6-1.1-29.5.

SECTION 47. IC 6-1.1-29-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The county auditor shall serve as clerk of the county board of tax adjustment. The clerk shall keep a complete record of all the board's proceedings. The clerk may not vote on matters before the board. **This section expires December 31, 2008.**

SECTION 48. IC 6-1.1-29-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. **(a)** The four (4) freehold members of the county board of tax adjustment shall receive compensation on a per diem basis for each day of actual service. The rate of this compensation is the same as the rate that the freehold members of the county property tax assessment board of appeals of that county receive. The county auditor shall keep an attendance record of each meeting of the county board of tax adjustment. At the close of each annual session, the county auditor shall certify to the county board of commissioners the number of days actually served by each freehold member. The county board of commissioners may not allow claims for service on the county board of tax adjustment for more days than the number of days certified by the county auditor. **This subsection expires December 31, 2008.**

(b) A member of the county board of tax and capital projects review who is elected under section 1.5 of this chapter shall receive compensation from the county on a per diem basis for each day of actual service on the board. The rate of the compensation is equal to the rate that members of the county property tax assessment board of appeals in the county receive under IC 6-1.1-28-3. The county auditor shall keep an attendance record of each meeting of the county board of tax and capital projects review. The county auditor shall certify to the county executive the number of days actually served by each elected member. The county executive may not allow claims for service on the county board of tax and capital projects review for more days than the number of days certified by the county auditor. Appointed members of the county board of tax and capital projects review are not entitled to per diem compensation.

SECTION 49. IC 6-1.1-29-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may require an official of a political subdivision of the county to appear before the board. In addition, the board may require such an official to provide the board with information which is related to the budget, tax rate, or tax levy of the political subdivision.

SECTION 50. IC 6-1.1-29-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may employ an examiner of the state board of accounts to assist the county board with its duties. If the board desires to employ an examiner, it shall adopt a resolution which states the number of days that the examiner is to serve, when the county board files a copy of the resolution with the chief examiner of the state board of accounts, the state board of accounts shall assign an examiner to the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** for the number of days stated in the resolution. When an examiner of the state board of accounts is employed by a county board of tax adjustment **(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)** under this section, the county shall pay the expenses related to ~~his~~ **the examiner's** services in the same manner that expenses are to be paid under IC ~~1971,~~ 5-11-4-3.

SECTION 51. IC 6-1.1-29-9, AS AMENDED BY P.L.2-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) **This subsection expires December 31, 2008.** A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45, IC 20-46, IC 12-19-7, IC 12-19-7.5, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) This subsection applies after December 31, 2008. Subject to subsection (e), a county board of tax and capital projects review may not review or modify tax rates, tax levies, and budgets if the county council:

(1) adopts an ordinance to abolish the county board of tax adjustment before January 1, 2009; or

(2) adopts an ordinance before July 2 of any year to prohibit the county board of tax and capital projects review from carrying out such reviews.

An ordinance described in this subsection may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted and has not been rescinded, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax and capital projects review. If an ordinance described in subdivision (1) or (2) has been adopted in a county and has not been rescinded, the county board of tax and capital projects review may not review tax rates, tax levies, and budgets (other than for capital projects) under IC 6-1.1-17-3, IC 6-1.1-17-5, IC 6-1.1-17-5.6, IC 6-1.1-17-6, IC 6-1.1-17-7, IC 6-1.1-17-9, IC 6-1.1-17-10, IC 6-1.1-17-11, IC 6-1.1-17-12, IC 6-1.1-17-14, IC 6-1.1-17-15, IC 6-1.1-29-4(a), IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, or IC 36-9-13.

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

~~(c)~~ **(d) If an ordinance described in subsection (a) or (b) is adopted and has not been rescinded,** a tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

(e) This section does not prohibit a county board of tax and capital projects review from reviewing tax rates, tax levies, and budgets for informational purposes as necessary to carry out its duties under IC 6-1.1-29.5.

SECTION 52. IC 6-1.1-29.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 29.5. Capital Projects Review

Sec. 0.5. This chapter applies only to a capital project that meets both of the following conditions:

(1) The capital project is a controlled project (as defined in IC 6-1.1-20-1.1), except as provided in subdivision (2).

(2) Notwithstanding IC 6-1.1-20-1.1(2), the capital project will cost the political subdivision more than seven million dollars ($7,000,000).

Sec. 1. (a) As used in this chapter, "capital project" means any:

(1) acquisition of land;

(2) site improvements;

(3) infrastructure improvements;

(4) construction of buildings or structures;

(5) rehabilitation, renovation, or enlargement of buildings or structures; or

(6) acquisition or improvement of machinery, equipment, furnishings, or facilities required for the operation of buildings, structures, or infrastructure;

(or any combination of subdivisions (1) through (6)) by a political subdivision.

(b) The term does not include projects for the construction, reconstruction, improvement, enlargement, extension, or maintenance of any of the following:

(1) Wastewater treatment.

(2) Sewer systems, including storm water management.

(3) Water storage, water distribution (including water lines), and other drinking water systems.

(4) Water management or water supply.

(5) Drainage or flood control.

(6) Any works (as defined in IC 13-11-2-269(1)) for a water project.

(7) Any works (as defined in IC 13-11-2-269(2)) for a sewage project.
(8) Highways or roads.
(9) Bridges.
(10) Any other water project, sewer project, bridge project, or highway or road project.

Sec. 2. As used in this chapter, "fiscal body" has the meaning set forth in IC 36-1-2-6.

Sec. 3. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 4. As used in this chapter, "review board" refers to the county board of tax and capital projects review established in a county under IC 6-1.1-29.

Sec. 5. (a) The fiscal body of each political subdivision shall do the following:
(1) After January 1 and before October 1 of 2009 and every two (2) years thereafter:
(A) hold a public hearing on a proposed capital projects plan for the political subdivision; and
(B) adopt a capital projects plan by ordinance or resolution.
(2) Submit a copy of the capital projects plan and the ordinance or resolution to the review board not later than fifteen (15) days following the adoption of the capital projects plan.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body shall transmit a copy of the capital projects plan and the ordinance or resolution to the review board of each county in which the political subdivision contains territory.

Sec. 6. (a) The department of local government finance shall by rule prescribe the format of a capital projects plan. A capital projects plan must apply to at least the five (5) years immediately following the year the capital projects plan is adopted and must include the following components for each year covered by the capital projects plan:
(1) A general description of the political subdivision.
(2) A description of facilities owned by the political subdivision and the use of the facilities.
(3) The location and general description of each proposed capital project and the intended use of each proposed capital project.
(4) The estimated total cost of each proposed capital project.
(5) Identification of all sources of funds expected to be used for each proposed capital project.
(6) The planning, development, and construction schedule of each proposed capital project.
(7) Any other element required by the department of local government finance.

(b) The department of local government finance shall by rule establish a procedure for amendment of a capital projects plan in the case of an emergency.

Sec. 7. Before a public hearing on a proposed capital projects plan is held by the fiscal body of a political subdivision under section 5(a)(1) of this chapter, the fiscal body shall publish a summary of the proposed capital projects plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

Sec. 8. When the fiscal body of a political subdivision holds a public hearing on a proposed capital projects plan under section 5(a)(1) of this chapter, the fiscal body shall allow the public the opportunity to testify concerning the proposed capital projects plan. However, the fiscal body may limit testimony at the public hearing to a reasonable time stated at the opening of the public hearing.

Sec. 9. (a) The review board shall hold a public hearing on a proposed capital projects plan submitted by a political subdivision. The review board shall allow the public the opportunity to testify concerning the proposed capital projects plan.

(b) The review board shall provide the fiscal body of a political subdivision with a written report concerning the review board's findings and recommendations concerning the fiscal body's capital projects plan not more than sixty (60) business days after the review board's receipt of the capital projects plan.

(c) If the fiscal body of a political subdivision receives a written report under subsection (b) that makes a recommendation against an element included in the political subdivision's capital projects plan, the political subdivision may retain that element in the capital projects plan only if the fiscal body at a public meeting addresses the review board's concerns and enters into the record of the public meeting an explanation of why that element should be retained in the capital projects plan.

Sec. 10. (a) The fiscal body of a political subdivision that intends to construct, acquire, or carry out a capital project subject to this chapter:
(1) must submit the plan of the capital project to the review board in the manner provided by this chapter; and
(2) except as provided in section 14 of this chapter, may not:
(A) begin construction or acquisition of the capital project;
(B) enter into contracts for the construction or acquisition of the capital project;
(C) procure supplies necessary for construction or acquisition of the capital project;
(D) issue bonds, notes, or warrants, or otherwise borrow money for the capital project;
(E) enter into a lease or other agreement that would provide debt service for bonds or other obligations issued by the political subdivision or another entity to finance the capital project; or
(F) approve any of the actions described in clauses (A) through (E) by another entity;
unless the review board approves the capital project under section 13 of this chapter.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body of the political subdivision must submit the proposed capital project to the review board of each of those counties.

(c) The fiscal body of a political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section.

Sec. 11. (a) Before the fiscal body of a political subdivision may submit a capital project described in section 10 of this chapter to the review board, the fiscal body shall:
(1) hold a public hearing on the proposed capital project; and
(2) prepare a feasibility study that supports the scope and cost of the proposed capital project.

Before a public hearing on a proposed capital project is held by the fiscal body of a political subdivision under this section, the fiscal body shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The fiscal body of a political subdivision may consider multiple capital projects at a public hearing held under this section.

(c) When the fiscal body of a political subdivision holds a public hearing under this section, the fiscal body shall allow any person an opportunity to be heard in the presence of others who are present to testify with respect to the proposed capital project. However, the fiscal body may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

(d) After holding a public hearing under this section and

considering all information submitted by persons testifying at the hearing, the fiscal body of a political subdivision may adopt an ordinance or resolution requesting approval of the proposed capital project by the review board. The fiscal body shall immediately transmit a copy of the ordinance or resolution to the review board. If the political subdivision contains territory in more than one (1) county, the fiscal body shall transmit a copy of the ordinance or resolution to the review board of each of those counties.

Sec. 12. (a) Before taking action on a request for approval of a proposed capital project described in section 10 of this chapter, a review board must conduct a public hearing on the proposed project. If a public hearing is scheduled under this section, the review board shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The review board may consider multiple capital projects at a public hearing held under this section.

(c) The review board may require the fiscal body of a political subdivision that submits a request for approval of a capital project to provide plans, specifications, cost estimates, estimated impacts on tax rates, and other relevant information concerning that project.

(d) When a review board holds a public hearing under this section, the review board shall allow the public an opportunity to testify concerning the proposed capital project. However, the review board may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

Sec. 13. (a) After considering all information submitted at the hearing under section 12 of this chapter by the fiscal body of the political subdivision and by persons testifying at the hearing, the review board may approve or disapprove a proposed capital project. The review board may consider the following factors when reviewing a proposed capital project:

(1) The age, condition, and adequacy of existing facilities.

(2) The cost per square foot of the proposed capital project.

(3) The relative priority the proposed capital project should have among other capital projects proposed within the county.

(4) The estimated impact the proposed capital project would have on tax rates.

(5) Any other factors considered pertinent by the review board.

(b) A review board may not disapprove a proposed capital project that is required by a court order.

(c) If a review board does not issue a decision with respect to a proposed capital project within ninety (90) days after the review board's receipt of the plan of the capital project under section 11 of this chapter, the capital project is considered approved by the review board as submitted.

(d) If a proposed capital project is submitted to the review boards of two (2) or more counties as required by section 10(b) of this chapter and the project is disapproved by any of the review boards, the project is considered to be disapproved.

(e) All orders of the review board under this section shall be filed with the affected political subdivision and with the department of local government finance.

Sec. 14. If the review board disapproves a capital project under section 13 of this chapter, the political subdivision that proposed the project may take any action under section 10(a)(2) of this chapter with regard to the capital project if:

(1) not more than sixty (60) days after the review board's disapproval, the political subdivision initiates the petition and remonstrance process under IC 6-1.1-20-3.4; and

(2) the capital project is approved in the petition and remonstrance process under IC 6-1.1-20.

SECTION 53. IC 6-2.5-5-8, AS AMENDED BY SEA 500-2007, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) As used in this section, "new motor vehicle" has the meaning set forth in IC 9-13-2-111.

(b) Transactions involving tangible personal property other than a new motor vehicle are exempt from the state gross retail tax if the person acquiring the property acquires it for resale, rental, or leasing in the ordinary course of the person's business without changing the form of the property.

(c) The following transactions involving a new motor vehicle are exempt from the state gross retail tax:

(1) A transaction in which a person that has a franchise in effect at the time of the transaction for the vehicle trade name, trade or service mark, or related characteristics acquires a new motor vehicle for resale, rental, or leasing in the ordinary course of the person's business.

(2) A transaction in which a person that is a franchisee appointed by a manufacturer or converter manufacturer licensed under IC 9-23 acquires a new motor vehicle that has at least one (1) trade name, service mark, or related characteristic as a result of modification or further manufacture by the manufacturer or converter manufacturer for resale, rental, or leasing in the ordinary course of the person's business.

(3) A transaction in which a person acquires a new motor vehicle for rental or leasing in the ordinary course of the person's business.

(d) The rental or leasing of accommodations to a promoter by a political subdivision (including a capital improvement board) or the state fair commission is not exempt from the state gross retail tax, if the rental or leasing of the property by the promoter is exempt under IC 6-2.5-4-4.

(e) This subsection applies only after June 30, 2008. A transaction in which a person acquires an aircraft for rental or leasing in the ordinary course of the person's business is not exempt from the state gross retail tax unless the person establishes, under guidelines adopted by the department in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules, that the annual amount of the lease revenue derived from leasing the aircraft is equal to or greater than:

(1) ten percent (10%) of the greater of the original cost or the book value of the aircraft, if the original cost of the aircraft was less than one million dollars ($1,000,000); or

(2) seven and five-tenths percent (7.5%) of the greater of the original cost or the book value of the aircraft, if the original cost of the aircraft was at least one million dollars ($1,000,000).

SECTION 54. IC 6-3.5-1.1-2, AS AMENDED BY P.L.162-2006, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on ~~July~~ **October** 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.3, 2.5, **2.6,** 2.7, 2.8, 2.9, 3.3, 3.5, ~~or~~ 3.6, **24, 25, or 26** of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (_____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect ~~July~~ **October** 1 of this year.".

(d) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 55. IC 6-3.5-1.1-2.3, AS ADDED BY P.L.162-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. (a) This section applies to Jasper County.

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:
(A) jail facilities;
(B) juvenile court, detention, and probation facilities;
(C) other criminal justice facilities; and
(D) related buildings and parking facilities;
located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to operate or maintain any of the facilities described in subsection (b)(1)(A) through (b)(1)(D) that are located in the county. The county council may make a determination under both this subsection and subsection (b).

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);
(2) two-tenths percent (0.2%); or
(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes a finding and determination set forth in subsection (b) or (c).

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and

(2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

(f) An ordinance adopted under this section before ~~June 1, 2006, or April~~ **August** 1 in a ~~subsequent~~ year applies to the imposition of county income taxes after ~~June~~ **September** 30 in that year. An ordinance adopted under this section after ~~May 31, 2006, and March~~ **July** 31 of a ~~subsequent~~ year initially applies to the imposition of county option income taxes after ~~June~~ **September** 30 of the immediately following year.

(g) The tax imposed under this section may be imposed only until the latest of the following:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.

(2) The date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid.

(3) The date on which an ordinance adopted under subsection (c) is rescinded.

(h) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(i) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

(j) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

(k) Notwithstanding any other law, money remaining in the criminal justice facilities revenue fund established under subsection (i) after the tax imposed by this section is terminated under ~~subsection (f)~~ **subsection (g)** shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 56. IC 6-3.5-1.1-2.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.6. (a) This section applies to Parke County.**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) fund the costs (including pre-trial costs) of a capital trial that has been moved to another county for trial; and

(2) to repay money borrowed for the purpose described in subdivision (1).

(c) In addition to the rates permitted by section 2 of this chapter, if the county council makes a determination described in subsection (b), the county council may by ordinance impose the county adjusted gross income tax at a rate not to exceed the lesser of:

(1) a rate necessary to carry out the purposes of subsection (b); or

(2) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers.

(d) The tax imposed under this section may be imposed only until the later of the following:

(1) The date on which the costs described in subsection (b), including the repayment of money borrowed for the purposes described in subsection (b), are fully paid.

(2) The date on which an ordinance adopted under subsection (c) is rescinded.

(e) The term of any borrowing described in subsection (b)(2) may not exceed three (3) years.

(f) The county treasurer shall establish a capital trial revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the capital trial revenue fund before making a certified distribution under section 11 of this chapter.

(g) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the payment of costs described in subsection (b).

(h) Notwithstanding any other law, money remaining in the capital trial revenue fund established under subsection (f) after the tax imposed by this section is terminated under subsection (d) shall be transferred to the county general fund to be used for criminal justice costs.

SECTION 57. IC 6-3.5-1.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The county council may increase the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To increase the rate, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council increases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate increase takes effect ~~July~~ **October** 1 of this year.".

(b) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 58. IC 6-3.5-1.1-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate decrease takes effect ~~July~~ **October** 1 of this year.".

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

(c) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(e) Notwithstanding IC 6-3.5-7, and except as provided in subsection (f), a county council that decreases the county adjusted gross income tax rate in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

(f) This subsection applies only to a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000). The county council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

SECTION 59. IC 6-3.5-1.1-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000).

(b) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and justice center.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for only eight (8) years. After the county has imposed the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for eight (8) years, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If a county imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) under this section, the revenue derived from a tax rate of three-tenths percent (0.3%) on adjusted gross income:

(1) shall be paid to the county treasurer;

(2) may be used only to pay the costs of operating and maintaining a jail and justice center; and

(3) may not be considered by the department of local government finance under any provision of IC 6-1.1-18.5, including the determination of the county's maximum permissible property tax levy.

~~(e) Notwithstanding section 3 of this chapter, the county fiscal body may adopt an ordinance under this section before June 1.~~

SECTION 60. IC 6-3.5-1.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The county adjusted gross income tax imposed by a county council under this chapter remains in effect until rescinded.

(b) Except as provided in subsection (e), the county council may rescind the county adjusted gross income tax by adopting an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a year.

(c) Any ordinance adopted under this section takes effect ~~July~~

October 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(e) A county council may not rescind the county adjusted gross income tax or take any action that would result in a civil taxing unit in the county having a smaller certified share than the certified share to which the civil taxing unit was entitled when the civil taxing unit pledged county adjusted gross income tax if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county adjusted gross income tax has pledged county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute. The prohibition in this section does not apply if the civil taxing unit pledges legally available revenues to fully replace the civil taxing unit's certified share that has been pledged.

SECTION 61. IC 6-3.5-1.1-9, AS AMENDED BY P.L.207-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), ~~and~~ (g), **and (h).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(g) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(h) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2).

SECTION 62. IC 6-3.5-1.1-10, AS AMENDED BY P.L.147-2006, SECTION 2, AS AMENDED BY P.L.162-2006, SECTION 29, AND AS AMENDED BY P.L.2-2006, SECTION 68, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b), one-half (½) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (½) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the *calendar* year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or ~~*IC 6-1.1-19-1.7.*~~ *IC 20-44-3.* Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

~~*(1)*~~ *(2)* revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

~~*(2)*~~ *(3)* revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, *operating, or maintaining* facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

~~*(3)*~~ *(4)* revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

~~*(4)*~~ *(5)* revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

~~*(5)*~~ *(6)* revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

(7) revenue under section 2.6 of this chapter; or

(8) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b) **and sections 24, 25, and 26 of this chapter,** the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 63. IC 6-3.5-1.1-11, AS AMENDED BY P.L.147-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 30, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

~~*(1)*~~ *(2)* revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

~~*(2)*~~ *(3)* revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, *operating, or maintaining* facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

~~*(3)*~~ *(4)* revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

~~*(4)*~~ *(5)* revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

~~*(5)*~~ *(6)* revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; **or**

(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 64. IC 6-3.5-1.1-15, AS AMENDED BY P.L.207-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

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

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

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing

unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by IC 6-1.1-18.5-11 **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

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

SECTION 65. IC 6-3.5-1.1-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) A pledge of county adjusted gross income tax revenues under this chapter **(other than tax revenue attributable to a tax rate under section 24, 25, or 26 of this chapter)** is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 66. IC 6-3.5-1.1-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.**

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section.

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distribution to the county for deposit in the county family and children's fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distribution to the county for deposit in the county children's psychiatric residential

treatment services fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section, the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (½) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

(n) A pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 67. IC 6-3.5-1.1-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 25. (a) As used in this section, "public safety" refers to the following:**

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) If a county council has imposed a tax rate under section 24 of this chapter and has imposed a tax rate under section 26 of this chapter, the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed the lesser of:

(A) twenty-five hundredths of one percent (0.25%); or

(B) the tax rate imposed under section 26 of this chapter.

(d) If a county council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) The county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the attributed allocation amount (as defined in IC 6-3.5-1.1-15) of the county or municipality for the calendar year; divided by

(B) the sum of the attributed allocation amounts of the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 68. IC 6-3.5-1.1-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.**

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive

under this subdivision during that calendar year.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 69. IC 6-3.5-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 1.5. Calculation of Levy Freeze Amounts

Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

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

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all political subdivisions in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 for the ensuing calendar year (before any adjustment under IC 12-19-7.5-6(b) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services property tax imposed by the county under IC 12-19-7.5-6 for the current calendar year.

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

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(b) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the department of state revenue shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the department of state revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the estimate under this subsection.

(c) The department and the department of local government finance shall make the calculations under subsections (a) and (b) based on the best information available at the time the calculation is made.

(d) For purposes of calculating a tax rate under this section, the department of local government shall round up to the nearest one-tenth of one percent (0.1%).

Sec. 2. The department of local government finance shall, before July 1 of each year, certify the amount calculated for a county under section 1 of this chapter to the county auditor.

Sec. 3. The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this chapter.

SECTION 70. IC 6-3.5-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on ~~July~~ **October** 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county effective ~~July~~ **October** 1 of that same year.

(b) **Except as provided in sections 30, 31, and 32 of this chapter,** the county option income tax may initially be imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) for all other county taxpayers.

(c) To impose the county option income tax, a county income tax council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of the year, pass an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) on all other county taxpayers. This tax takes effect ~~July~~ **October** 1 of this year.".

(d) **Except as provided in sections 30, 31, and 32 of this chapter,** if the county option income tax is imposed on the county taxpayers of a county, then the county option income tax rate that is in effect for resident county taxpayers of that county

increases by one-tenth of one percent (0.1%) on each succeeding ~~July~~ **October** 1 until the rate equals six-tenths of one percent (0.6%).

(e) The county option income tax rate in effect for the county taxpayers of a county who are not resident county taxpayers of that county is at all times one-fourth (1/4) of the tax rate imposed upon resident county taxpayers.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 71. IC 6-3.5-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If on ~~January 1~~ **March 31** of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), ~~then~~ **excluding a tax rate imposed under section 30, 31, or 32 of this chapter,** the county income tax council of that county may after ~~January 1~~ **March 31** and before ~~April~~ **August** 1 of that year pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one tenth of one percent (0.1%) each succeeding ~~July~~ **October** 1 until its rate reaches a maximum of one percent (1%), **excluding a tax rate imposed under section 30, 31, or 32 of this chapter.**

(b) The auditor of the county shall record any vote taken on an ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 72. IC 6-3.5-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. If during a particular calendar year the county council of a county adopts an ordinance to impose the county adjusted gross income tax in its county on ~~July~~ **October** 1 of that year and the county option income tax council of the county adopts an ordinance to impose the county option income tax in the county on ~~July~~ **October** 1 of that year, the county option income tax takes effect in that county and the county adjusted gross income tax shall not take effect in that county.

SECTION 73. IC 6-3.5-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a) This section does not apply to a tax rate imposed under section 30 of this chapter.**

~~(a)~~ **(b)** The county income tax council of any county may adopt an ordinance to permanently freeze the county option income tax rates at the rate in effect for its county on ~~January 1~~ **March 31** of a year.

~~(b)~~ **(c)** To freeze the county option income tax rates, a county income tax council must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County Income Tax Council permanently freezes the county option income tax rates at the rate in effect on ~~January 1~~ **March 31** of the current year.".

~~(c)~~ **(d)** An ordinance adopted under the authority of this section remains in effect until rescinded. The county income tax council may rescind such an ordinance after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of any calendar year. Such an ordinance shall take effect ~~July~~ **October** 1 of that same calendar year.

~~(d)~~ **(e)** If a county income tax council rescinds an ordinance as adopted under this section, the county option income tax rate shall automatically increase by one-tenth of one percent (0.01%) until:

> (1) the tax rate is again frozen under another ordinance adopted under this section; or
>
> (2) the tax rate equals six tenths of one percent (0.6%) (if the frozen tax rate equaled an amount less than six tenths of one percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled an amount in excess of six tenths of one percent (0.6%)).

~~(e)~~ **(f)** The county auditor shall record any vote taken on an ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 74. IC 6-3.5-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The county option income tax imposed by a county income tax council under this chapter remains in effect until rescinded.

(b) Subject to subsection (c), the county income tax council of a county may rescind the county option income tax by passing an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year.

(c) A county income tax council may not rescind the county option income tax or take any action that would result in a civil taxing unit in the county having a smaller distributive share than the distributive share to which it was entitled when it pledged county option income tax, if the civil taxing unit or any commission, board, department, or authority that is authorized by statute to pledge county option income tax, has pledged county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) The auditor of a county shall record all votes taken on a proposed ordinance presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 75. IC 6-3.5-6-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) The county income tax council may adopt an ordinance to decrease the county option income tax rate in effect.

(b) To decrease the county option income tax rate, the county income tax council must adopt an ordinance after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year. The ordinance must substantially state the following:

> "The _____ County Income Tax Council decreases the county option income tax rate from _____ percent (___ %) to _____ percent (___ %). This ordinance takes effect ~~July~~ **October** 1 of this year.".

(c) A county income tax council may not decrease the county option income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the county option income tax has pledged the county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) An ordinance adopted under this subsection takes effect ~~July~~ **October** 1 of the year in which the ordinance is adopted.

(e) The county auditor shall record the votes taken on an ordinance under this subsection and shall send a certified copy of the ordinance to the department by certified mail not more than thirty (30) days after the ordinance is adopted.

(f) Notwithstanding IC 6-3.5-7, a county income tax council that decreases the county option income tax in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

SECTION 76. IC 6-3.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to increase the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2.

(b) A county income tax council may not increase the percentage credit allowed for homesteads by an amount that exceeds the amount determined in the last STEP of the following formula:

> STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are

to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) for property taxes first due and payable in 2003.

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

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g)) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that increases the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 77. IC 6-3.5-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. If for any taxable year a county taxpayer is subject to different tax rates for the county option income tax imposed by a particular county, the taxpayer's county option income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede ~~July~~ **October** 1 by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow ~~June~~ **September** 30 by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

SECTION 78. IC 6-3.5-6-17, AS AMENDED BY P.L.207-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), ~~and~~ (e), **and (f).** The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

~~(f)~~ **(g)** One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

~~(g)~~ **(h)** Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

~~(h)~~ **(i)** All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 79. IC 6-3.5-6-18, AS AMENDED BY P.L.162-2006, SECTION 31, AND AS AMENDED BY P.L.184-2006, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

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

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

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

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

(5) make payments permitted under subsection (i);

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

(7) make the distributions permitted under ~~*section*~~ *sections 27, 28,* ~~*and*~~ 29, **30, 31, 32, and 33** of this chapter.

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

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section *27, 28,* ~~*or*~~ 29, **30, 31, 32, or 33** of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

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

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

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

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

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

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

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

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

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter **(other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter)** to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 80. IC 6-3.5-6-28, AS ADDED BY P.L.214-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 28. (a) This section applies only to Howard County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this ~~chapter~~ **section** and as needed in the county to fund the operation and maintenance of a jail and juvenile detention center, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose ~~the~~ **a** county option income tax at a rate ~~of~~ **that does not exceed** twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers. ~~if~~ **The tax rate may be adopted in any increment of one hundredth percent (0.01%). Before** the county fiscal body ~~makes~~ **may adopt a tax rate under this section, the county fiscal body must make** the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional **tax** rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a jail, a juvenile detention center, or both; and

(2) agreeing to freeze the part of any property tax levy imposed in the county for the operation of the jail or juvenile detention center, or both, covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is

certified for distribution to the county under this section for the term in which an ordinance is in effect under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.

(f) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement under subsection (d)(2).

(i) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

(j) The department shall separately designate a tax rate imposed under this section in any tax form as the Howard County jail operating and maintenance income tax.

SECTION 81. IC 6-3.5-6-29, AS ADDED BY P.L.162-2006, SECTION 32, AND AS ADDED BY P.L.184-2006, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) This section applies only to Scott County. Scott County is a county in which:

(1) maintaining low property tax rates is essential to economic development; and

(2) the use of additional county option income tax revenues as provided in this section, rather than the use of property taxes, to fund:

(A) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(B) the repayment of bonds issued or leases entered into for the purposes described in clause (A), except operation or maintenance;

promotes the purpose of maintaining low property tax rates.

(b) The county fiscal body may impose the county option income tax on the adjusted gross income of resident county taxpayers at a rate, in addition to the rates permitted by sections 8 and 9 of this chapter, not to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) To impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance finding and determining that additional revenues from the county option income tax are needed in the county to fund:

(1) the financing, construction, acquisition, improvement, renovation, equipping, operation, or maintenance of jail facilities; and

(2) the repayment of bonds issued or leases entered into for the purposes described in subdivision (1), except operation or maintenance.

(d) If the county fiscal body makes a determination under subsection (c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. An ordinance adopted under this section before June 1, 2006, or ~~April~~ **August** 1 in a subsequent year applies to the imposition of county income taxes after June 30 **(in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter)** in that year. An ordinance adopted under this section after May 31, 2006, ~~*and*~~ *or* ~~March~~ **July** 31 of a subsequent year initially applies to the imposition of county option income taxes after June 30 **(in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter)** of the immediately following year.

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 82. IC 6-3.5-6-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) A pledge of county option income tax revenues under this chapter **(other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter)** is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the

principal of or interest on those obligations is unpaid.

SECTION 83. IC 6-3.5-6-30 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.**

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section.

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section.

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b), IC 12-19-7.5-6(b), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distribution to the county for deposit in the county family and children's fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distribution to the county for deposit in the county children's psychiatric residential treatment services fund, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or

IC 6-1.1-21-2(g)(5).

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and

(2) one-half (½) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(r) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 84. IC 6-3.5-6-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31. (a) As used in this section, "public safety" refers to the following:**

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) The county income tax council may adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety if:

(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or

(2) the county income tax council has imposed a tax rate under section 30 of this chapter and has also imposed a tax rate under section 32 of this chapter, in the case of a county other than a county containing a consolidated city.

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) The lesser of:

(A) twenty-five hundredths of one percent (0.25%); or

(B) the tax rate imposed under section 32 of this chapter;

in the case of a county other than a county containing a consolidated city.

(d) If a county income tax council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) The county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under

this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by

(B) the sum of the total property taxes being collected in the county by the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 30 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(k) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 85. IC 6-3.5-6-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.**

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county income tax council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to civil taxing units and school corporations in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:

(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 86. IC 6-3.5-6-33 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 33. (a) This section applies only to Monroe County.**

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this chapter, the county fiscal body may impose an additional county option income tax at a rate of not more than twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county fiscal body makes the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

(1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities necessary to provide juvenile services; and

(2) agreeing to freeze for the term in which an ordinance is in effect under this section the part of any property tax levy imposed in the county for the operation of the juvenile detention center and other facilities covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. An ordinance adopted under this section before August 1 in a year applies to the imposition of county income taxes after September 30 in that year. An ordinance adopted under this section after July 31 of a year initially applies to the imposition of county option income taxes after September 30 of the immediately following year.

(f) The county treasurer shall establish a county juvenile detention center revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county juvenile detention center revenue fund before a certified distribution is made under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section; and

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.

(h) The department of local government finance shall enforce an agreement made under subsection (d)(2).

(i) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts an increased tax rate under this section and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 87. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006, SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on ~~January~~ **+ March 31** of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on ~~January~~ **+ March 31** of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in

IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r), the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);
(2) two-tenths percent (0.2%);
(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), ~~or~~ (s), ~~or~~ *(v),* **(w), or (x),** the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), ~~or~~ (u), **(w), or (x),** the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect ~~July~~ **October** 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:
(A) fifteen-hundredths percent (0.15%);
(B) two-tenths percent (0.2%); or
(C) twenty-five hundredths percent (0.25%); and
(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
(2) the sum of the county economic development income tax rate and:
(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or
(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and
(2) the:
(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) *or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county,* resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) The income tax rate limits imposed by subsection (c) or (x) or any other provision of this chapter do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (x) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(x) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 88. IC 6-3.5-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) or 5(g) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must, after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from _____ percent (___%) to _____ percent (___%). This tax rate increase (decrease) takes effect ~~July~~ **October** 1 of this year.".

(b) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 89. IC 6-3.5-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The county economic development income tax imposed under this chapter remains in effect until rescinded.

(b) Subject to section 14 of this chapter, the body imposing the county economic development income tax may rescind the tax by adopting an ordinance to rescind the tax after ~~January 1~~ **March 31** but before ~~April~~ **August** 1 of a year.

(c) Any ordinance adopted under this section takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 90. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after ~~January 1~~ **March 31** but before ~~June~~ **August** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (i); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 91. IC 6-3.5-7-26, AS AMENDED BY P.L.162-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) This section applies only to homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20.9.

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under IC 6-1.1-20.9.

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

(i) residential property; or

(ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1, 2006, and before June 1, 2006, or, in a year following 2006, after ~~January~~ **+ March 31** but before ~~April~~ **August** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

(A) Uniformly applied increased homestead credits as provided in subsection (f).

(B) Uniformly applied increased residential credits as provided in subsection (g).

(C) Allocated increased homestead credits as provided in subsection (i).

(D) Allocated increased residential credits as provided in subsection (j).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance

for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (k); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase:

(1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county under IC 6-1.1-20.9 for a year; or

(2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed in the county under IC 6-1.1-21-5 for a year for the residential property;

to offset the effect on homesteads or residential property, as applicable, in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. The amount of an additional residential property tax replacement credit granted under this section may not be considered in computing the amount of any homestead credit to which the residential property may be entitled under IC 6-1.1-20.9 or another law other than IC 6-1.1-20.6.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) If the imposing entity specifies the application of uniform increased residential credits under subsection (c)(2)(B), the county auditor shall determine for each calendar year in which an increased homestead credit percentage is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit percentage for the year;

(2) the amount of uniformly applied residential property tax replacement credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of residential property tax replacement credit that equates to the amount of residential property tax replacement credits determined under subdivision (2).

(h) The increased percentage of homestead credit determined by the county auditor under subsection (f) or the increased percentage of residential property tax replacement credit determined by the county auditor under subsection (g) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(i) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(C), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) except as provided in subsection (l), an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(j) If the imposing entity specifies the application of allocated increased residential property tax replacement credits under subsection (c)(2)(D), the county auditor shall determine for each calendar year in which an increased residential property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit for the year; and

(2) except as provided in subsection (l), an increased percentage of residential property tax replacement credit for each taxing district in the county that allocates to the taxing district an amount of increased residential property tax replacement credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(k) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit or residential property tax replacement credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit or residential property tax replacement credit.

(l) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

(1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or

(2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

SECTION 92. IC 6-3.5-7-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) This section applies to a county that:

(1) operates a courthouse that is subject to an order that:

(A) is issued by a federal district court;

(B) applies to an action commenced before January 1, 2003; and

(C) requires the county to comply with the federal Americans with Disabilities Act; and

(2) has insufficient revenues to finance the construction, acquisition, improvement, renovation, equipping, and operation of the courthouse facilities and related facilities.

(b) A county described in this section possesses unique fiscal challenges in financing, renovating, equipping, and operating the county courthouse facilities and related facilities because the county consistently has one of the highest unemployment rates in Indiana. Maintaining low property tax rates is essential to economic development in the county. The use of economic development income tax revenues under this section for the purposes described in subsection (c) promotes that purpose.

(c) In addition to actions authorized by section 5 of this

chapter, a county council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county economic development income tax on the adjusted gross income of county taxpayers. The ordinance imposing the additional tax must include a finding that revenues from additional tax are needed to pay the costs of:

(1) constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities;

(2) repaying any bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities; and

(3) economic development projects described in the county's capital improvement plan.

(d) The tax rate imposed under this section may not exceed twenty-five hundredths percent (0.25%).

(e) If the county council adopts an ordinance to impose an additional tax under this section, the county auditor shall immediately send a certified copy of the ordinance to the department by certified mail. The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in subsection (c)(1) and (c)(2). The amount of county economic development income tax revenues derived from the tax rate imposed under this section that are necessary to pay the costs described in subsection (c)(1) and (c)(2) shall be deposited into the county facilities revenue fund before a certified distribution is made under section 12 of this chapter. The remainder shall be deposited into the economic development income tax funds of the county's units.

(f) County economic development income tax revenues derived from the tax rate imposed under this section may not be used for purposes other than those described in this section.

(g) County economic development income tax revenues derived from the tax rate imposed under this section that are deposited into the county facilities revenue fund may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) Notwithstanding section 5 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before ~~June~~ **August** 1 of a year, a tax rate imposed under this section takes effect ~~July~~ **October** 1 of that year. If the ordinance is adopted after ~~May~~ **July** 31 of a year, a tax rate imposed under this section takes effect on the ~~January~~ **October** 1 immediately following adoption of the ordinance.

(i) For a county adopting an ordinance before June 1 in a year, in determining the certified distribution under section 11 of this chapter for the calendar year beginning with the immediately following January 1 and each calendar year thereafter, the department shall take into account the certified ordinance mailed to the department under subsection (e). For a county adopting an ordinance after May 31, the department shall issue an initial or a revised certified distribution for the calendar year beginning with the immediately following January 1. Except for a county adopting an ordinance after May 31, a county's certified distribution shall be distributed on the dates specified under section 16 of this chapter. In the case of a county adopting an ordinance after May 31, the county, beginning with the calendar year beginning on the immediately following January 1, shall receive the entire certified distribution for the calendar year on November 1 of the year.

(j) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section and deposited into the county facilities revenue fund or any other revenues of the county may be deposited into a nonreverting fund of the county to be used for operating costs of the courthouse facilities, juvenile detention facilities, or related facilities. Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

SECTION 93. IC 6-9-2.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The county council may levy tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any commercial hotel, motel, inn, tourist camp, or tourist cabin located in a county described in section 1 of this chapter. Such tax shall not exceed the rate of ~~six~~ **eight** percent ~~(6%)~~ **(8%)** on the gross income derived from lodging income only and shall be in addition to the state gross retail tax imposed on such persons by IC 6-2.5.

(b) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected pursuant to IC 6-2.5.

(c) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross income" shall have the same meaning in this section as they have in IC 6-2.5. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule or regulation, determine.

(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 94. IC 6-9-2.5-7.5, AS AMENDED BY P.L.168-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

~~(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.~~

~~(2) After December 31, 1999, and before January 1, 2003, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.~~

~~(3) After December 31, 2002, and~~ **(1)** Before January 1, 2010, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~one~~ **three** and one-half percent ~~(1.5%)~~ **(3.5%)** rate.

~~(4)~~ **(2)** After December 31, 2009, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is

generated by a ~~two~~ **four** and one-half percent ~~(2.5%)~~ **(4.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 95. IC 6-9-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The tax imposed by section 2 of this chapter shall be at the rate of ~~six~~ **seven** percent ~~(6%)~~ **(7%)** on the gross income derived from lodging income only.

(b) At least ~~one-sixth~~ ~~(1/6)~~ **two-sevenths (2/7)** of the tax proceeds paid to the capital improvement board of managers under this chapter must be used to provide grants to the convention and visitor bureau in the county to be used solely for the purpose of the development and promotion of the tourism and convention industry within the county.

(c) The capital improvement board of managers may establish budgetary requirements for the convention and visitors bureau. If the convention and visitors bureau fails to conform, the board may elect to suspend funding until the bureau complies.

SECTION 96. IC 8-18-21-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. The annual operating budget of a toll road authority is subject to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and then by the department of local government finance as in the case of other political subdivisions.

SECTION 97. IC 8-22-3.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) An authority that is located in a:

(1) city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

(2) county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); or

(3) county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

may enter into a lease of an airport project with a lessor for a term not to exceed fifty (50) years and the lease may provide for payments to be made by the airport authority from property taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues available to the airport authority, or any combination of these sources.

(b) A lease may provide that payments by the authority to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the authority or the eligible entity for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the authority only after a public hearing by the board at which all interested parties are provided the opportunity to be heard. After the public hearing, the board may adopt an ordinance authorizing the execution of the lease if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the authority and is in the best interest of the residents of the authority district.

(d) Upon execution of a lease providing for payments by the authority in whole or in part from the levy of property taxes under IC 8-22-3-17, the board shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the authority district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of a petition under subsection (d), the county auditor shall immediately certify a copy of the petition, together with any other data necessary to present the questions involved, to the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).** Upon receipt of the certified petition and information, the department of local government finance **or the county board of tax and capital projects review** shall fix a time and place for a hearing in the authority district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the board, and to the first fifty (50) petitioners on the petition, by a letter signed by one (1) member of the state board of tax commissioners **or the county board of tax and capital projects review** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance **or the county board of tax and capital projects review** on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) An authority entering into a lease payable from any sources permitted under this chapter may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; or

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the airport authority to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c); or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d), if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance **or the county board of tax and capital projects review,** an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department of local government finance **or the county board of tax and capital projects review.**

(j) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice

in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 98. IC 12-19-7-3, AS AMENDED BY P.L.234-2005, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A family and children's fund is established in each county. The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:

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

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

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

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

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

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any local option income taxes distributed to the county to replace growth in the family and children's fund levy.

~~(3)~~ **(4)** Any other money required by law to be placed in the fund.

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

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 99. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (b),** for taxes first due and payable in each year after 2005, each county shall impose a county family and children property tax levy equal to the county family and children property tax levy necessary to pay the costs of the child services of the county for the next fiscal year.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's family and children property tax levy under this section for the ensuing calendar year may not exceed the county's family and children property tax levy for the current calendar year.

~~(b)~~ **(c)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy and comply with IC 6-1.1-17-3.

SECTION 100. IC 12-19-7.5-6, AS AMENDED BY P.L.234-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **Except as provided by subsection (b),** for taxes first due and payable in each year after 2005, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the county children's psychiatric residential treatment services property tax levy necessary to pay the costs of children's psychiatric residential treatment services of the county for the next fiscal year.

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the maximum county children's psychiatric residential treatment services property tax levy for the ensuing calendar year is equal to the maximum county children's psychiatric residential treatment services property tax levy in the current year.

~~(b)~~ **(c)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 101. IC 12-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 102. IC 12-29-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

(2) **Except as provided in subsection (c),** for 2005 and each year thereafter, the result equal to:

(A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by

(B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's maximum property tax levy under this section to fund the operation of community mental health centers for the ensuing calendar year is equal to the county's maximum property tax levy to fund the operation of community mental health centers for the current calendar year.

SECTION 103. IC 13-18-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If the offender is a municipal corporation, the cost of:

(1) acquisition, construction, repair, alteration, or extension of the necessary plants, machinery, or works; or

(2) taking other steps that are necessary to comply with the order;

shall be paid out of money on hand available for these purposes or out of the general money of the municipal corporation not otherwise appropriated.

(b) If there is not sufficient money on hand or unappropriated, the necessary money shall be raised by the issuance of bonds. The bond issue is subject only to the approval of the department of local government finance **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).**

SECTION 104. IC 14-30-2-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. However, the annual budget is not subject to review and modification by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of any county. Notwithstanding any other law, the budget of the commission shall be treated for all other purposes as if the appropriate county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** had approved the budget.

SECTION 105. IC 14-30-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. The annual budget is subject to review and modification by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of any participating county.

(b) The commission is not eligible for funding through the Wabash River heritage corridor commission established by IC 14-13-6-6.

SECTION 106. IC 14-33-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The budget of a district:

(1) must be prepared and submitted:

(A) at the same time;

(B) in the same manner; and

(C) with notice;

as is required by statute for the preparation of budgets by municipalities; and

(2) is subject to the same review by:

(A) the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);** and

(B) the department of local government finance;

as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:

(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the district; and

(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:

(1) shall be certified to the auditor of that county; and

(2) is subject to review at the county level only by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** of that county.

SECTION 107. IC 20-45-2-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until the general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised, is:

(1) considered by the proper county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** as provided by law;

(2) reviewed by the tax control board, which shall make its recommendations in respect to the general fund tax levy to the department; and

(3) approved by the department of local government finance.

(b) For purposes of this article, the school corporation's initial maximum permissible tuition support levy must be based on the taxes collectible in the first full calendar year after the approval.

(c) If territory is transferred from one (1) school corporation to another under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, maximum permissible tuition support levy and the other terms used in this article shall be interpreted as though the assessed valuation of the territory had been transferred before March 1, 1977, in accordance with rules and a final determination by the department of local government finance.

SECTION 108. IC 20-45-4-1, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may not approve or recommend the approval of an excessive tax levy.

SECTION 109. IC 20-45-4-2, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** that reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum permissible tuition support levy.

SECTION 110. IC 20-45-4-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. If a county board of tax

adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** approves or recommends the approval of an excessive tax levy for a school corporation, the auditor of the county for which the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** is acting shall reduce the excessive tax levy to the maximum permissible tuition support levy. The reduction shall be set out in the notice required to be published by the county auditor under IC 6-1.1-17-12. An appeal shall be permitted as provided under IC 6-1.1-17 as modified by IC 6-1.1-19 and this article.

SECTION 111. IC 20-45-4-4, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Appeals from any action of a county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or **a** county auditor concerning a school corporation's budget, property tax levy, or property tax rate may be taken as provided for by IC 6-1.1-17 and IC 6-1.1-19. Notwithstanding IC 6-1.1-17 and IC 6-1.1-19, a school corporation may appeal to the department of local government finance for emergency financial relief for the ensuing calendar year at any time before:

(1) September 20; or

(2) in the case of a request described in IC 20-45-6-5 or IC 20-46-6-6, December 31;

of the calendar year immediately preceding the ensuing calendar year.

SECTION 112. IC 20-45-5-3, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. The tax control board shall, after the tax control board studies the appeal petition and related materials, recommend to the department of local government finance that:

(1) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor, in respect of the appellant school corporation's budget, tax levy, or tax rate for the ensuing calendar year, be approved;

(2) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor concerning the appellant school corporation's budget, tax levy, or tax rate for the calendar year be disapproved and that the appellant school corporation's budget, tax levy, or tax rate for the calendar year be:

(A) reduced; or

(B) increased;

as specified in the tax control board's recommendation; or

(3) combined with a recommendation allowed under subdivision (1) or (2), a new facility adjustment be granted to permit the school corporation's tuition support levy to be increased if the school corporation can show a need for the increase because of:

(A) the opening after December 31, 1972, of a new school facility; or

(B) the reopening after July 1, 1988, of an existing facility that:

(i) was not used for at least three (3) years immediately before the reopening; and

(ii) is reopened to provide additional classroom space.

SECTION 113. IC 20-45-6-2, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) This section applies with respect to every appeal petition of a school corporation that:

(1) is delivered to the tax control board by the department of local government finance under IC 6-1.1-19-4.1; and

(2) includes a request for emergency financial relief.

(b) This section does not apply to an appeal petition described in section 5 or 6 of this chapter.

(c) The tax control board shall, after studying the appeal petition and related materials, make an appropriate recommendation to the department of local government finance.

(d) If the appeal petition requests a referendum under IC 20-46-1, the tax control board shall expedite the tax control board's review as necessary to permit the referendum to be conducted without a special election.

(e) In respect to the appeal petition, the tax control board may make to the department of local government finance any of the recommendations described in IC 20-45-5-3, subject to the limitations described in IC 20-45-5-6.

(f) In addition to a recommendation under subsection (c) or (e), if the tax control board concludes that the appellant school corporation cannot, in a calendar year, carry out the public educational duty committed to the appellant school corporation by law if the appellant school corporation does not receive emergency financial relief for the calendar year, the tax control board may recommend to the department of local government finance that:

(1) the order of the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be:

(A) approved; or

(B) disapproved and modified;

as specified in the tax control board's recommendation; and

(2) the appellant school corporation receive emergency financial relief from the state:

(A) on terms to be specified by the tax control board in the tax control board's recommendation; and

(B) in the form permitted under subsection (g).

(g) The tax control board may recommend emergency financial relief for a school corporation under subsection (f) in the form of:

(1) a grant or grants from any funds of the state that are available for that purpose;

(2) a loan or loans from any funds of the state that are available for that purpose;

(3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;

(4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;

(5) permission to the appellant school corporation to:

(A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's capital projects fund; or

(B) use for general fund purposes:

(i) any unobligated balance in the appellant school corporation's capital projects fund; and

(ii) the proceeds of any levy made or to be made by the school corporation for;

the school corporation's capital projects fund;

(6) permission to use, for general fund purposes, any unobligated balance in any debt service or other construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or

(7) a combination of the emergency financial relief described in subdivisions (1) through (6).

SECTION 114. IC 20-45-7-20, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: Sec. 20. (a) The county auditor shall compute the amount of the tax to be levied each year. Before August 2, the county auditor shall certify the amount to the county council.

(b) The tax rate shall be advertised and fixed by the county council in the same manner as other property tax rates. The tax rate shall be subject to all applicable law relating to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance.

(c) The department of local government finance shall certify the tax rate at the time it certifies the other county tax rates.

(d) The department of local government finance shall raise or lower the tax rate to the tax rate provided in this chapter, regardless of whether the certified tax rate is below or above the tax rate advertised by the county.

SECTION 115. IC 20-45-8-20, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. The tax levy is subject to all laws concerning review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance.

SECTION 116. IC 20-46-7-8, AS AMENDED BY P.L.192-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to:

(1) incur bond indebtedness;
(2) enter into a lease rental agreement; or
(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;
(2) enter into the lease agreement; or
(3) repay the school bus purchase loan.

(c) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under IC 21-2-11.5-3.1.

(d) This section does not apply to:

(1) school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation; **or**

(2) bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.

SECTION 117. IC 20-46-7-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) This section applies only to an obligation described in section 8 of this chapter. **This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.**

(b) The department of local government finance may:

(1) approve;
(2) disapprove; or
(3) modify then approve;

a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. Before the department of local government finance approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department of local government finance sends notice of the extension to the executive officer of the school corporation.

SECTION 118. IC 20-46-7-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter. **This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008.**

(b) The department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and
(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(c) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department of local government finance enters its order under this section.

SECTION 119. IC 20-46-7-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2007 (RETROACTIVE)]: **Sec. 14. After May 15, 2007, the department of local government finance may not approve under section 9 of this chapter a school corporation's proposed:**

(1) bond issue that does not provide for payments toward the principal of the bonds on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance;

(2) lease rental agreement that does not provide for repayments toward the present asset value of the lease at its inception on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance; or

(3) debt service fund loan to purchase school buses that does not provide for payments toward the principal of the loan on at least an annual basis in the amount determined under the rules or guidelines adopted by the department of local government finance.

SECTION 120. IC 33-37-7-8, AS AMENDED BY P.L.174-2006, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund

fifty-five percent (55%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-4(a) (civil costs fees).

(4) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(5) IC 33-37-5-17 (deferred prosecution fees).

(d) The clerk of a city or town court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and ~~corrections~~ **correction** fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(4) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(5) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(e) The clerk of a city or town court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and corrections fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the following:

(1) The late payment fees collected under IC 33-37-5-22.

(2) The small claims service fee collected under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2).

(3) The small claims garnishee service fee collected under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3).

The city or town fiscal officer (as defined in IC 36-1-2-7) shall deposit fees distributed by a clerk under this subsection in the city or town general fund.

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The DNA sample processing fees collected under IC 33-37-5-26.2.

(3) The court administration fees collected under IC 33-37-5-27.

(h) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(i) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund seventy-five percent (75%) of the judicial salaries fee collected under IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five percent (25%) of the judicial salaries fee collected under IC 33-37-5-26. ~~as the city or town share.~~ **The funds retained by the city or town shall be prioritized to fund city or town court operations.**

SECTION 121. IC 36-7-14-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27.5. (a) The redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the department of local government finance, or as determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** or, if appealed, by the department of local government finance, unless the issuance of the warrants has been approved by the department.

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

(1) the date of the warrants;

(2) the interest rate of the warrants;

(3) the time of interest payments on the warrants;

(4) the denomination of the warrants;

(5) the form either registered or payable to bearer, of the warrants;

(6) the place or places of payment of the warrants, either inside or outside the state;

(7) the medium of payment of the warrants;

(8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;

(9) the manner of execution of the warrants; and

(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 122. IC 36-7-15.1-26.9, AS AMENDED BY P.L.2-2006, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

(1) allocated to the redevelopment district;

(2) paid into the special fund for that allocation area; and

(3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

(1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and

(2) used by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),** the department of local government finance, and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct payments to taxpayers under section 26.5(h) of this chapter, is not part of the total county tax levy under IC 6-1.1-21-2(g) and is not subject to IC 6-1.1-20.

(f) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 and IC 20-45-3 do not apply to ad valorem property taxes imposed that are used to offset the effect of paying personal property taxes into an allocation area special fund during the taxable year under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter. For purposes of computing the ad valorem property tax levy limits imposed under IC 6-1.1-18.5-3 and IC 20-45-3, a taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed to offset the effect of paying personal property taxes into an allocation area special fund under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter.

(g) Property taxes on personal property that are deposited in the allocation area special fund:

(1) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area; and

(2) may not be treated as property taxes used to pay interest or principal due on debt under IC 6-1.1-21-2(g)(1)(D).

SECTION 123. IC 36-8-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) The local board may provide in its annual budget and pay all necessary expenses of operating the 1925 fund, including the payment of all costs of litigation and attorney fees arising in connection with the fund, as well as the payment of benefits and pensions. Notwithstanding any other law, neither the municipal legislative body, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;

(2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. A tax levy shall be made annually for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall levy an annual tax in the amount and at the rate that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. All money derived from the levy is for the exclusive use of the police pensions and benefits. The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the levy.

SECTION 124. IC 36-8-7-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) The local board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be receipted into and disbursed from the 1937 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements must be divided into two (2) parts, designated as part 1 and part 2.

(b) Part 1 of the estimated disbursements consists of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the next fiscal year, and to the dependents of deceased members. Part 2 of the estimated disbursements consists of an estimate of the amount of money that will be needed to pay death benefits and other expenditures that are authorized or required by this chapter.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing the following:

(1) The name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled.

(2) The name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive.

(3) The name and the age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(4) The amount that would be required for the next fiscal year to maintain level cost funding during the active fund members' employment on an actuarial basis.

(5) The amount that would be required for the next fiscal year to amortize accrued liability for active members, retired members, and dependents over a period determined by the local board, but not to exceed forty (40) years.

(d) The total receipts shall be deducted from the total expenditures as listed in the itemized estimate. The amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the unit in the same manner as other expenses of the unit are paid, and an appropriation shall be made annually for that purpose. The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other offices and departments of the unit are prepared and filed.

(e) The estimates shall be made a part of the annual budget of the unit. When revising the estimates, the executive, the fiscal officer, and other fiduciary officers may not reduce the items in part 1 of the estimated disbursements.

(f) The unit's fiscal body shall make the appropriations necessary to pay that proportion of the budget of the 1937 fund that the unit is obligated to pay under subsection (d). In addition, the fiscal body may make appropriations for purposes of subsection (c)(4), (c)(5), or both. All appropriations shall be made to the local board for the exclusive use of the 1937 fund. The amounts listed in part 1 of the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the unit. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the appropriations made to pay the amount equal to estimated disbursements minus estimated receipts.

SECTION 125. IC 36-8-7-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22. The 1937 fund may not be, either before or after an order for distribution to members of the fire department or to the surviving spouses or guardians of a child or children of a deceased, disabled, or retired member, held, seized, taken, subjected to, detained, or levied on by virtue of an attachment, execution, judgment, writ, interlocutory or other order, decree, or process, or proceedings of any nature issued out of or by a court in any state for the payment or satisfaction, in whole or in part, of a debt, damages, demand, claim, judgment, fine, or amercement of the member or the member's surviving spouse or children. The 1937 fund shall be kept and distributed only for the purpose of pensioning the persons named in this chapter. The local board may, however, annually expend an amount from the 1937 fund that it considers proper for the necessary expenses connected with the fund. Notwithstanding any other law, neither the fiscal body, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce these expenditures.

SECTION 126. IC 36-8-7.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the estimated number of beneficiaries from the 1953 fund during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;

(2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be

entitled to receive; and

(3) the name and age of each dependent of a member of the police department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate that is necessary to produce sufficient revenue to equal the deficit. Notwithstanding any other law, neither the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** nor the department of local government finance may reduce the tax levy.

SECTION 127. IC 36-8-11-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget.

(b) The budget must be approved by the fiscal body of the county, the county board of tax adjustment **(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),** and the department of local government finance.

(c) Upon approval by the department of local government finance, the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue a warrant on the treasurer to transfer the revenues collected to the board, as provided by statute.

SECTION 128. IC 36-8-11-22.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22.1. (a) This section applies to a district that consists of a municipality that is located in two (2) counties.

(b) This section does not apply to a merged district under section 23 of this chapter.

(c) Sections 6 and 7 of this chapter apply to the petition.

(d) The board of fire trustees for the district shall be appointed as prescribed by section 12 of this chapter. However, the legislative body of each county within which the district is located shall jointly appoint one (1) trustee from each township or part of a township contained in the district and one (1) trustee from the municipality contained in the district. The legislative body of each county shall jointly appoint a member to fill a vacancy.

(e) Sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the district. However, the county legislative bodies serving the district shall jointly decide where the board shall locate (or approve location of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to the district. However, the budget must be approved by the county fiscal body and county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** in each county in the district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 129. IC 36-8-11-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) Any fire protection district may merge with one (1) or more protection districts to form a single district if at least one-eighth (1/8) of the aggregate external boundaries of the districts coincide.

(b) The legislative body of the county where at least two (2) districts are located (or if the districts are located in more than one (1) county, the legislative body of each county) shall, if petitioned by freeholders in the two (2) districts, adopt an ordinance merging the districts into a single fire protection district.

(c) Freeholders who desire the merger of at least two (2) fire protection districts must initiate proceedings by filing a petition in the office of the county auditor of each county where a district is located. The petition must be signed:

(1) by at least twenty percent (20%), with a minimum of five hundred (500) from each district, of the freeholders owning land within the district; or

(2) by a majority of the freeholders from the districts;

whichever is less.

(d) The petition described in subsection (c) must state the same items listed in section 7 of this chapter. Sections 6, 8, and 9 of this chapter apply to the petition and to the legislative body of each county in the proposed district.

(e) The board of fire trustees for each district shall form a single board, which shall continue to be appointed as prescribed by section 12 of this chapter. In addition, sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the merged district, except that if the merged district lies in more than one (1) county, the county legislative bodies serving the combined district shall jointly decide where the board shall locate (or approve relocation of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to a merged district. However, the budget must be approved by the county fiscal body and county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** in each county in the merged district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 130. IC 36-8-13-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.7. (a) For a township that elects to have the township provide fire protection and emergency services under section 3(c) of this chapter, the department of local government finance shall adjust the township's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection or emergency services under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. For the ensuing calendar year, the township's maximum permissible property tax levy shall be increased by the product of:

(1) one and five-hundredths (1.05); multiplied by

(2) the amount the township contracted or billed to receive, regardless of whether the amount was collected:

(A) in the year in which the change is elected; and

(B) as fire protection or emergency service payments from the municipalities or residents of the municipalities covered by the election under section 3(c) of this chapter.

The maximum permissible levy for a general fund or other fund of a municipality covered by the election under section 3(c) of

this chapter shall be reduced for the ensuing calendar year to reflect the change to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of the municipality. The total reduction in the maximum permissible levies for all electing municipalities must equal the amount that the maximum permissible levy for the township is increased under this subsection for contracts or billings, regardless of whether the amount was collected, less the amount actually paid from sources other than property tax revenue.

(b) For purposes of determining a township's and each municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's and each municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

(c) The township may use the amount of a maximum permissible property tax levy computed under this section in setting budgets and property tax levies for any year in which the election in section 3(c) of this chapter is in effect. A county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 131. IC 36-8-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) This subsection applies to a county not having a consolidated city. For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

SECTION 132. IC 36-9-3-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. The board shall prepare an annual budget for the authority's operating and maintenance expenditures and necessary capital expenditures. Each annual budget is subject to review and modification by the:

(1) fiscal body of the county or municipality that establishes the authority; and

(2) county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and the department of local government finance under IC 6-1.1-17.

SECTION 133. IC 36-9-4-47 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 47. (a) The board of directors of a public transportation corporation may:

(1) borrow money in anticipation of receipt of the proceeds of taxes that have been levied by the board and have not yet been collected; and

(2) evidence this borrowing by issuing warrants of the corporation.

The money that is borrowed may be used by the corporation for payment of principal and interest on its bonds or for payment of current operating expenses.

(b) The warrants:

(1) bear the date or dates;

(2) mature at the time or times on or before December 31 following the year in which the taxes in anticipation of which the warrants are issued are due and payable;

(3) bear interest at the rate or rates and are payable at the time or times;

(4) may be in the denominations;

(5) may be in the forms, either registered or payable to bearer;

(6) are payable at the place or places, either inside or outside Indiana;

(7) are payable in the medium of payment;

(8) are subject to redemption upon the terms, including a price not exceeding par and accrued interest; and

(9) may be executed by the officers of the corporation in the manner;

provided by resolution of the board of directors. The resolution may also authorize the board to pay from the proceeds of the warrants all costs incurred in connection with the issuance of the warrants.

(c) The warrants may be authorized and issued at any time after the board of directors levies the tax or taxes in anticipation of which the warrants are issued.

(d) The warrants may be sold for not less than par value after

notice inviting bids has been published in accordance with IC 5-3-1. The board of directors may also publish the notice inviting bids in other newspapers or financial journals.

(e) After the warrants are sold, they may be delivered and paid for at one (1) time or in installments.

(f) The aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed eighty percent (80%) of the levy or levies, as the amount of the levy or levies is certified by the department of local government finance, or as is determined by multiplying the rate of tax as finally approved by the total assessed valuation of taxable property within the taxing district of the public transportation corporation as most recently certified by the county auditor.

(g) For purposes of this section, taxes for any year are considered to be levied when the board of directors adopts the ordinance prescribing the tax levies for the year. However, warrants may not be delivered and paid for before final approval of a tax levy or levies by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** (or, if appealed, by the department of local government finance) unless the issuance of the warrants has been approved by the department of local government finance.

(h) The warrants and the interest on them are not subject to sections 43 and 44 of this chapter and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

(i) All actions of the board of directors under this section may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by a majority of the members of the board of directors.

(j) An action to contest the validity of any tax anticipation warrants may not be brought later than ten (10) days after the sale date.

SECTION 134. IC 36-9-13-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35. The annual operating budget of a building authority is subject to review by the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** and then by the department of local government finance as in the case of other political subdivisions.

SECTION 135. IC 36-12-14-2, AS ADDED BY P.L.199-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. An appointed library board subject to section 1 of this chapter shall submit its proposed operating budget and property tax levy for the operating budget to the following fiscal body at least fourteen (14) days before the first meeting of the county board of tax adjustment **(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)** under IC 6-1.1-29-4:

(1) If the library district is located entirely within the corporate boundaries of a municipality, the fiscal body of the municipality.

(2) If the library district:

(A) is not described by subdivision (1); and

(B) is located entirely within the boundaries of a township;

the fiscal body of the township.

(3) If the library district is not described by subdivision (1) or (2), the fiscal body of each county in which the library district is located.

SECTION 136. IC 21-14-2-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007] **Sec. 12.5. This section applies to tuition and mandatory fees that a board of trustees of a state educational institution votes to increase after June 30, 2007.**

(b) After the enactment of a state budget, the commission for higher education shall recommend nonbinding tuition and mandatory fee increase targets for each state educational institution.

(c) The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.

(d) The state budget committee shall review the targets recommended under subsection (b) and reports received under subsection (c) and may request that a state educational institution appear at a public meeting of the state budget committee concerning the report.

SECTION 137. IC 21-14-2-12 IS REPEALED [EFFECTIVE JULY 1, 2007].

SECTION 138. IC 20-12-1-12, AS AMENDED BY HEA 1001-2007, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.

(b) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) A state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before ~~June~~ **May** 30 of the odd numbered year; or

(2) ~~sixty (60)~~ **thirty (30)** days after the state budget bill is enacted into law;

whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May ~~31~~ **15** of each odd numbered year; or

(2) ~~thirty-one (31)~~ **fifteen (15)** days after the state budget bill is enacted into law;

whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

~~(h) For tuition and fees set by a state educational institution before July 1, 2007, a state educational institution must appear before the state budget committee before June 30, 2007. The state budget committee shall review the tuition and fees proposed by the state educational institution under section 8 of this chapter.~~

~~(i) After July 1, 2007, the commission for higher education shall recommend biennially nonbinding tuition targets based on the mission of the state educational institution. The board of trustees of a state educational institution may set a tuition rate that exceeds the tuition target only if the proposed tuition rate is reviewed by both the commission for higher education and the state budget committee before the later of the following:~~

~~(1) June 30 in the odd-numbered year.~~

~~(2) Sixty (60) days after the state budget is adopted for the~~

~~biennium beginning in the odd-numbered year.~~

SECTION 139. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-29.5, as added by this act, does not apply to any of the following:**

(1) The issuance of bonds or other obligations or the entering into a lease, if the preliminary determination to issue the bonds or other obligations or to enter into the lease is made before January 1, 2009.

(2) The construction of a capital project, if the construction begins before January 1, 2009.

(3) The entering into a contract for the construction of a capital project, if the contract is entered into before January 1, 2009.

(4) The procuring of supplies necessary for construction of a capital project, if the supplies are procured or a contract for the procuring of the supplies is entered into before January 1, 2009.

(5) The construction of a capital project, the entering into a contract for the construction of a capital project, or the procuring of supplies necessary for the construction of a capital project, if the issuance of bonds or other obligations, or the entering into a lease, to finance the capital project has been approved by the department of local government finance under IC 20-46-7 before January 1, 2009.

SECTION 140. [EFFECTIVE JULY 1, 2007] **(a) Any matter pending before a county board of tax adjustment on December 31, 2008, is transferred to the county board of tax and capital projects review for that county on January 1, 2009.**

(b) Any property and obligations of a county board of tax adjustment on December 31, 2008, are transferred to the county board of tax and capital projects review for that county on January 1, 2009.

(c) Each county board of tax adjustment is abolished on December 31, 2008. The term of a member serving on a county board of tax adjustment on December 31, 2008, expires December 31, 2008.

(d) This SECTION expires January 1, 2009.

SECTION 141. [EFFECTIVE UPON PASSAGE] **(a) The legislative services agency shall prepare legislation for introduction in the 2008 regular session of the general assembly to organize and correct statutes affected by this act, if necessary.**

(b) This SECTION expires January 1, 2009.

SECTION 142. [EFFECTIVE UPON PASSAGE] **An ordinance adopted after January 1, 2007, and before April 1, 2007, under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7, all as in effect before amendment by this act, takes effect October 1, 2007, and not July 1, 2007.**

SECTION 143. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the annexation study committee established by this SECTION.**

(b) The annexation study committee is established. The committee shall study:

(1) revising the statutes concerning municipal annexation of territory. The committee's study may not include the annexation statutes in IC 36-3-2; and

(2) whether "one and fifteen hundredths (1.15)" in STEP THREE of IC 6-1.1-18.5-3(a) and STEP THREE of IC 6-1.1-18.5-3(b) is sufficient to raise adequate property taxes for a municipality annexing territory.

(c) The committee consists of sixteen (16) members appointed as follows:

(1) Two (2) members of the house of representatives appointed by the speaker of the house of representatives.

(2) Two (2) members of the house of representatives appointed by the minority leader of the house of representatives.

(3) Two (2) members of the senate appointed by the president pro tempore of the senate.

(4) Two (2) members of the senate appointed by the minority leader of the senate.

(5) One (1) member who is a member of the city council of a second class city or third class city appointed by the president pro tempore of the senate.

(6) One (1) member who is a member of the city council of a second class city or third class city appointed by the speaker of the house of representatives.

(7) One (1) member who is a member of the town council of a town that is not located in Marion County appointed by the president pro tempore of the senate.

(8) One (1) member who is a member of a county council of a county other than Marion County appointed by the speaker of the house of representatives.

(9) Two (2) members representing township government from a county other than Marion County. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint one (1) member.

(10) Two (2) members of the public that have experience in preparing an annexation remonstrance. The speaker of the house of representatives and the president pro tempore of the senate shall each appoint one (1) member.

(d) Not more than one (1) member appointed under subsection (c)(9) and one (1) member appointed under subsection (c)(10) may be from the same political party.

(e) The legislative services agency shall staff the committee.

(f) The committee shall operate under the rules and procedures of the legislative council for study committees.

(g) Each member of the committee who is not a member of the general assembly is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(i) The affirmative votes of a majority of the legislator members of the committee are required for the committee to take action on any recommendation.

(j) The chairman of the legislative council shall appoint a member of the committee to serve as chairperson.

(k) The committee shall prepare and submit a written report of the committee's findings in an electronic format under IC 5-14-6 to the legislative council not later than November 1, 2007.

(l) This SECTION expires November 2, 2007.

SECTION 144. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **(a) Notwithstanding the provisions in IC 6-1.1-20.4-4 specifying that an ordinance or a resolution must be adopted before December 31 for homestead credits to be provided under IC 6-1.1-20.4 in the following year, a political subdivision may adopt an ordinance or a resolution after December 31, 2006, and before June 1, 2007, to provide for the use of revenue for the purpose of providing a homestead credit under IC 6-1.1-20.4 in 2007.**

(b) If a political subdivision adopts an ordinance or a resolution described in subsection (a):

(1) the local homestead credit under IC 6-1.1-20.4 shall be applied in the political subdivision in 2007; and

(2) the department of local government finance may take any action necessary to apply the local homestead credit in the political subdivision in 2007.

(c) This SECTION expires December 31, 2008.

SECTION 145. [EFFECTIVE UPON PASSAGE] **Notwithstanding the provisions in IC 6-3.5-6, before amendment by this act, specifying that an ordinance establishing or increasing the rate of a county option income tax in 2007 must be adopted before April 1, 2007, an ordinance adopted in 2007 to establish an additional rate under IC 6-3.5-6-33, as added by this act, may be adopted before June 1, 2007. An ordinance adopted under this SECTION is effective on the later of the following:**

(1) July 1, 2007.

(2) Fifteen (15) regular business days after the department of state revenue receives a certified copy of the ordinance from the county auditor.

SECTION 146. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **An ordinance adopted by the fiscal body for Howard County that:**

(1) was adopted before April 29, 2007; and

(2) would have been in compliance with IC 6-3.5-6-28, as amended by this act, if this act had been enacted before the ordinance was adopted;

is legalized and validated to the same extent as if this act had been enacted before the ordinance was adopted.

SECTION 147. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-12-37, as amended by this act, applies to property taxes first due and payable after December 31, 2007.**

SECTION 148. **An emergency is declared for this act.**

(Reference is to EHB 1478 as reprinted April 11, 2007.)

KUZMAN	KENLEY
CRAWFORD	BRODEN
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1, 164.1, and 164.2 and recommends that House Rules 162.1 and 164.1 be suspended so that the conference committee report for Engrossed House Bill 1001–2 is eligible for consideration and that House Rule 164.2 be amended so that the conference committee report for Engrossed House Bill 1001–2 may be laid over on the members' desks for 2 hours.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the conference committee report for Engrossed House Bill 1001–2 is eligible for consideration.

I further move that House Rule 164.2 be amended so that the conference committee report for Engrossed House Bill 1001–2 may be laid over on the members; desks for 2 hours.

PELATH, Chair

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

Engrossed House Bill 1001–2

The conference committee report was reread. Roll Call 672: yeas 51, nays 49. Report adopted.

CONFEREES AND ADVISORS APPOINTED

The Speaker announced the following changes in appointment of Representatives as conferees and advisors:

ESB 339 Conferee: Welch replacing Whetstone

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT

EHB 1510–1; filed April 29, 2007, at 9: 45 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1510 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-30-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. A contract executed by the commission under this chapter must specify the reasons for a suspension or termination of the contract by the commission, including the following:

(1) Commission of a violation **of this article, IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4,** or **a** rule adopted under this article.

(2) Failure to accurately account for lottery tickets, revenues, or prizes as required by the commission.

(3) Commission of a fraud, deceit, or misrepresentation.

(4) Insufficient sale of tickets.

(5) Conduct prejudicial to public confidence in the lottery.

(6) A material change in a matter considered by the commission executing the contract with the retailer.

SECTION 2. IC 4-32.2-1-1, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This article applies only to a qualified organization.

(b) This article applies only to **the following approved gambling events conducted as fundraising activities by qualified organizations:**

(1) Bingo events, charity game nights, door prize events, raffle events, festivals, and other gaming events approved by the commission. ~~and~~

(2) The sale of pull tabs, punchboards, and tip boards:

(A) at bingo events, charity game nights, door prize events, raffle events, and festivals conducted by qualified organizations; or

(B) at any time on the premises owned or leased by a qualified organization and regularly used for the activities of the qualified organization.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

(c) This article does not apply to a promotion offer subject to IC 24-8.

SECTION 3. IC 4-32.2-1-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. A bingo event, charity game night, door prize drawing, ~~or~~ raffle, **festival event, or other charity gambling event licensed under IC 4-32.2-4-16** is not allowed in Indiana unless it is conducted by a qualified organization in accordance with this article.

SECTION 4. IC 4-32.2-2-7, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. "Bona fide educational

organization" means an organization that is not for pecuniary profit and that meets the following criteria:

(1) The organization's primary purpose is educational in nature.

(2) The organization's constitution, articles, charter, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.

(3) The organization is designed to develop the capabilities of individuals by instruction in a public or private:

(A) **pre-elementary educational development program;**

(B) elementary or secondary school; or

~~(B)~~ **(C)** college or university.

SECTION 5. IC 4-32.2-2-15, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. "Door prize" means a prize awarded to a person based solely upon the person's **paid** attendance at ~~an~~ **a charity fundraising** event or the purchase of a ticket to attend ~~an~~ **a charity fundraising** event.

SECTION 6. IC 4-32.2-2-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.5. "Full-time employee" means an individual who:**

(1) is and has been employed by a particular qualified organization for at least ninety (90) consecutive days as of the date of the qualified organization's allowable event; and

(2) works at least an average of thirty-two (32) hours per week or one thousand six hundred sixty-two (1,662) hours per year for the qualified organization in a capacity that is primarily unrelated to the qualified organization's charity gaming operations.

SECTION 7. IC 4-32.2-2-18.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.7. "Key person" means any:**

(1) officer;

(2) director;

(3) executive;

(4) employee;

(5) trustee;

(6) substantial owner;

(7) independent owner; or

(8) agent;

of a business entity that has the power to exercise management or operating authority over the business entity or its affiliates.

SECTION 8. IC 4-32.2-2-20.5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20.5. "Member" means any of the following:

(1) An individual entitled to membership in a qualified organization under the bylaws, articles of incorporation, charter, or rules of the qualified organization.

(2) A member of the qualified organization's auxiliary.

(3) In the case of a qualified organization that is a **public or** nonpublic school (as defined in IC 20-18-2-12), ~~either~~ **any** of the following:

(A) A parent of a child enrolled in the school.

(B) A member of the school's parent organization.

(C) A member of the school's alumni association.

(D) An employee of the school.

(E) An officer of the school.

(F) A student enrolled in the school.

(4) A member of a qualified organization's board of directors or board of trustees.

SECTION 9. IC 4-32.2-2-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 21.5. "PPT license" refers to a license issued to a qualified organization under IC 4-32.2-4-16.5.**

SECTION 10. IC 4-32.2-2-24, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 24. (a) "Qualified organization" means:

(1) a bona fide religious, educational, senior citizens, veterans, or civic organization operating in Indiana that:

(A) operates without profit to the organization's members;

(B) is exempt from taxation under Section 501 of the Internal Revenue Code; and

(C) has been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at least five (5) years; ~~or~~

(2) a bona fide political organization operating in Indiana that produces exempt function income (as defined in Section 527 of the Internal Revenue Code); **or**

(3) a state educational institution (as defined in IC 20-12-0.5-1).

(b) For purposes of IC 4-32.2-4-3, a "qualified organization" includes the following:

(1) A hospital licensed under IC 16-21.

(2) A health facility licensed under IC 16-28.

(3) A psychiatric facility licensed under IC 12-25.

(4) An organization defined in subsection (a).

(c) For purposes of IC 4-32.2-4-10, a "qualified organization" includes a bona fide business organization.

SECTION 11. IC 4-32.2-2-27.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 27.5. "Substantial owner" means:**

(1) a person holding at least a five percent (5%) ownership interest; or

(2) an institutional investor holding at least a fifteen percent (15%) ownership interest;

in a business entity.

SECTION 12. IC 4-32.2-2-30, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 30. "Worker" means an individual who helps or participates in any manner in ~~preparing for,~~ conducting **or** assisting in conducting ~~cleaning up after, or taking any other action in connection with~~ an allowable event under this article.

SECTION 13. IC 4-32.2-3-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which charity gaming in Indiana may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of charity gaming.

(4) Establishing rules concerning inspection of qualified organizations and the review of the licenses necessary to conduct charity gaming.

(5) Imposing penalties for noncriminal violations of this article.

(6) Establishing standards for independent audits conducted under IC 4-32.2-5-5.

(b) The commission may adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(1) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(2) an emergency rule is likely to address the need.

SECTION 14. IC 4-32.2-3-4, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The commission has the sole authority to license entities under this article to sell, distribute, or manufacture ~~the following:~~

~~(1) Bingo cards.~~

~~(2) Bingo boards.~~

~~(3) Bingo sheets.~~

~~(4) Bingo pads.~~

~~(5) Pull tabs.~~

~~(6) Punchboards.~~

~~(7) Tip boards.~~

~~(8) Any other supplies, devices, or equipment designed to be used in allowable events designated by rule of the commission.~~

a licensed supply.

(b) Qualified organizations must obtain ~~the materials described in subsection (a)~~ **licensed supplies** only from an entity licensed by the commission.

(c) The commission may not limit the number of qualified entities licensed under subsection (a).

(d) The commission may deny a license to an applicant for a license to sell, manufacture, or distribute licensed supplies if the commission determines that at least one (1) of the following applies with respect to the applicant:

(1) The applicant has:

(A) violated a local ordinance, a state or federal statute, or an administrative rule or regulation and the violation would cause the commission to determine that the applicant, a key person, or a substantial owner of the applicant is not of good moral character or reputation; or

(B) committed any other act that would negatively impact the integrity of charity gaming in Indiana.

(2) The applicant has engaged in fraud, deceit, or misrepresentation.

(3) The applicant has failed to provide information required by this article or a rule adopted under this article.

SECTION 15. IC 4-32.2-3-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The commission shall charge appropriate fees to the following:

(1) An applicant for a license to conduct an allowable event.

(2) An applicant seeking a license to distribute ~~bingo supplies, pull tabs, punchboards, or tip boards.~~ **a licensed supply.**

(3) An applicant seeking a license to manufacture ~~bingo supplies, pull tabs, punchboards, or tip boards.~~ **a licensed supply.**

SECTION 16. IC 4-32.2-4-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2.5. The commission may deny a license to an organization if the commission determines that at least one (1) of the following applies with respect to the organization:**

(1) The organization has:

(A) violated a local ordinance, a state or federal statute, or an administrative rule or regulation and the violation would cause the commission to determine that the applicant, a key person, or a substantial owner of the applicant is not of good moral character or reputation; or

(B) committed any other act that would negatively affect the integrity of charity gaming in Indiana.

(2) The organization has engaged in fraud, deceit, or misrepresentation.

(3) The organization has failed to provide information required by this article or a rule adopted under this article.

(4) The organization has failed to provide sufficient information to enable the commission to determine that the organization is a qualified organization.

SECTION 17. IC 4-32.2-4-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A qualified organization is not required to obtain a license from the commission if the value of all prizes awarded at the bingo event, charity game night, raffle event, ~~or~~ door prize event, **festival event, or other event licensed under section 16 of this chapter,** including prizes from pull tabs, punchboards, and tip boards, does not exceed one thousand dollars ($1,000) for a single event and not more than three thousand dollars ($3,000) during a calendar year.

(b) A qualified organization ~~described in subsection (a)~~ that plans to hold ~~a bingo~~ **an allowable** event **described in subsection (a)** more than one (1) time a year shall send an annual written notice to the commission informing the commission of the following:

(1) The estimated frequency of the planned ~~bingo~~ **allowable** events.

(2) The location or locations where the qualified organization plans to hold the ~~bingo~~ **allowable** events.

(3) The estimated ~~amount of revenue expected to be generated by~~ **value of all prizes awarded at** each ~~bingo~~ **allowable** event.

(c) The notice required under subsection (b) must be filed before the earlier of the following:

(1) March 1 of each year.

(2) One (1) week before the qualified organization holds the first ~~bingo~~ **allowable** event of the year.

(d) A qualified organization **that conducts an allowable event** described in subsection (a) shall maintain accurate records of all financial transactions of ~~an~~ **the** event. ~~conducted under this section.~~ The commission may inspect records kept in compliance with this section.

SECTION 18. IC 4-32.2-4-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The commission may issue a bingo license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The commission may hold a public hearing to obtain input on the proposed issuance of an annual bingo license to an applicant that has never held an annual bingo license under this article.

(c) The first time that a qualified organization applies for an annual bingo license, the ~~commission~~ **qualified organization** shall publish notice that the application has been filed **by publication at least two (2) times, seven (7) days apart, as follows:**

(1) In one (1) newspaper in the county where the qualified organization is located.

(2) In one (1) newspaper in the county where the allowable event will be conducted.

(d) The notification ~~must be in accordance with IC 5-14-1.5-5 and~~ **required by subsection (c)** must contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual bingo license.

(2) The location where the bingo events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual bingo license.

(5) A statement that the commission shall hold a public hearing if ten (10) written and signed protest letters are

received by the commission.

(6) The address of the commission where correspondence concerning the application may be sent.

~~(d)~~ **(e)** If the commission receives at least ten (10) protest letters, the commission shall hold a public hearing in accordance with IC 5-14-1.5. The commission shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

~~(e)~~ **(f)** A license issued under this section:

(1) may authorize the qualified organization to conduct bingo events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted bingo events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

~~(f)~~ **(g)** Notwithstanding subsection ~~(e)(4),~~ **(f)(4),** the commission ~~shall~~ **may** hold a public hearing for the reissuance of an annual bingo license if **at least one (1) of the following conditions is met:**

(1) An applicant has been cited for a violation of law or a rule of the commission. ~~or~~

~~(2) The commission finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the commission in connection with the bingo license, that one (1) or more of the alleged violations:~~

~~(A) has occurred;~~

~~(B) is a type of violation that would allow the commission to cite the applicant for a violation of a provision of this article or of a rule of the commission; and~~

~~(C) has not been corrected after notice has been given by the commission.~~

(2) The commission receives at least ten (10) protest letters concerning the qualified organization's bingo operation.

(3) A public hearing is considered necessary by the commission.

~~(g) If the commission is required to hold a public hearing on an application for a reissuance of an annual bingo license, it shall comply with the same procedures required under this section for notice and for conducting the hearing.~~

~~(h) The commission may deny a license if, after a public hearing, the commission determines that the applicant:~~

~~(1) has violated a local ordinance; or~~

~~(2) has engaged in fraud, deceit, or misrepresentation.~~

SECTION 19. IC 4-32.2-4-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 7.5. (a) Subject to subsection (h), the commission may issue an annual charity game night license to a qualified organization if:**

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The commission may hold a public hearing to obtain input on the proposed issuance of an annual charity game night license to an applicant that has never held an annual charity game night license under this article.

(c) The first time that a qualified organization applies for an annual charity game night license, the qualified organization shall publish notice that the application has been filed by publication at least two (2) times, seven (7) days apart, as follows:

(1) In one (1) newspaper in the county where the qualified organization is located.

(2) In one (1) newspaper in the county where the allowable events will be conducted.

(d) The notification required by subsection (c) must contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual charity game night license.

(2) The location where the charity game night events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual charity game night license.

(5) A statement that the commission shall hold a public hearing if ten (10) written and signed protest letters are received by the commission.

(6) The address of the commission where correspondence concerning the application may be sent.

(e) If the commission receives at least ten (10) protest letters, the commission shall hold a public hearing in accordance with IC 5-14-1.5. The commission shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

(f) A license issued under this section:

(1) may authorize the qualified organization to conduct charity game night events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted charity game night events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

(g) Notwithstanding subsection (f)(4), the commission may hold a public hearing for the reissuance of an annual charity game night license if at least one (1) of the following conditions is met:

(1) An applicant has been cited for a violation of law or a rule of the commission.

(2) The commission receives at least ten (10) protest letters concerning the qualified organization's charity game night operation.

(3) A public hearing is considered necessary by the commission.

(h) Notwithstanding IC 4-32.2-2-24, this section applies only to:

(1) a bona fide civic organization; or

(2) a bona fide veterans organization;

that has been continuously in existence in Indiana for ten (10) years. A qualified organization that is not described in this subsection may not apply for an annual charity game night license under this section.

SECTION 20. IC 4-32.2-4-8, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. ~~(a)~~ The commission may issue a raffle license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a raffle event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the raffle event.

~~(b) A qualified organization, by rule of the commission, may be excused from the requirement of obtaining a license to conduct a raffle event if the total market value of the prize or prizes to be awarded at the raffle event does not exceed one thousand dollars ($1,000).~~

SECTION 21. IC 4-32.2-4-9, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. **(a)** The ~~commissioner~~ **commission** may issue an annual raffle license to a qualified organization ~~upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must~~

~~(1) authorize the qualified organization to conduct not more than five (5) raffle events in the calendar year in which the license is issued; and~~

~~(2) state the date, beginning and ending times, and location of each raffle event conducted by the qualified organization in the calendar year.~~

if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The application for an annual raffle prize license must contain the following:

(1) The name of the qualified organization.

(2) The location where the raffle events will be held.

(3) The names of the operator and officers of the qualified organization.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct raffle events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted raffle events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

SECTION 22. IC 4-32.2-4-10, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. ~~(a)~~ The commission may issue a door prize license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must:

(1) authorize the qualified organization to conduct a door prize event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the door prize event.

~~(b) A qualified organization, by rule of the commission, may be excused from the requirement of obtaining a license to conduct a door prize event if the total market value of the prize or prizes to be awarded at the door prize event does not exceed one thousand dollars ($1,000).~~

SECTION 23. IC 4-32.2-4-11, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) The commission may issue an annual door prize license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the commission under IC 4-32.2-6.

(b) The application for an annual door prize license must contain the following:

(1) The name of the qualified organization.

(2) The location where the door prize events will be held.

(3) The names of the operator and officers of the qualified organization.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct door prize events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted door prize events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

~~(d) The commission may reject an application for an annual door prize license if, after a public hearing, the commission determines that the applicant:~~

~~(1) has violated a local ordinance; or~~

~~(2) has engaged in fraud, deceit, or misrepresentation.~~

SECTION 24. IC 4-32.2-4-12, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) The commission may issue a festival license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. The license must authorize the qualified organization to conduct bingo events, charity game nights, ~~one (1)~~ raffle ~~event,~~ **events, gambling events licensed under section 16 of this chapter,** and door prize events and to sell pull tabs, punchboards, and tip boards. The license must state the location and the dates, not exceeding four (4) consecutive days, on which these activities may be conducted.

(b) **Except as provided in IC 4-32.2-5-6(c),** a qualified organization may not conduct more than one (1) festival each year. ~~at which bingo events, charity game nights, raffle events, and door prize events, are conducted and pull tabs, punchboards, and tip boards are sold.~~

(c) The raffle event authorized by a festival license is not subject to the prize limits set forth in this chapter. Bingo events, charity game nights, and door prize events conducted at a festival are subject to the prize limits set forth in this chapter.

SECTION 25. IC 4-32.2-4-13, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A bingo license or special bingo license may also authorize a qualified organization to conduct **raffle events and** door prize drawings and sell pull tabs, punchboards, and tip boards at the bingo event.

(b) A charity game night license may also authorize a qualified organization to:

(1) conduct **raffle events and** door prize drawings; and

(2) sell pull tabs, punchboards, and tip boards;

at the charity game night.

(c) A raffle license **or an annual raffle license** may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license **or an annual door prize license** may also authorize a qualified organization to **conduct a raffle event and to** sell pull tabs, punchboards, and tip boards at the door prize event.

SECTION 26. IC 4-32.2-4-14, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. A qualified organization may hold more than one (1) license at a time. ~~However, a qualified organization with multiple licenses may not hold a bingo event and raffle at the same event or at the same time and place unless, by express determination, the commission allows a qualified organization to do so. The commission may allow a qualified organization to conduct only one (1) event each year at which both bingo and a raffle may be held.~~

SECTION 27. IC 4-32.2-4-16, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) This section applies to a gambling event that is described in neither:

(1) section 1(1) through 1(6) of this chapter; nor

(2) IC 4-32.2-2-12(b).

(b) The commission may issue a **single event license or an annual event** license to conduct a gambling event approved by

the commission to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6. ~~The~~

(c) A single event license must:

(1) authorize the qualified organization to conduct the gambling event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the gambling event.

(d) An annual event license:

(1) must authorize the qualified organization to conduct the events on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted events;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee set by the commission.

~~(c)~~ **(e)** The commission may impose any condition upon a qualified organization that is issued a license to conduct a gambling event under this section.

SECTION 28. IC 4-32.2-4-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16.5. (a) The commission may issue an annual PPT license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32.2-6.**

(b) A license issued under this section authorizes a qualified organization to sell pull tabs, punchboards, and tip boards at any time on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization.

(c) A license issued under this section is not required for the sale of pull tabs, punchboards, and tip boards at another allowable event as permitted under section 13 of this chapter.

(d) The application for an annual PPT license must contain the following:

(1) The name of the qualified organization.

(2) The location where the qualified organization will sell pull tabs, punchboards, and tip boards.

(3) The names of the operator and the officers of the qualified organization.

SECTION 29. IC 4-32.2-4-18, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) With respect to any action authorized by this section, a candidate's committee (as defined in IC 3-5-2-7) is considered a bona fide political organization.

(b) A candidate's committee may apply for a license under section 8 of this chapter to conduct a raffle event. A candidate's committee may ~~not~~ **also** conduct **a door prize drawing at the raffle event but is prohibited from conducting** any other kind of allowable event.

(c) The following are subject to this ~~article:~~ **chapter and IC 4-32.2-6:**

(1) A candidate's committee that applies for a license under section 8 of this chapter.

(2) A raffle event **or door prize drawing** conducted by a candidate's committee.

(d) The members of a candidate's committee may conduct an event under this section without meeting the requirements of this article concerning the membership of a qualified organization. A candidate's committee licensed under this section must remain in good standing with the election division or the county election board having jurisdiction over the committee.

SECTION 30. IC 4-32.2-5-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) All net proceeds from an allowable event and related activities may be used only for the lawful purposes of the qualified organization.

(b) To determine the net proceeds from an allowable event, a qualified organization shall subtract the following from the gross receipts received from the allowable event:

(1) An amount equal to the total value of the prizes, including door prizes, awarded at the allowable event.

(2) The sum of the purchase prices paid for licensed supplies dispensed at the allowable event.

(3) An amount equal to the qualified organization's license fees attributable to the allowable event.

(4) An amount equal to the advertising expenses incurred by the qualified organization to promote the allowable event.

(5) An amount not to exceed two hundred dollars ($200) per day for rent paid for facilities leased for an allowable event.

SECTION 31. IC 4-32.2-5-5, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. **(a)** A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the commission within the time established by the commission. The commission may prescribe forms for this purpose. The commission shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

(b) The commission may require a qualified organization to submit any records maintained under this section for an independent audit by a certified public accountant selected by the commission. A qualified organization must bear the cost of any audit required under this section.

SECTION 32. IC 4-32.2-5-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A qualified organization may not conduct more than three (3) allowable events during a calendar week and not more than one (1) allowable event each day.

(b) Except as provided in IC 4-32.2-4-12 **and IC 4-32.2-4-16.5,** allowable events may not be held on more than two (2) consecutive days.

(c) A ~~bona fide civic~~ **qualified** organization may conduct one (1) additional ~~allowable~~ **festival** event during each six (6) months of a calendar year.

SECTION 33. IC 4-32.2-5-8, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) ~~Except as provided in subsection (d),~~ If facilities are leased for an allowable event, the rent may not

~~(1)~~ be based in whole or in part on the revenue generated from the event. ~~or~~

~~(2) exceed two hundred dollars ($200) per day.~~

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

~~(d) If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership, facility rent for the allowable event may exceed two hundred dollars ($200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.~~

SECTION 34. IC 4-32.2-5-12, AS ADDED BY P.L.91-2006,

SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) Except as provided in subsection (b) **or (c),** an operator or a worker **who is not a full-time employee** may not receive remuneration for:

~~(1) preparing for;~~

~~(2)~~ **(1)** conducting; **or**

~~(3)~~ **(2)** assisting in conducting;

~~(4) cleaning up after; or~~

~~(5) taking any other action in connection with;~~

an allowable event.

(b) A qualified organization that conducts an allowable event may:

(1) provide meals for the operators and workers during the allowable event; and

(2) provide recognition dinners and social events for the operators and workers;

if the value of the meals and social events does not constitute a significant inducement to participate in the conduct of the allowable event.

(c) In the case of a qualified organization holding a PPT license, any employee of the qualified organization may:

(1) participate in the sale and redemption of pull tabs, punchboards, and tip boards on the premises of the qualified organization; and

(2) receive the remuneration ordinarily provided to the employee in the course of the employee's employment.

SECTION 35. IC 4-32.2-5-16, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) Except as provided in **section 12(c) of this chapter and** subsection (b), a worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if **the individual is a full-time employee of the qualified organization that is conducting the allowable event or if:**

(1) the individual is a member of another qualified organization; and

(2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

(1) the licensing requirements of this article; and

(2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

SECTION 36. IC 4-32.2-5-22, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22. ~~If an employee or officer of a manufacturer or distributor is a member of a bona fide civic or bona fide religious organization that holds a charity gaming license, the employee's or officer's membership in the organization may not be construed as an affiliation with the organization's charity gaming operations.~~ **An employee, officer, or owner of a manufacturer or distributor is prohibited from participating in or affiliating in any way with the charity gaming operations of a qualified organization of which the employee, officer, or owner is a member.**

SECTION 37. IC 4-32.2-6-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. **(a) In the case of a qualified organization that is not subject to subsection (b), the qualified organization's adjusted gross revenue is an amount equal to the difference between:**

(1) the qualified organization's total gross revenue from allowable events and related activities in the preceding year; minus

(2) the sum of any amounts deducted under IC 4-32.2-5-3(b)(5) in the preceding year.

(b) This subsection applies only to a qualified organization that held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8, IC 4-32.2-4-10, or IC 4-32.2-4-12. The qualified organization's adjusted gross revenue is an amount equal to the difference between:

(1) the qualified organization's total gross revenue from the preceding event and related activities; minus

(2) any amount deducted under IC 4-32.2-5-3(b)(5) for the preceding event.

(c) The license fee that is charged to a qualified organization that renews the license must be based on the ~~total~~ **adjusted** gross revenue of the qualified organization from allowable events and related activities in the preceding year, or, if the qualified organization held a license under IC 4-32.2-4-6, IC 4-32.2-4-7, IC 4-32.2-4-8, IC 4-32.2-4-10, or IC 4-32.2-4-12, the fee must be based on the ~~total~~ **adjusted** gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:

Class	**Adjusted** Gross Revenues At Least	But Less Than	Fee
A	$ 0	$ 15,000	$ 50
B	$ 15,000	$ 25,000	$ 100
C	$ 25,000	$ 50,000	$ 300
D	$ 50,000	$ 75,000	$ 400
E	$ 75,000	$ 100,000	$ 700
F	$ 100,000	$ 150,000	$ 1,000
G	$ 150,000	$ 200,000	$ 1,500
H	$ 200,000	$ 250,000	$ 1,800
I	$ 250,000	$ 300,000	$ 2,500
J	$ 300,000	$ 400,000	$ 3,250
K	$ 400,000	$ 500,000	$ 5,000
L	$ 500,000	$ 750,000	$ 6,750
M	$ 750,000	$ 1,000,000	$ 9,000
N	$ 1,000,000	$ 1,250,000	$ 11,000
O	$ 1,250,000	$ 1,500,000	$ 13,000
P	$ 1,500,000	$ 1,750,000	$ 15,000
Q	$ 1,750,000	$ 2,000,000	$ 17,000
R	$ 2,000,000	$ 2,250,000	$ 19,000
S	$ 2,250,000	$ 2,500,000	$ 21,000
T	$ 2,500,000	$ 3,000,000	$ 24,000
U	$ 3,000,000		$ 26,000

SECTION 38. IC 4-32.2-7-1, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter, "surplus revenue" means the amount of money in the charity gaming enforcement fund that is not required to meet the costs of administration and the cash flow needs of the commission under this article, **IC 4-33-19, and IC 4-33-20.**

SECTION 39. IC 4-32.2-7-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. There is appropriated annually to the commission from the fund an amount sufficient to cover the costs incurred by the commission for the purposes specified in this article, **IC 4-33-19, and IC 4-33-20.**

SECTION 40. IC 4-32.2-8-1, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may

suspend or revoke the license of or levy a civil penalty against a qualified organization, **a manufacturer, a distributor,** or an individual under this article for any of the following:

(1) Violation of:

(A) a provision of this article, ~~or of~~ **IC 35-45-5-3, IC 35-45-5-3.5, IC 35-45-5-4, or** a rule of the commission; **or**

(B) any other local ordinance, state or federal statute, or administrative rule or regulation that would cause the commission to determine that the person is not of good moral character or reputation.

(2) Failure to accurately account for

~~(A) bingo cards;~~

~~(B) bingo boards;~~

~~(C) bingo sheets;~~

~~(D) bingo pads;~~

~~(E) pull tabs;~~

~~(F) punchboards; or~~

~~(G) tip boards.~~

a licensed supply.

(3) Failure to accurately account for sales proceeds from an event or activity licensed or permitted under this article.

(4) Commission of a fraud, deceit, or misrepresentation.

(5) Conduct prejudicial to public confidence in the commission.

(b) If a violation is of a continuing nature, the commission may impose a civil penalty upon a licensee or an individual for each day the violation continues.

(c) For purposes of subsection (a), a finding that a person has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be supported by a preponderance of the evidence.

SECTION 41. IC 4-32.2-9-2, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. An employee of the commission may do any of the following:

(1) Investigate an alleged violation of this article.

(2) Arrest an alleged violator of this article. ~~or of a rule adopted by the commission.~~

(3) Enter upon the following premises for the performance of the employee's lawful duties:

(A) A location where a bingo event, charity game night, **festival event,** raffle, ~~or~~ door prize drawing, **or other charity gambling event licensed under IC 4-32.2-4-16** is being conducted.

(B) A location where pull tabs, tip boards, or punchboards are being purchased, sold, manufactured, printed, or stored.

(4) Take necessary equipment from the premises for further investigation.

(5) Obtain full access to all financial records of the entity upon request.

(6) If there is a reason to believe that a violation has occurred, search and inspect the premises where the violation is alleged to have occurred or is occurring. A search under this subdivision may not be conducted unless a warrant has first been obtained by the executive director. A contract entered into by the executive director may not include a provision allowing for warrantless searches. A warrant may be obtained in the county where the search will be conducted or in Marion County.

(7) Seize or take possession of:

(A) papers;

(B) records;

(C) tickets;

(D) currency; or

(E) other items;

related to an alleged violation.

SECTION 42. IC 4-32.2-9-3, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The commission shall conduct investigations necessary to ensure the security and integrity of the operation of games of chance under this article. The commission may conduct investigations of the following:

(1) Licensed qualified organizations.

(2) Applicants for licenses issued under this article.

~~(3) Licensed manufacturers and distributors.~~

(3) Entities that sell, manufacture, or distribute licensed supplies.

(4) Employees of the commission under this article.

(5) Applicants for contracts or employment with the commission under this article.

(6) Individuals engaged in conducting allowable events.

(b) The commission may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

(1) required by the commission to carry out the investigation; or

(2) otherwise needed to facilitate access to state and criminal history information.

SECTION 43. IC 4-32.2-9-6, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) This section applies only to products sold in Indiana.

(b) If a licensed manufacturer or distributor destroys, discontinues, or otherwise renders unusable

~~(1) bingo supplies;~~

~~(2) punchboards; or~~

~~(3) tip boards;~~

a licensed supply, the manufacturer or distributor shall provide the commission with a written list of the items destroyed, discontinued, or rendered otherwise unusable.

(c) The list required under subsection (b) must contain the following information concerning the items destroyed, discontinued, or rendered otherwise unusable:

(1) The quantity.

(2) A description.

(3) The serial numbers.

(4) The date the items were destroyed, discontinued, or rendered otherwise unusable.

(d) Notwithstanding subsection (b), this section does not apply to a product considered defective by the manufacturer or distributor.

SECTION 44. IC 4-32.2-9-8, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. A manufacturer or distributor of ~~supplies, devices, or equipment described in IC 4-32.2-3-4(a)~~ **a licensed supply** to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the ~~supplies, devices, and equipment.~~ **licensed supply.**

SECTION 45. IC 4-33-2-11.6, AS ADDED BY P.L.170-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11.6. "Law enforcement agency" means any of the following:

(1) The gaming agents of the Indiana gaming commission.

(2) The state police department.

(3) The conservation officers of the department of natural resources.

(4) The state excise police of the alcohol and tobacco commission.

(5) The gaming control officers of the Indiana gaming commission.

SECTION 46. IC 4-33-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) The executive director shall devote the executive director's full time to the duties of the office. ~~and shall not hold any other office or employment.~~

(b) The executive director shall do the following:

(1) Keep records of all proceedings of the commission.

(2) Preserve all papers, books, documents, and other records belonging to or held by the commission.

SECTION 47. IC 4-33-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 19. License Control Division

Sec. 1. As used in this chapter, "division" means the license control division established by section 3 of this chapter.

Sec. 2. As used in this chapter, "licensed entity" means a person holding:

(1) a charity gaming license issued under IC 4-32.2;

(2) a retail merchant's certificate issued under IC 6-2.5-8;

(3) a tobacco sales certificate issued under IC 7.1-3-18.5; or

(4) an alcoholic beverage permit issued under IC 7.1-3.

Sec. 3. The license control division is established to conduct administrative enforcement actions against licensed entities engaged in unlawful gambling.

Sec. 4. The commission shall hire an administrative law judge, attorneys, and other personnel necessary to carry out the division's duties under this chapter.

Sec. 5. The division shall carry out the commission's duties under IC 4-32.2-8 and IC 4-32.2-9 with respect to any person that is:

(1) licensed under IC 4-32.2; and

(2) suspected of violating IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

Sec. 6. The division shall, on behalf of the department of state revenue or the alcohol and tobacco commission, conduct a license revocation action against a licensed entity for any revocation action authorized by any of the following statutes:

(1) IC 6-2.5-8-7(g).

(2) IC 7.1-3-18.5-5(c).

(3) IC 7.1-3-23-2(b).

(4) IC 7.1-3-23-5 with respect to a violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

Sec. 7. (a) A memorandum of understanding between the commission and:

(1) the department of state revenue in the case of an action involving a person holding a retail merchant's certificate; or

(2) the alcohol and tobacco commission in the case of an action involving a person holding a tobacco sales certificate or an alcoholic beverage permit;

is required to authorize the division's actions under section 6 of this chapter

(b) The agencies described in subsection (a) shall enter into the memorandum of understanding required by this section before January 1, 2008.

Sec. 8. (a) A memorandum of understanding required by section 7 of this chapter must describe the responsibilities of each participating agency in coordinating the agencies' administrative enforcement actions with respect to suspected violations of IC 35-45-5-3, IC 35-45-5-3.5, and IC 35-45-5-4.

(b) Each party to the memorandum of understanding required by section 7 of this chapter must agree to permit the license revocation actions subject to this chapter to be heard by an administrative law judge employed by the division.

(c) A memorandum of understanding required by section 7 of this chapter must set forth the administrative procedures applicable to each revocation action conducted under this chapter.

Sec. 9. The division may refer any information concerning suspected criminal activity discovered in carrying out the division's duties under this chapter to the prosecuting attorney of the county in which the suspected criminal activity occurred.

Sec. 10. The commission shall assign gaming control officers employed under IC 4-33-20 to assist the division in carrying out the duties of this chapter.

SECTION 48. IC 4-33-20 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 20. Gaming Control Division

Sec. 1. As used in this chapter, "gaming control officer" refers to an officer employee of the division.

Sec. 2. As used in this chapter, "division" refers to the gaming control division established under section 3 of this chapter.

Sec. 3. The commission shall establish a law enforcement division known as the gaming control division.

Sec. 4. The gaming control division shall be organized in conformity with rules adopted by the commission.

Sec. 5. The commission shall:

(1) pay all personnel costs incurred by the division; and

(2) purchase all property, supplies, and equipment for the division;

from money deposited in the charity gaming enforcement fund established by IC 4-32.2-7-3.

Sec. 6. The commission shall initially staff the division with sixteen (16) gaming control officers. Subject to the availability of funds in the charity gaming enforcement fund, the commission may increase the number of gaming control officers employed by the division at its discretion.

Sec. 7. (a) The commission shall provide each gaming control officer the uniforms and equipment necessary to the performance of the gaming control officer's duties. All uniforms and equipment remain the property of the state.

(b) The executive director shall charge against a gaming control officer the value of property lost or destroyed through carelessness or neglect of the employee. The value of the equipment shall be deducted from the pay of the gaming control officer.

Sec. 8. The commission shall create a matrix for salary ranges for gaming control officers, which must be reviewed and approved by the budget agency before implementation.

Sec. 9. A gaming control officer:

(1) is a law enforcement officer under IC 9-13-2-92 and IC 35-41-1-17 and has the power to enforce Indiana laws and without warrant to arrest for the violation of any of those laws when committed in the officer's presence;

(2) is a police officer under IC 9-13-2-127;

(3) has the power of law enforcement officers to arrest under IC 35-33-1-1; and

(4) has the power to enforce Indiana laws and may exercise all powers granted by law to state police officers, sheriffs, and members of police departments.

Sec. 10. A gaming control officer shall investigate a suspected violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 by a person holding any of the following:

(1) A retail merchant's certificate issued under IC 6-2.5-8.

(2) A tobacco sales certificate issued under IC 7.1-3-18.5.

(3) An alcoholic beverage permit issued under IC 7.1-3.

Sec. 11. (a) A uniformed gaming control officer shall carry arms in the performance of the officer's duty.

(b) A nonuniformed gaming control officer may carry arms in the performance of the officer's duty.

Sec. 12. Each gaming control officer shall execute a surety bond in the amount of one thousand dollars ($1,000), with surety approved by the commission, and an oath of office, both of which must be filed with the executive director.

Sec. 13. (a) The injury to, injury to the health of, or death of a gaming control officer is compensable under the

appropriate provisions of IC 22-3-2 through IC 22-3-7 if the injury, injury to the health of, or death arises out of and in the course of the performance of the officer's duties as a gaming control officer.

(b) For purposes of subsection (a) and IC 22-3-2 through IC 22-3-7, a gaming control officer is conclusively presumed to have accepted the compensation provisions included in the parts of the Indiana Code referred to in this subsection.

Sec. 14. An eligible gaming control officer who retires with at least twenty (20) years of service as a gaming control officer:

(1) may retain the officer's service weapon;

(2) may receive, in recognition of the officer's service to the commission and to the public, a badge that indicates that the officer is retired; and

(3) shall be issued by the commission an identification card stating the officer's name and rank, signifying that the officer is retired, and noting the officer's authority to retain the service weapon.

SECTION 49. IC 5-10-1.5-1, AS AMENDED BY P.L.170-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Each retirement plan for employees of the state or of a political subdivision shall report annually on September 1 to the public employees' retirement fund the information from the preceding fiscal year necessary for the actuary of the fund to perform an actuarial valuation of each plan. Where the director and actuary of the fund consider it appropriate, the actuary may combine one (1) retirement plan with another or with the public employees' retirement fund for the purposes of the actuarial valuation. The retirement plans covered by this chapter are the following:

(1) The state excise police, gaming agent, **gaming control officer,** and conservation enforcement officers' retirement plan established under IC 5-10-5.5.

(2) The "trust fund" and "pension trust" of the state police department established under IC 10-12-2.

(3) Each of the police pension funds established or covered under IC 19-1-18, IC 19-1-30, IC 19-1-25-4, or IC 36-8.

(4) Each of the firemen's pension funds established or covered under IC 19-1-37, IC 18-1-12, IC 19-1-44, or IC 36-8.

(5) Each of the retirement funds for utility employees authorized under IC 19-3-22 or IC 36-9 or established under IC 19-3-31.

(6) Each county police force pension trust and trust fund authorized under IC 17-3-14 or IC 36-8.

(7) The Indiana judges' retirement fund established under IC 33-38-6.

(8) Each retirement program adopted by a board of a local health department as authorized under IC 16-1-4-25 (before its repeal) or IC 16-20-1-3.

(9) Each retirement benefit program of a joint city-county health department under IC 16-1-7-16 (before its repeal).

(10) Each pension and retirement plan adopted by the board of trustees or governing body of a county hospital as authorized under IC 16-12.1-3-8 (before its repeal) or IC 16-22-3-11.

(11) Each pension or retirement plan and program for hospital personnel in certain city hospitals as authorized under IC 16-12.2-5 (before its repeal) or IC 16-23-1.

(12) Each retirement program of the health and hospital corporation of a county as authorized under IC 16-12-21-27 (before its repeal) or IC 16-22-8-34.

(13) Each pension plan provided by a city, town, or county housing authority as authorized under IC 36-7.

(14) Each pension and retirement program adopted by a public transportation corporation as authorized under IC 36-9.

(15) Each system of pensions and retirement benefits of a regional transportation authority as authorized or required by IC 36-9.

(16) Each employee pension plan adopted by the board of an airport authority under IC 8-22-3.

(17) The pension benefit paid for the national guard by the state as established under IC 10-16-7.

(18) The pension fund allowed employees of the Wabash Valley interstate commission as authorized under IC 13-5-1-3.

(19) Each system of pensions and retirement provided by a unit under IC 36-1-3.

SECTION 50. IC 5-10-1.7-1, AS AMENDED BY P.L.2-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The retirement plans covered by this chapter are:

(1) The state excise police, gaming agent, **gaming control officer,** and conservation officers' retirement plan, established under IC 5-10-5.5.

(2) The public employees' retirement fund, established under IC 5-10.3-2.

(3) The trust fund and pension trust of the department of state police, established under IC 10-12-2.

(4) The Indiana state teachers' retirement fund, established under IC 5-10.4-2.

(5) The Indiana judges' retirement fund, established under IC 33-38-6.

(6) The police officers' and firefighters' pension and disability fund established under IC 36-8-8-4.

(b) As used in this chapter, "board" means the board of trustees of a retirement plan covered by this chapter.

SECTION 51. IC 5-10-5.5-1, AS AMENDED BY P.L.170-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter and unless the context clearly denotes otherwise:

(a) "Department" means the Indiana department of natural resources.

(b) "Commission" means the alcohol and tobacco commission.

(c) "Officer" means any Indiana state excise police officer, any Indiana state conservation enforcement officer, ~~or~~ any gaming agent, **or any gaming control officer.**

(d) "Participant" means any officer who has elected to participate in the retirement plan created by this chapter.

(e) "Salary" means the total compensation, exclusive of expense allowances, paid to any officer by the department or the commission, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

(f) "Average annual salary" means the average annual salary of an officer during the five (5) years of highest annual salary in the ten (10) years immediately preceding an officer's retirement date, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

(g) "Public employees' retirement act" means IC 5-10.3.

(h) "Public employees' retirement fund" means the public employees' retirement fund created by IC 5-10.3-2.

(i) "Interest" means the same rate of interest as is specified under the public employees' retirement law.

(j) "Americans with Disabilities Act" refers to the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and any amendments and regulations related to the Act.

(k) Other words and phrases when used in this chapter shall, for the purposes of this chapter, have the meanings respectively ascribed to them as set forth in IC 5-10.3-1.

SECTION 52. IC 5-10-5.5-2, AS AMENDED BY P.L.170-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. There is hereby created a state excise police, gaming agent, **gaming control officer,** and conservation enforcement officers'

retirement plan to establish a means of providing special retirement, disability and survivor benefits to employees of the department, the Indiana gaming commission, and the commission who are engaged exclusively in the performance of law enforcement duties.

SECTION 53. IC 5-10-5.5-2.5, AS AMENDED BY P.L.170-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) As used in this chapter, "Internal Revenue Code":

(1) means the Internal Revenue Code of 1954, as in effect on September 1, 1974, if permitted with respect to governmental plans; or

(2) to the extent not inconsistent with subdivision (1), has the meaning set forth in IC 6-3-1-11.

(b) The state excise police, gaming agent, **gaming control officer,** and conservation officers' retirement plan shall satisfy the qualification requirements in Section 401 of the Internal Revenue Code, as applicable to the retirement plan. In order to meet those requirements, the retirement plan is subject to the following provisions, notwithstanding any other provision of this chapter:

(1) The board shall distribute the corpus and income of the retirement plan to participants and their beneficiaries in accordance with this chapter.

(2) No part of the corpus or income of the retirement plan may be used or diverted to any purpose other than the exclusive benefit of the participants and their beneficiaries.

(3) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any participant would otherwise receive under this chapter.

(4) If the retirement plan is terminated, or if all contributions to the retirement plan are completely discontinued, the rights of each affected participant to the benefits accrued at the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.

(5) All benefits paid from the retirement plan shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations under that section. In order to meet those requirements, the retirement plan is subject to the following provisions:

(A) The life expectancy of a participant, the participant's spouse, or the participant's beneficiary shall not be recalculated after the initial determination, for purposes of determining benefits.

(B) If a participant dies before the distribution of the participant's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the participant died.

(C) The amount of an annuity paid to a participant's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the Internal Revenue Code.

(6) The board may not:

(A) determine eligibility for benefits;

(B) compute rates of contribution; or

(C) compute benefits of participants or beneficiaries;

in a manner that discriminates in favor of participants who are considered officers, supervisors, or highly compensated, as prohibited under Section 401(a)(4) of the Internal Revenue Code.

(7) Benefits paid under this chapter may not exceed the maximum benefit specified by Section 415 of the Internal Revenue Code.

(8) The salary taken into account under this chapter may not exceed the applicable amount under Section 401(a)(17) of the Internal Revenue Code.

(9) The board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.

SECTION 54. IC 5-10-5.5-3.5, AS AMENDED BY P.L.170-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.5. The state excise police, gaming agent, **gaming control officer,** and conservation enforcement officers' retirement plan shall be administered in a manner that is consistent with the Americans with Disabilities Act, to the extent required by the Act.

SECTION 55. IC 5-10-8-6, AS AMENDED BY P.L.1-2006, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The state police department, conservation officers of the department of natural resources, gaming agents of the Indiana gaming commission, **gaming control officers of the Indiana gaming commission,** and the state excise police may establish common and unified plans of self-insurance for their employees, including retired employees, as separate entities of state government. These plans may be administered by a private agency, business firm, limited liability company, or corporation.

(b) Except as provided in IC 5-10-14, the state agencies listed in subsection (a) may not pay as the employer part of benefits for any employee or retiree an amount greater than that paid for other state employees for group insurance.

SECTION 56. IC 5-10-10-4, AS AMENDED BY P.L.43-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. As used in this chapter, "public safety officer" means any of the following:

(1) A state police officer.

(2) A county sheriff.

(3) A county police officer.

(4) A correctional officer.

(5) An excise police officer.

(6) A county police reserve officer.

(7) A city police reserve officer.

(8) A conservation enforcement officer.

(9) A town marshal.

(10) A deputy town marshal.

(11) A probation officer.

(12) A state university, college, or junior college police officer appointed under IC 20-12-3.5.

(13) A police officer whose employer purchases coverage under section 4.5 of this chapter.

(14) An emergency medical services provider (as defined in IC 16-41-10-1) who is:

(A) employed by a political subdivision (as defined in IC 36-1-2-13); and

(B) not eligible for a special death benefit under IC 36-8-6-20, IC 36-8-7-26, IC 36-8-7.5-22, or IC 36-8-8-20.

(15) A firefighter who is employed by the fire department of a state university.

(16) A firefighter whose employer purchases coverage under section 4.5 of this chapter.

(17) A member of a consolidated law enforcement department established under IC 36-3-1-5.1.

(18) A gaming agent of the Indiana gaming commission.

(19) A person who is:

(A) employed by a political subdivision (as defined in IC 36-1-2-13); and

(B) appointed as a special deputy under IC 36-8-10-10.6.

(20) A gaming control officer of the Indiana gaming commission.

SECTION 57. IC 5-14-3-2, AS AMENDED BY P.L.1-2006, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The definitions set forth in this section apply throughout this chapter.

(b) "Copy" includes transcribing by handwriting,

photocopying, xerography, duplicating machine, duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage, and reproducing by any other means.

(c) "Direct cost" means one hundred five percent (105%) of the sum of the cost of:

(1) the initial development of a program, if any;

(2) the labor required to retrieve electronically stored data; and

(3) any medium used for electronic output;

for providing a duplicate of electronically stored data onto a disk, tape, drum, or other medium of electronic data retrieval under section 8(g) of this chapter, or for reprogramming a computer system under section 6(c) of this chapter.

(d) "Electronic map" means copyrighted data provided by a public agency from an electronic geographic information system.

(e) "Enhanced access" means the inspection of a public record by a person other than a governmental entity and that:

(1) is by means of an electronic device other than an electronic device provided by a public agency in the office of the public agency; or

(2) requires the compilation or creation of a list or report that does not result in the permanent electronic storage of the information.

(f) "Facsimile machine" means a machine that electronically transmits exact images through connection with a telephone network.

(g) "Inspect" includes the right to do the following:

(1) Manually transcribe and make notes, abstracts, or memoranda.

(2) In the case of tape recordings or other aural public records, to listen and manually transcribe or duplicate, or make notes, abstracts, or other memoranda from them.

(3) In the case of public records available:

(A) by enhanced access under section 3.5 of this chapter; or

(B) to a governmental entity under section 3(c)(2) of this chapter;

to examine and copy the public records by use of an electronic device.

(4) In the case of electronically stored data, to manually transcribe and make notes, abstracts, or memoranda or to duplicate the data onto a disk, tape, drum, or any other medium of electronic storage.

(h) "Investigatory record" means information compiled in the course of the investigation of a crime.

(i) "Patient" has the meaning set out in IC 16-18-2-272(d).

(j) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

(k) "Provider" has the meaning set out in ~~IC 16-18-2-295(a)~~ **IC 16-18-2-295(b)** and includes employees of the state department of health or local boards of health who create patient records at the request of another provider or who are social workers and create records concerning the family background of children who may need assistance.

(l) "Public agency" means the following:

(1) Any board, commission, department, division, bureau, committee, agency, office, instrumentality, or authority, by whatever name designated, exercising any part of the executive, administrative, judicial, or legislative power of the state.

(2) Any:

(A) county, township, school corporation, city, or town, or any board, commission, department, division, bureau, committee, office, instrumentality, or authority of any county, township, school corporation, city, or town;

(B) political subdivision (as defined by IC 36-1-2-13); or

(C) other entity, or any office thereof, by whatever name designated, exercising in a limited geographical area the executive, administrative, judicial, or legislative power of the state or a delegated local governmental power.

(3) Any entity or office that is subject to:

(A) budget review by either the department of local government finance or the governing body of a county, city, town, township, or school corporation; or

(B) an audit by the state board of accounts.

(4) Any building corporation of a political subdivision that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) Any law enforcement agency, which means an agency or a department of any level of government that engages in the investigation, apprehension, arrest, or prosecution of alleged criminal offenders, such as the state police department, the police or sheriff's department of a political subdivision, prosecuting attorneys, members of the excise police division of the alcohol and tobacco commission, conservation officers of the department of natural resources, gaming agents of the Indiana gaming commission, **gaming control officers of the Indiana gaming commission,** and the security division of the state lottery commission.

(7) Any license branch staffed by employees of the bureau of motor vehicles commission under IC 9-16.

(8) The state lottery commission established by IC 4-30-3-1, including any department, division, or office of the commission.

(9) The Indiana gaming commission established under IC 4-33, including any department, division, or office of the commission.

(10) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(m) "Public record" means any writing, paper, report, study, map, photograph, book, card, tape recording, or other material that is created, received, retained, maintained, or filed by or with a public agency and which is generated on paper, paper substitutes, photographic media, chemically based media, magnetic or machine readable media, electronically stored data, or any other material, regardless of form or characteristics.

(n) "Standard-sized documents" includes all documents that can be mechanically reproduced (without mechanical reduction) on paper sized eight and one-half (8 ½) inches by eleven (11) inches or eight and one-half (8 ½) inches by fourteen (14) inches.

(o) "Trade secret" has the meaning set forth in IC 24-2-3-2.

(p) "Work product of an attorney" means information compiled by an attorney in reasonable anticipation of litigation. The term includes the attorney's:

(1) notes and statements taken during interviews of prospective witnesses; and

(2) legal research or records, correspondence, reports, or memoranda to the extent that each contains the attorney's opinions, theories, or conclusions.

This definition does not restrict the application of any exception under section 4 of this chapter.

SECTION 58. IC 6-2.5-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) The department may, for good cause, revoke a certificate issued under section 1, 3, or 4 of this chapter. However, the department must give the certificate holder at least five (5) days notice before it revokes the certificate under this subsection.

(b) The department shall revoke a certificate issued under section 1, 3, or 4 of this chapter if, for a period of three (3) years,

the certificate holder fails to:

(1) file the returns required by IC 6-2.5-6-1; or

(2) report the collection of any state gross retail or use tax on the returns filed under IC 6-2.5-6-1.

However, the department must give the certificate holder at least five (5) days notice before it revokes the certificate.

(c) The department may, for good cause, revoke a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if:

(1) the certificate holder is subject to an innkeeper's tax under IC 6-9; and

(2) a board, bureau, or commission established under IC 6-9 files a written statement with the department.

(d) The statement filed under subsection (c) must state that:

(1) information obtained by the board, bureau, or commission under IC 6-8.1-7-1 indicates that the certificate holder has not complied with IC 6-9; and

(2) the board, bureau, or commission has determined that significant harm will result to the county from the certificate holder's failure to comply with IC 6-9.

(e) The department shall revoke or suspend a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if:

(1) the certificate holder owes taxes, penalties, fines, interest, or costs due under IC 6-1.1 that remain unpaid at least sixty (60) days after the due date under IC 6-1.1; and

(2) the treasurer of the county to which the taxes are due requests the department to revoke or suspend the certificate.

(f) The department shall reinstate a certificate suspended under subsection (e) if the taxes and any penalties due under IC 6-1.1 are paid or the county treasurer requests the department to reinstate the certificate because an agreement for the payment of taxes and any penalties due under IC 6-1.1 has been reached to the satisfaction of the county treasurer.

(g) The department shall revoke a certificate issued under section 1 of this chapter after at least five (5) days notice to the certificate holder if the department finds in a public hearing by a preponderance of the evidence that the certificate holder has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

SECTION 59. IC 6-8.1-3-20 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 20. (a) The department shall enter a memorandum of understanding with the Indiana gaming commission authorizing the commission's unlawful gaming enforcement division to conduct actions to revoke retail merchant certificates under IC 6-2.5-8-7(g) in the manner specified in the memorandum of understanding.**

(b) A memorandum of understanding entered into under this section must comply with the requirements of IC 4-33-19-8.

(c) The memorandum of understanding required by this section must be entered into before January 1, 2008.

SECTION 60. IC 7.1-2-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. ~~Investigations.~~ **(a)** The commission shall have the power to investigate the violation of a provision of this title and of the rules and regulations of the commission and to report its findings to the prosecuting attorney or the grand jury of the county in which the violation ~~occured,~~ **occurred,** or to the attorney general.

(b) The commission shall enter a memorandum of understanding with the Indiana gaming commission authorizing the commission's unlawful gaming enforcement division to conduct revocation actions resulting from suspected violations of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 as authorized by the following statutes:

(1) IC 7.1-3-18.5-5(c).

(2) IC 7.1-3-23-2(b).

(3) IC 7.1-3-23-5.

(c) A memorandum of understanding entered into under this section must comply with the requirements of IC 4-33-19-8.

(d) The memorandum of understanding required by this section must be entered into before January 1, 2008.

SECTION 61. IC 7.1-3-18.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Subject to subsection (b), the commission may suspend the certificate of a person who fails to pay a civil penalty imposed for violating IC 35-46-1-10, IC 35-46-1-10.2, IC 35-46-1-11.5, or IC 35-46-1-11.7.

(b) Before enforcing the imposition of a civil penalty or suspending **or revoking** a certificate under this chapter, the commission shall provide written notice of the alleged violation to the certificate holder and conduct a hearing. The commission shall provide written notice of the civil penalty or suspension to the certificate holder.

(c) Subject to subsection (b), the commission shall revoke the certificate of a person upon a finding by a preponderance of the evidence that the person has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4.

SECTION 62. IC 7.1-3-23-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. ~~Fine, Suspension, and Revocation. General.~~ **(a)** The commission may fine, suspend, or revoke the permit, or fine and suspend or revoke, the permit of a permittee for the violation of a provision of this title ~~or~~ of a rule or regulation of the commission. The commission may fine a permittee for each day the violation continues if the violation is of a continuing nature.

(b) The commission shall revoke the permit of a permittee for the violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4. A finding that a permittee has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be supported by a preponderance of the evidence.

SECTION 63. IC 7.1-3-23-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. ~~Revocation of Permits. General.~~ The commission shall revoke a permit of any type only on account of the violation of, or refusal to comply with, a provision of this title or of a rule or regulation of the commission, **or on account of a violation of IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4. A finding that a permittee has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be supported by a preponderance of the evidence.**

SECTION 64. IC 35-45-5-1, AS AMENDED BY P.L.70-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. **(a)** ~~As used in~~ **The definitions in this section apply throughout** this chapter.

(b) "Electronic gaming device" means any electromechanical device, electrical device, or machine that satisfies at least one (1) of the following requirements:

(1) It is a contrivance which for consideration affords the player an opportunity to obtain money or other items of value, the award of which is determined by chance even if accomplished by some skill, whether or not the prize is automatically paid by the contrivance.

(2) It is a slot machine or any simulation or variation of a slot machine.

(3) It is a matchup or lineup game machine or device operated for consideration, in which two (2) or more numerals, symbols, letters, or icons align in a winning combination on one (1) or more lines vertically, horizontally, diagonally, or otherwise, without assistance by the player. The use of a skill stop is not considered assistance by the player.

(4) It is a video game machine or device operated for consideration to play poker, blackjack, any other card game, keno, or any simulation or variation of these games, including any game in which numerals, numbers, or pictures, representations, or symbols are

used as an equivalent or substitute for the cards used in these games.

The term does not include a toy crane machine or any other device played for amusement that rewards a player exclusively with a toy, a novelty, candy, other noncash merchandise, or a ticket or coupon redeemable for a toy, a novelty, or other noncash merchandise that has a wholesale value of not more than the lesser of ten (10) times the amount charged to play the amusement device one (1) time or twenty-five dollars ($25).

(c) "Gain" means the direct realization of winnings.

(d) "Gambling" means risking money or other property for gain, contingent in whole or in part upon lot, chance, or the operation of a gambling device; but it does not include participating in:

(1) bona fide contests of skill, speed, strength, or endurance in which awards are made only to entrants or the owners of entries; or

(2) bona fide business transactions that are valid under the law of contracts.

(e) "Gambling device" means:

(1) a mechanism by the operation of which a right to money or other property may be credited, in return for consideration, as the result of the operation of an element of chance;

(2) a mechanism that, when operated for a consideration, does not return the same value or property for the same consideration upon each operation;

(3) a mechanism, furniture, fixture, construction, or installation designed primarily for use in connection with professional gambling;

(4) a policy ticket or wheel; or

(5) a subassembly or essential part designed or intended for use in connection with such a device, mechanism, furniture, fixture, construction, or installation.

In the application of this definition, an immediate and unrecorded right to replay mechanically conferred on players of pinball machines and similar amusement devices is presumed to be without value.

(f) "Gambling information" means:

(1) a communication with respect to a wager made in the course of professional gambling; or

(2) information intended to be used for professional gambling.

(g) "Interactive computer service" means an Internet service, an information service, a system, or an access software provider that provides or enables computer access to a computer served by multiple users. The term includes the following:

(1) A service or system that provides access or is an intermediary to the Internet.

(2) A system operated or services offered by a library, school, state educational institution (as defined in IC 20-12-0.5-1), or private college or university.

(h) "Operator" means a person who owns, maintains, or operates an Internet site that is used for interactive gambling.

(i) "Profit" means a realized or unrealized benefit (other than a gain) and includes benefits from proprietorship or management and unequal advantage in a series of transactions.

(j) "Tournament" means a contest in which:

(1) the consideration to enter the contest may take the form of a separate entry fee or the deposit of the required consideration to play in any manner accepted by the:

(A) video golf machine; or

(B) pinball machine or similar amusement device described in subsection (m)(2);

on which the entrant will compete;

(2) each player's score is recorded; and

(3) the contest winner and other prize winners are determined by objectively comparing the recorded scores of the competing players.

(k) "Toy crane machine" means a device that is used to lift prizes from an enclosed space by manipulating a mechanical claw.

(l) For purposes of this chapter:

(1) a card game; or

(2) an electronic version of a card game;

is a game of chance and may not be considered a bona fide contest of skill.

(m) In the application of the definition of gambling set forth in subsection (d), the payment of consideration to participate in a tournament conducted on:

(1) video golf games; or

(2) pinball machines and similar amusement devices that award no prizes other than to mechanically confer an immediate and unrecorded right to replay on players that is presumed to be without value under this section;

is not considered gambling even if the value of a prize awarded in the course of the tournament exceeds the amount of the player's consideration.

SECTION 65. IC 35-45-5-3, AS AMENDED BY P.L.70-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) A person who knowingly or intentionally:

(1) engages in pool-selling;

(2) engages in bookmaking;

(3) maintains, in a place accessible to the public, slot machines, one-ball machines or variants thereof, pinball machines that award anything other than an immediate and unrecorded right of replay, roulette wheels, dice tables, or money or merchandise pushcards, punchboards, jars, or spindles;

(4) conducts lotteries or policy or numbers games or sells chances therein;

(5) conducts any banking or percentage games played with cards, dice, or counters, or accepts any fixed share of the stakes therein; or

(6) accepts, or offers to accept, for profit, money, or other property risked in gambling;

commits professional gambling, a Class D felony. **However, the offense is a Class C felony if the person has a prior unrelated conviction under this subsection.**

(b) An operator who knowingly or intentionally uses the Internet to:

(1) engage in pool-selling:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana;

(2) engage in bookmaking:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana;

(3) maintain, on an Internet site accessible to residents of Indiana, the equivalent of:

(A) slot machines;

(B) one-ball machines or variants of one-ball machines;

(C) pinball machines that award anything other than an immediate and unrecorded right of replay;

(D) roulette wheels;

(E) dice tables; or

(F) money or merchandise pushcards, punchboards, jars, or spindles;

(4) conduct lotteries or policy or numbers games or sell chances in lotteries or policy or numbers games:

(A) in Indiana; or

(B) in a transaction directly involving a person located in Indiana;

(5) conduct any banking or percentage games played with

the computer equivalent of cards, dice, or counters, or accept any fixed share of the stakes in those games:
(A) in Indiana; or
(B) in a transaction directly involving a person located in Indiana; or
(6) accept, or offer to accept, for profit, money or other property risked in gambling:
(A) in Indiana; or
(B) in a transaction directly involving a person located in Indiana;
commits professional gambling over the Internet, a Class D felony.

SECTION 66. IC 35-45-5-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) Except as provided in subsection (c), a person who possesses an electronic gaming device commits a Class A infraction.**

(b) A person who knowingly or intentionally accepts or offers to accept for profit, money, or other property risked in gambling on an electronic gaming device possessed by the person commits maintaining a professional gambling site, a Class D felony. However, the offense is a Class C felony if the person has a prior unrelated conviction under this subsection.

(c) Subsection (a) does not apply to a person who:
(1) possesses an antique slot machine;
(2) restricts display and use of the antique slot machine to the person's private residence; and
(3) does not use the antique slot machine for profit.

(d) As used in this section, "antique slot machine" refers to a slot machine that is:
(1) at least forty (40) years old; and
(2) possessed and used for decorative, historic, or nostalgic purposes.

SECTION 67. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (d),** a person who:
(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;
(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or
(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for professional gambling;
commits promoting professional gambling, a Class D felony. **However, the offense is a Class C felony if the person has a prior unrelated conviction under this section.**

(b) Subsection (a)(1) does not apply to a boat manufacturer who:
(1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and
(2) does not display the gambling device to the general public or make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

(d) Subsection (a)(1) does not apply to a person who:
(1) possesses an antique slot machine;
(2) restricts display and use of the antique slot machine to the person's private residence; and
(3) does not use the antique slot machine for profit.

(e) As used in this section, "antique slot machine" refers to a slot machine that is:
(1) at least forty (40) years old; and
(2) possessed and used for decorative, historic, or nostalgic purposes.

SECTION 68. IC 35-45-6-1, AS AMENDED BY P.L.151-2006, SECTION 17, AND AS AMENDED BY P.L.173-2006, SECTION 53, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. ~~As used in~~ **(a) The definitions in this section apply throughout** this chapter:

(b) "Documentary material" means any document, drawing, photograph, recording, or other tangible item containing compiled data from which information can be either obtained or translated into a usable form.

(c) "Enterprise" means:
(1) a sole proprietorship, corporation, limited liability company, partnership, business trust, or governmental entity; or
(2) a union, an association, or a group, whether a legal entity or merely associated in fact.

(d) "Pattern of racketeering activity" means engaging in at least two (2) incidents of racketeering activity that have the same or similar intent, result, accomplice, victim, or method of commission, or that are otherwise interrelated by distinguishing characteristics that are not isolated incidents. However, the incidents are a pattern of racketeering activity only if at least one (1) of the incidents occurred after August 31, 1980, and if the last of the incidents occurred within five (5) years after a prior incident of racketeering activity.

(e) "Racketeering activity" means to commit, to attempt to commit, to conspire to commit a violation of, or aiding and abetting in a violation of any of the following:
(1) A provision of IC 23-2-1, or of a rule or order issued under IC 23-2-1.
(2) A violation of IC 35-45-9.
(3) A violation of IC 35-47.
(4) A violation of IC 35-49-3.
(5) Murder (IC 35-42-1-1).
(6) Battery as a Class C felony (IC 35-42-2-1).
(7) Kidnapping (IC 35-42-3-2).
(8) Human and sexual trafficking crimes (IC 35-42-3.5).
~~(8)~~ *(9)* Child exploitation (IC 35-42-4-4).
~~(9)~~ *(10)* Robbery (IC 35-42-5-1).
~~(10)~~ *(11)* Carjacking (IC 35-42-5-2).
~~(11)~~ *(12)* Arson (IC 35-43-1-1).
~~(12)~~ *(13)* Burglary (IC 35-43-2-1).
~~(13)~~ *(14)* Theft (IC 35-43-4-2).
~~(14)~~ *(15)* Receiving stolen property (IC 35-43-4-2).
~~(15)~~ *(16)* Forgery (IC 35-43-5-2).
~~(16)~~ *(17)* Fraud (IC 35-43-5-4(1) through IC 35-43-5-4(9)).
~~(17)~~ *(18)* Bribery (IC 35-44-1-1).
~~(18)~~ *(19)* Official misconduct (IC 35-44-1-2).
~~(19)~~ *(20)* Conflict of interest (IC 35-44-1-3).
~~(20)~~ *(21)* Perjury (IC 35-44-2-1).
~~(21)~~ *(22)* Obstruction of justice (IC 35-44-3-4).
~~(22)~~ *(23)* Intimidation (IC 35-45-2-1).
~~(23)~~ *(24)* Promoting prostitution (IC 35-45-4-4).
(25) Professional gambling (IC 35-45-5-3).
(26) Maintaining a professional gambling site (IC 35-45-5-3.5(b).
~~(24)~~ ~~(25)~~ **(27)** Promoting professional gambling

(IC 35-45-5-4).

~~(25)~~ ~~(26)~~ **(28)** Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

~~(26)~~ ~~(27)~~ **(29)** Dealing in *or manufacturing* methamphetamine (IC 35-48-4-1.1).

~~(27)~~ ~~(28)~~ **(30)** Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

~~(28)~~ ~~(29)~~ **(31)** Dealing in a schedule IV controlled substance (IC 35-48-4-3).

~~(29)~~ ~~(30)~~ **(32)** Dealing in a schedule V controlled substance (IC 35-48-4-4).

~~(30)~~ ~~(31)~~ **(33)** Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

~~(31)~~ ~~(32)~~ **(34)** Money laundering (IC 35-45-15-5).

~~(32)~~ *(33)* **(35)** A violation of IC 35-47.5-5.

SECTION 69. IC 35-47-4.5-3, AS AMENDED BY P.L.1-2006, SECTION 536, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "public safety officer" means:

(1) a state police officer;
(2) a county sheriff;
(3) a county police officer;
(4) a correctional officer;
(5) an excise police officer;
(6) a county police reserve officer;
(7) a city police officer;
(8) a city police reserve officer;
(9) a conservation enforcement officer;
(10) a gaming agent;
(11) a town marshal;
(12) a deputy town marshal;
(13) a state university police officer appointed under IC 20-12-3.5;
(14) a probation officer;
(15) a firefighter (as defined in IC 9-18-34-1);
(16) an emergency medical technician; ~~or~~
(17) a paramedic; ~~or~~
(18) a member of a consolidated law enforcement department established under IC 36-3-1-5.1; **or**
(19) a gaming control officer.

SECTION 70. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 4-32.2-5-7; IC 35-33-5-5.1.

SECTION 71. [EFFECTIVE JULY 1, 2007] **(a) IC 35-45-5-3 and IC 35-45-5-4, both as amended by this act, apply only to crimes committed after June 30, 2007.**

(b) IC 35-45-5-3.5, as added by this act, applies only to crimes and infractions committed after June 30, 2007.

SECTION 72. [EFFECTIVE JULY 1, 2007] **(a) IC 35-45-6-1, as amended by this act, applies only to crimes committed after June 30, 2007.**

SECTION 73. [EFFECTIVE UPON PASSAGE] **Notwithstanding any other law, including any part of an act enacted by the general assembly in the 2007 session, excess money returned by a county to the state from the property tax refunds appropriation made by HEA 1001-2007 for the state fiscal year beginning July 1, 2007, shall be deposited in the property tax reduction trust fund and used as provided in HEA 1001-2007, SECTION 10.**

SECTION 74. **An emergency is declared for this act.**

(Reference is to EHB 1510 as reprinted April 11, 2007.)

VAN HAAFTEN	MERRITT
WHETSTONE	HUME
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT
ESB 339–1; filed April 29, 2007, at 10:35 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 339 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 7.1-1-3-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18.5. (a) "Grocery store" means a store or part of a store that meets the following requirements:**

(1) The establishment is known generally as:
(A) a supermarket, grocery store, or delicatessen, and is primarily engaged in the retail sale of a general food line, which may include:
(i) canned and frozen foods;
(ii) fresh fruits and vegetables; and
(iii) fresh and prepared meats, fish, and poultry;
(B) a convenience store or food mart (except as provided in subsection (b)) and is primarily engaged in:
(i) the retail sale of a line of goods that may include milk, bread, soda, and snacks; or
(ii) the retail sale of automotive fuels and the retail sale of a line of goods that may include milk, bread, soda, and snacks;
(C) a warehouse club, superstore, supercenter, or general merchandise store and is primarily engaged in the retail sale of a general line of groceries or gourmet foods in combination with general lines of new merchandise, which may include apparel, furniture, and appliances; or
(D) a specialty or gourmet food store primarily engaged in the retail sale of miscellaneous specialty foods not for immediate consumption and not made on the premises, not including:
(i) meat, fish, and seafood;
(ii) fruits and vegetables;
(iii) confections, nuts, and popcorn; and
(iv) baked goods.
(2) The establishment meets the minimum requirement under IC 7.1-3-5-5 for annual gross sales of food for human consumption that are exempt from the state gross retail tax.

(b) The term does not include an establishment known generally as a gas station (except as provided in subsection (a)(1)(B)) that is primarily engaged in:
(1) the retail sale of automotive fuels, which may include diesel fuel, gasohol, or gasoline; or
(2) the retail sale of automotive fuels, which may include diesel fuel, gasohol, or gasoline and activities that may include providing repair service, selling automotive oils, replacement parts, and accessories, or providing food services.

SECTION 2. IC 7.1-2-4-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 13.5. (a) This section does not apply to a designated member of a local board who is an employee or officer of the commission.**

(b) A local board member shall complete a training program conducted by the commission. A local board member may not be required to take a test or examination or pay a fee in order to complete the training program.

(c) The training program must include training on all of the following subjects:
(1) An overview of Indiana alcoholic beverage law and

enforcement.

(2) Duties and responsibilities of the board concerning new permit applications, permit transfers, and renewal of existing permits.

(3) The open door law (IC 5-14-1.5) and the public records law (IC 5-14-3).

(4) Notice and hearing requirements.

(5) The process for appeal of an adverse decision of the board.

(6) Any other subject determined by the commission.

(d) A local board member must complete the training program not more than one hundred eighty (180) days after the member is appointed to the board. A local board member who does not complete the training program within the time allowed by this subsection shall be removed from the board under section 21 of this chapter.

SECTION 3. IC 7.1-2-4-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. A local board shall allow all individuals attending a public local board meeting or hearing to make oral comments at the meeting or hearing regarding the subject of the meeting or hearing. However, a local board may set a reasonable limit on the amount of time allowed to each individual to provide oral comment.**

SECTION 4. IC 7.1-2-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. ~~Forfeiture to State.~~ An officer who makes an arrest for a violation of the provisions of this title shall seize the evidence of the commission of that violation, including any vehicle, automobile, boat, air or water craft, or other conveyance in which alcohol, alcoholic beverages, or malt articles are kept, possessed, or transported contrary to law, or contrary to a rule or regulation of the commission. The articles and vehicles mentioned in this section and in ~~IC 1971, 7.1-2-5-5 - 7.1-2-5-7,~~ **sections 5 through 7 of this chapter** are hereby declared forfeited to the state and shall be seized.

SECTION 5. IC 7.1-3-1-14, AS AMENDED BY P.L.165-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

(b) **Except as provided in subsection (f),** it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages for consumption on the licensed premises only on Sunday from 10 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day.

(c) It is lawful for the holder of a permit under this article to sell alcoholic beverages at athletic or sports events held on Sunday upon premises that:

(1) are described in section 25(a) of this chapter;

(2) are a facility used in connection with the operation of a paved track more than two (2) miles in length that is used primarily in the sport of auto racing; or

(3) are being used for a professional or an amateur tournament;

beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

(d) It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

(e) Notwithstanding subsection (b), if December 31 (New Year's Eve) is on a Sunday, it is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages on Sunday, December 31, from 10 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day.

(f) The governor may, by issuing an executive order, waive the hours of service restrictions under subsection (b) on a one (1) time basis if the following criteria are satisfied:

(1) The state or a municipality, or both, are hosting a public event that has the potential to benefit the state and local economy and bring prestige to the state.

(2) The event would involve at least forty thousand (40,000) people concentrated in one (1) area.

(3) If the hours of service restrictions under subsection (b) were not waived, it would potentially present negative economic consequences for retailers.

(4) The state or a municipality, or both, would potentially risk losing the opportunity to host the event because of the hours of service restriction under subsection (b).

This subsection shall be narrowly construed and applies only for the period designated in the executive order.

SECTION 6. IC 7.1-3-1.5-2, AS ADDED BY P.L.161-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. As used in this chapter, "dealer permittee" means a person who holds a ~~liquor~~ dealer permit. ~~under IC 7.1-3-10 for a package liquor store.~~

SECTION 7. IC 7.1-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

(1) Manufacture beer.

(2) Place beer in containers or bottles.

(3) Transport beer.

(4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.

(5) If the brewer's brewery manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year, do the following:

(A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.

(B) Be the proprietor of a restaurant.

(C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).

(D) Transfer beer directly from the brewery to the restaurant by means of:

(i) bulk containers; or

(ii) a continuous flow system.

(E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

(F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.

(G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.

(H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (½) barrel, but the beer may be contained in bottles or other permissible containers.

(6) If the brewer's brewery manufactures more than twenty thousand (20,000) barrels of beer in a calendar year, own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than twenty thousand (20,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

~~(7) Sell and deliver beer to a consumer at the plant of the brewer or at the residence of the consumer. The delivery to a consumer shall be made only in a quantity at any one (1) time of not more than one-half (½) barrel, but the beer may be contained in bottles or other permissible containers.~~

~~(8)~~ **(7)** Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

~~(9)~~ **(8)** Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

~~(10)~~ **(9)** For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 8. IC 7.1-3-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The premises to be used as a warehouse by an applicant shall be described in the application for the permit. The commission shall not issue a beer wholesaler's permit to an applicant for any other warehouse or premises than that described in the application. The commission shall issue only one (1) beer wholesaler's permit to an applicant, but a permittee may be permitted to transfer ~~his~~ **the permittee's** warehouse to another location within the county **that is not required to be within the corporate limits of an incorporated city or town,** upon application to, and approval of, the commission.

(b) As used in this subsection, "immediate relative" means the father, the mother, a brother, a sister, a son, or a daughter of a wholesaler permittee. Notwithstanding subsection (a), the commission, upon the death or legally adjudged mental incapacitation of a wholesaler permittee, may allow the transfer of the wholesaler permit only to an immediate relative of the wholesaler permittee who concurrently holds a majority share in a valid wholesaler permit.

SECTION 9. IC 7.1-3-3-5, AS AMENDED BY P.L.224-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The holder of a beer wholesaler's permit may purchase and import from the primary source of supply, possess, and sell at wholesale, beer and flavored malt beverages manufactured within or without this state.

(b) A beer wholesaler permittee may possess, transport, sell, and deliver beer to:

(1) another beer wholesaler authorized by the brewer to sell the brand purchased;

(2) ~~a consumer;~~ **an employee;** or

(3) a holder of a beer retailer's permit, beer dealer's permit, temporary beer permit, dining car permit, boat permit, airplane permit, or supplemental caterer's permit;

located within this state. The sale, transportation, and delivery of beer shall be made only from inventory that has been located on the wholesaler's premises before the time of invoicing and delivery.

(c) ~~Delivery of beer to a consumer shall be made in barrels only with the exception of~~ The beer wholesaler's bona fide regular employees ~~who~~ may purchase beer from the wholesaler in:

(1) bottles, cans, or any other type of permissible containers in an amount not to exceed forty-eight (48) pints; **or**

(2) one (1) keg;

at any one (1) time.

(d) The importation, transportation, possession, sale, and delivery of beer shall be subject to the rules of the commission and subject to the same restrictions provided in this title for a person holding a brewer's permit.

(e) The holder of a beer wholesaler's permit may purchase, import, possess, transport, sell, and deliver any commodity listed in IC 7.1-3-10-5, unless prohibited by this title. However, a beer wholesaler may deliver flavored malt beverages only to the holder of one (1) of the following permits:

(1) A beer wholesaler or wine wholesaler permit, if the wholesaler is authorized by the primary source of supply to sell the brand of flavored malt beverage purchased.

(2) A wine retailer's permit, wine dealer's permit, temporary wine permit, dining car wine permit, boat permit, airplane permit, or supplemental caterer's permit.

(f) A beer wholesaler may:

(1) store beer for an out-of-state brewer described in IC 7.1-3-2-9 and deliver the stored beer to another beer wholesaler that the out-of-state brewer authorizes to sell the beer;

(2) perform all necessary accounting and auditing functions associated with the services described in subdivision (1); and

(3) receive a fee from an out-of-state brewer for the services described in subdivisions (1) through (2).

SECTION 10. IC 7.1-3-5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4. (a) Notwithstanding IC 7.1-1-3-18.5, the commission may renew or transfer ownership of a beer dealer's permit for a beer dealer who:**

(1) held a permit before July 1, 2007; and

(2) does not qualify for a permit as a grocery store under IC 7.1-1-3-18.5.

(b) The commission may transfer ownership of a beer dealer's permit under this section only to an applicant who is the proprietor of:

(1) a drug store;

(2) a grocery store (as defined by IC 7.1-1-3-18.5); or

(3) a package liquor store.

SECTION 11. IC 7.1-3-5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 5. (a) As used in this section, "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) To be eligible for a permit for a grocery store under this title, an establishment must have at least forty-eight thousand dollars ($48,000) in annual gross sales of food. However, the figure set in this subsection as the minimum annual gross sales of food for an establishment is subject to adjustment under subsection (c).

(c) The commission shall annually adjust the minimum amount of annual gross sales of food initially set in subsection (b) by an amount that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the calendar year preceding the calendar year in which an increase is established. The commission shall determine which consumer price index shall be applied in determining the adjustment under this subsection.

SECTION 12. IC 7.1-3-5-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6. (a) As used in this section "annual gross sales of food" refers to annual gross sales of food for human consumption that are exempt from the state gross retail tax.**

(b) The holder of a permit issued to a grocery store shall annually report to the commission the amount of the permit

holder's establishment's annual gross sales of food. The information provided to the commission under this subsection regarding the amount of annual gross sales of food is confidential information and may not be disclosed to the public under IC 5-14-3. However, the commission may disclose the information:

(1) to the department of state revenue for the purpose of verifying the accuracy of the annual gross sales of food reported to the commission under this subsection; and

(2) in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy discovered by the department of state revenue under subsection (c).

(c) The department of state revenue shall verify the accuracy of the reports provided to the commission under this section. The department of state revenue shall report to the commission any discrepancy that the department discovers between:

(1) the amount of annual gross sales of food that the permit holder has reported to the department; and

(2) the amount of annual gross sales of food that the permit holder has reported to the commission.

(d) Notwithstanding IC 6-8.1-7-1 or any other law, in fulfilling its obligations under this section, the department of state revenue may provide to the commission confidential information. The commission shall maintain the confidentiality of information provided by the department of state revenue under this section. However, the commission may disclose the information in any administrative or judicial proceeding to revoke or suspend the holder's permit as a result of a discrepancy discovered by the department of state revenue under subsection (c).

SECTION 13. IC 7.1-3-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A liquor retailer may allow customers to sample the following:

(1) Beer.

(2) Wines.

(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted only:

(1) on the liquor retailer's permit premises; and

(2) during the permittee's regular business hours.

(c) A liquor retailer may not charge for the samples provided to customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a liquor retailer who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A liquor retailer may allow a customer to sample only a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (½) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) A sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 14. IC 7.1-3-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) A liquor dealer permittee who is a proprietor of a package liquor store may allow customers to sample the following:

(1) Beer.

(2) Wines.

(3) Liquors.

(4) Liqueurs and cordials (as defined in 27 CFR 5.22(h)).

(5) Flavored malt beverages.

(6) Hard cider.

(b) Sampling is permitted:

(1) only on the package liquor store permit premises; and

(2) only during the store's regular business hours.

(c) No charge may be made for the samples provided to the customers.

(d) Sample size of wines may not exceed one (1) ounce.

(e) In addition to the other provisions of this section, a proprietor who allows customers to sample liquors, liqueurs, or cordials shall comply with all of the following:

(1) A proprietor may allow a customer to sample not more than a combined total of two (2) liquor, liqueur, or cordial samples per day.

(2) Sample size of liqueurs or cordials may not exceed one-half (½) ounce.

(3) Sample size of liquors may not exceed four-tenths (0.4) ounce.

(f) **A** sample size of beer, **flavored malt beverage, or hard cider** may not exceed six (6) ounces.

SECTION 15. IC 7.1-3-13-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) A wine wholesaler may sell wine purchased from an estate sale only if the following requirements are met:**

(1) The primary source of the wine sold at auction:

(A) is authorized to sell wine in Indiana on the date the wine is resold by the wholesaler;

(B) is given notice of the purchase by the wine wholesaler; and

(C) authorizes the wine wholesaler to resell the wine purchased.

(2) The seller of wine at auction is a bona fide estate of an Indiana decedent.

(3) Each wine bottle is affixed with a sticker indicating that the wine was purchased from an estate.

(b) The notice given to the primary source under subsection (a)(1) must include the following information:

(1) The name of the seller.

(2) The amount of the product purchased and the sale price at auction.

(3) The vintage of the wine purchased.

(c) A wholesaler is not liable for product liability for wine that the wholesaler sells from an estate auction purchase.

SECTION 16. IC 7.1-3-17.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of an excursion and adjacent landsite permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

~~(1) The event is attended by not more than six hundred fifty (650) guests.~~

~~(2) The event is not more than six (6) hours in duration.~~

~~(3)~~ **(1)** Each alcoholic beverage dispensed to a guest:

(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and

(B) is entered into a cash register as a sale and at the same price that is charged to the general public.

~~(4)~~ **(2)** At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the excursion and adjacent landsite permit.

~~(5)~~ **(3)** All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the excursion and adjacent landsite permit for not less than two (2) years.

~~(6)~~ **(4)** The holder of the excursion and adjacent landsite permit complies with the rules of the commission.

SECTION 17. IC 7.1-3-19-5, AS AMENDED BY P.L.224-2005, SECTION 12, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2007] Sec. 5. The commission shall cause one (1) notice of the pending investigation to be published in a newspaper in accordance with the provisions of IC 7.1-3-1-18. The publication of the notice shall be at least ~~thirty (30)~~ **fifteen (15)** days before the investigation.

SECTION 18. IC 7.1-3-19-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.5. (a) This section applies only to an application for:**

(1) a new permit for a grocery store or package liquor store; or

(2) transfer of a location of an existing permit for a grocery store or package liquor store.

(b) Upon application for a new dealer permit or transfer of a location of an existing dealer permit, the local board shall investigate the desirability of the permit in regard to the potential geographic location of the permit premises.

(c) In investigating the desirability of a dealer permit under subsection (b), the local board may consider the following:

(1) Whether there is a need for the services at the requested location of the dealer permit.

(2) The desire of the neighborhood or the community to receive the services.

(3) The impact of the services on other business in the neighborhood or community.

(4) The impact of the services on the neighborhood or community.

SECTION 19. IC 7.1-3-19-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 11.5. (a) As used in this section, "applicant" or "application" means an applicant or an application for:**

(1) a new permit; or

(2) transfer or renewal of an existing permit.

(b) This section applies if a permit applicant or a person who remonstrates at a local board hearing against the approval of the application files with the commission:

(1) an objection to the commission's action on the application; and

(2) a request for an appeal hearing before the commission.

(c) The commission shall do the following:

(1) Provide notice to the local board, by first class mail, of the date of an appeal hearing set by the commission. Notice under this subdivision must be provided not later than ten (10) days before the date of the hearing.

(2) Publish notice in the city, town, or county where the proposed permit premises is located of the date of an appeal hearing set by the commission. Notice under this subdivision must be published not later than ten (10) days before the date of the hearing.

SECTION 20. IC 7.1-3-20-16.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16.2. (a) This section does not apply to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).**

(b) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(c) Notwithstanding any other law, the commission may issue not more than the maximum number of new three-way permits to sell alcoholic beverages for on-premises consumption determined by the legislative body of the city, town, or county under subsection (d) to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within an economic development project that meets all of the following requirements:

(1) The boundaries of the project are designated by an ordinance or as a resolution adopted by the legislative body (as defined in IC 36-1-2-9) of a:

(A) city or town if the project is located in the city or town; or

(B) county where the project is located if the project is located outside of a city or town.

(2) The project consists of an investment of at least twenty-five million dollars ($25,000,000).

(3) The project is located within an economic development area, an area needing redevelopment, or a redevelopment district under IC 36-7-14.

(e) The legislative body (as defined in IC 36-1-2-9) of a:

(1) city or town if the project is located in the city or town; or

(2) county where the project is located if the project is located outside of a city or town;

shall determine the number of permits that the commission may issue under this section but the number of permits may not exceed eight (8) permits.

(f) The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is fifty thousand dollars ($50,000), and the renewal fee for a license under this subsection is five hundred dollars ($500).

(g) This section expires July 1, 2009.

SECTION 21. IC 7.1-3-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~Dealers' Permits Limited.~~ **(a) Except as provided under subsections (e) and (h),** the commission may grant only:

(1) one (1) beer dealer's permit ~~and~~ **in an incorporated city or town that has a population of less than fifteen thousand one (15,001) for each two thousand (2,000) persons, or fraction thereof, within the incorporated city or town;**

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) beer dealer's permit for each three thousand five hundred (3,500) persons, or a fraction thereof; or

(B) eight (8) beer dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a population of at least eighty thousand (80,000):

(A) one (1) beer dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

(B) twenty-three (23) beer dealer's permits;

whichever is greater, within the incorporated city or town.

(b) Except as provided under subsections (f) and (h), the commission may grant only:

(1) one (1) liquor dealer's permit in an incorporated city **or** town ~~or unincorporated town~~ **that has a population of less than fifteen thousand one (15,001)** for each ~~one~~ **two** thousand ~~five hundred (1,500)~~ **(2,000)** persons, or fraction thereof, within the incorporated city **or** town; ~~or unincorporated town;~~

(2) in an incorporated city or town that has a population of more than fifteen thousand (15,000) but less than eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each three thousand five hundred (3,500) persons, or a fraction thereof; or

(B) eight (8) liquor dealer's permits;

whichever is greater, within the incorporated city or town; and

(3) in an incorporated city or town that has a

population of at least eighty thousand (80,000):

(A) one (1) liquor dealer's permit for each six thousand (6,000) persons, or a fraction thereof; or

(B) twenty-three (23) liquor dealer's permits;

whichever is greater, within the incorporated city or town.

(c) Except as provided under subsections (e), (f), and (h), the commission may grant only one (1) beer dealer's permit and one (1) liquor dealer's permit in an area in a county outside an incorporated city or town for each three thousand (3,000) persons, or fraction thereof, within an area in the county outside an incorporated city or town.

(d) Notwithstanding subsections (a), (b), and (c), the commission may renew or transfer a beer dealer's or liquor dealer's permit for a beer dealer or liquor dealer that:

(1) held a permit before July 1, 2007; and

(2) does not qualify for a permit under the quota restrictions set forth in subsection (a), (b), or (c).

(e) Notwithstanding subsection (a) or (c), the commission shall grant not more than five (5) new beer dealer's permits for each of the following:

(1) An incorporated city or town that does not qualify for any new beer dealer's permits under the quota restrictions set forth in subsection (a).

(2) An area in a county outside an incorporated city or town that does not qualify for any new beer dealer's permits under the quota restrictions set forth in subsection (c).

(f) Notwithstanding subsection (b) or (c), the commission shall grant not more than five (5) new liquor dealer's permits for each of the following:

(1) An incorporated city or town that does not qualify for any new liquor dealer's permits under the quota restrictions set forth in subsection (b).

(2) An area in a county outside an incorporated city or town that does not qualify for any new liquor dealer's permits under the quota restrictions set forth in subsection (c).

(g) If after the 2010 decennial census, the incorporated city or town or an area in a county outside an incorporated city or town is authorized by the quota restrictions under this section to receive additional beer dealer's permits or liquor dealer's permits, the five (5) new:

(1) beer dealer's permits issued under subsection (e) shall be subtracted from any additional beer dealer's permits that the incorporated city or town or the area in a county outside an incorporated city or town may be authorized to receive by the quota provisions; and

(2) liquor dealer's permits issued under subsection (f) shall be subtracted from any additional liquor dealer's permits that the incorporated city or town or the area in a county outside an incorporated city or town may be authorized to receive by the quota provisions.

SECTION 22. IC 7.1-3-22-4.5 IS ADDED TO THE INDIANA CODE A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 4.5. (a) Notwithstanding section 4 of this chapter, the commission may increase the number of beer dealer's permits and liquor dealer's permits for an incorporated city or town or area in a county outside of an incorporated city or town if the population of the city or town or area in a county outside of an incorporated city or town increases between the decennial censuses.**

(b)The commission shall base its determination to increase the number of beer dealer's permits or liquor dealer's permits for an incorporated city or town or area in a county outside of an incorporated city or town on appropriate data as determined by the commission.

SECTION 23. IC 7.1-3-26-15, AS ADDED BY P.L.165-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) Except as provided in subsections (b) and (c), a seller who violates this chapter commits a Class A infraction.

(b) Except as provided in subsection (d), a seller who:

(1) knowingly or intentionally violates this chapter; and

(2) has one (1) prior unrelated conviction or judgment for an infraction under this section for an act or omission that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction;

commits a Class A misdemeanor.

(c) Except as provided in subsection (d), a seller who:

(1) knowingly or intentionally violates this chapter; and

(2) has at least two (2) prior unrelated convictions or judgments for infractions under this section for acts or omissions that occurred not more than ten (10) years before the act or omission that is the basis for the most recent conviction or judgment for an infraction;

commits a Class D felony.

(d) A person who violates section 6(5) of this chapter commits a Class A infraction. The commission may consider an infraction committed under this subsection in its determination of whether to renew a seller's permit. **However, a person may not be held in violation of section 6(5) of this chapter for a direct sale and shipment to a person that occurred before January 15, 2007.**

SECTION 24. IC 7.1-4-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. ~~Use of Funds.~~ The monies deposited in the postwar construction fund shall be used for construction by the state for the use of **public safety,** penal, benevolent, charitable, and educational institutions of the state.

SECTION 25. IC 7.1-5-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) ~~It is a Class C misdemeanor for~~ A person ~~to~~ **who** recklessly ~~sell, barter, exchange, provide, or furnish~~ **sells, barters, exchanges, provides, or furnishes** an alcoholic beverage to a minor **commits:**

(1) a Class B misdemeanor if the person is at least twenty-one (21) years of age; and

(2) a Class C misdemeanor if the person is less than twenty-one (21) years of age.

(b) This section shall not be construed to impose civil liability upon any educational institution of higher learning, including but not limited to public and private universities and colleges, business schools, vocational schools, and schools for continuing education, or its agents for injury to any person or property sustained in consequence of a violation of this section unless such institution or its agent sells, barters, exchanges, provides, or furnishes an alcoholic beverage to a minor.

SECTION 26. IC 7.1-5-7-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 16. The commission shall conduct random unannounced inspections at locations where alcoholic beverages are sold or distributed to ensure compliance with this title. Only the commission, an Indiana law enforcement agency, the office of the sheriff of a county, or an organized police department of a municipal corporation may conduct the random unannounced inspections. These entities may use retired or off duty law enforcement officers to conduct inspections under this section.**

SECTION 27. IC 7.1-5-7-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 17. (a) Notwithstanding any other law, an enforcement officer vested with full police powers and duties may engage a person who is:**

(1) at least eighteen (18) years of age; and

(2) less than twenty-one (21) years of age;

to receive or purchase alcoholic beverages as part of an enforcement action under this article.

(b) The initial or contemporaneous receipt or purchase of an alcoholic beverage under this section by a person described in subsection (a) must:

(1) occur under the direction of an enforcement officer vested with full police powers and duties; and

(2) be a part of the enforcement action.

SECTION 28. IC 7.1-5-7-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18. (a) The commission may impose a civil penalty under this section, in addition to any other penalty, against a retailer or dealer permittee. If the retailer or dealer permittee, or an agent or employee of the retailer or dealer permittee violates section 8 of this chapter on the licensed premises, a civil penalty may be imposed against the retailer or dealer permittee as follows:**

(1) If the licensed premises at that specific business location has not been issued a citation or summons for a violation of this section in the previous ninety (90) days, a civil penalty of two hundred fifty dollars ($250).

(2) If the licensed premises at that specific business location has had one (1) citation or summons issued for a violation of this section in the previous ninety (90) days, a civil penalty of five hundred dollars ($500).

(3) If the licensed premises at that specific business location has had two (2) citations or summonses issued for a violation of this section in the previous ninety (90) days, a civil penalty of one thousand dollars ($1,000).

(4) If the licensed premises at that specific business location has had three (3) or more citations or summonses issued for a violation of this section in the previous ninety (90) days, a civil penalty of two thousand dollars ($2,000).

A retailer or dealer permittee may not be issued a citation or summons for a violation of this section more than once every twenty-four (24) hours.

(b) The defenses set forth in section 5.1 of this chapter are available to a retailer or dealer permittee in an action under this section.

(c) Unless a person less than twenty-one (21) years of age buys or receives an alcoholic beverage under the direction of a law enforcement officer as part of an enforcement action, a retailer or dealer permittee that sells alcoholic beverages is not liable for a violation of this section unless the person less than twenty-one (21) years of age who bought or received the alcoholic beverage is charged for violating section 7 of this chapter.

(d) All civil penalties collected under this section shall be deposited in the alcohol and tobacco commission's enforcement and administration fund under IC 7.1-4-10.

SECTION 29. IC 7.1-5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Except as provided in subsection ~~(d),~~ **(c),** it is unlawful to sell alcoholic beverages at the following times:

(1) At a time other than that made lawful by the provisions of IC 7.1-3-1-14.

(2) On Christmas Day and until 7:00 o'clock in the morning, prevailing local time, the following day.

(3) On primary election day, and general election day, from 3:00 o'clock in the morning, prevailing local time, until the voting polls are closed in the evening on these days.

(4) During a special election under IC 3-10-8-9 (within the precincts where the special election is being conducted), from 3:00 o'clock in the morning until the voting polls are closed in the evening on these days.

(b) During the time when the sale of alcoholic beverages is unlawful, no alcoholic beverages shall be sold, dispensed, given away, or otherwise disposed of on the licensed premises and the licensed premises shall remain closed to the extent that the nature of the business carried on the premises, as at a hotel or restaurant, permits.

~~(c) It is unlawful to sell alcoholic beverages on New Years Day for off-premises consumption.~~

~~(d)~~ **(c)** It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

SECTION 30. IC 9-21-4-5, AS AMENDED BY HEA 1012-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Except as provided in subsection (b), a person may not place or maintain upon a highway a traffic sign or signal bearing commercial advertising. A public authority may not permit the placement of a traffic sign or signal that bears a commercial message.

(b) Under criteria to be jointly established by the Indiana department of transportation and the office of tourism development, the Indiana department of transportation may authorize the posting of any of the following:

(1) Limited tourist attraction signage.

(2) Business signs on specific information panels on the interstate system of highways and other freeways.

All costs of manufacturing, installation, and maintenance to the Indiana department of transportation for a business sign posted under this subsection shall be paid by the business.

(c) Criteria established under subsection (b) for tourist attraction signage must include a category for a tourist attraction that:

(1) is a trademarked destination brand; and

(2) encompasses buildings, structures, sites, or other facilities that are:

(A) listed on the National Register of Historic Places established under 16 U.S.C. 470 et seq.; or

(B) listed on the register of Indiana historic sites and historic structures established under IC 14-21-1;

regardless of the distance of the tourist attraction from the highway on which the tourist attraction signage is placed.

(d) Criteria established under subsection (b) for tourist attraction signage must include a category for a tourist attraction that is an establishment licensed under IC 7.1-3-2-7(5).

~~(c)~~ **(e)** A person may not place, maintain, or display a flashing, a rotating, or an alternating light, beacon, or other lighted device that:

(1) is visible from a highway; and

(2) may be mistaken for or confused with a traffic control device or for an authorized warning device on an emergency vehicle.

~~(d)~~ **(f)** This section does not prohibit the erection, upon private property adjacent to highways, of signs giving useful directional information and of a type that cannot be mistaken for official signs.

SECTION 31. IC 34-30-2-19.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 19.5. IC 7.1-3-13-3.5 (Concerning wine purchased at an estate sale and resold by a wine wholesaler).**

SECTION 32. [EFFECTIVE JULY 1, 2007] **(a) Notwithstanding IC 7.1-2-4-13.5, as added by this act, a member of a local board appointed before January 1, 2008, shall complete the training required under IC 7.1-2-4-13.5, as added by this act, not later than July 1, 2008.**

(b) The alcohol and tobacco commission shall begin providing a training program under IC 7.1-2-4-13.5, as added by this act, for members of local boards not later that January 1, 2008.

(c) This SECTION expires July 2, 2008.

SECTION 33. [EFFECTIVE UPON PASSAGE] **(a) The legislative council shall assign an interim or a statutory committee to study the topic of alcoholic beverage permittee**

liability insurance. The committee shall study issues that relate to liability insurance for damages that arise out of the person's sale of alcoholic beverages.

(b) This SECTION expires November 1, 2007.

SECTION 34. [EFFECTIVE JULY 1, 2007] **IC 7.1-5-7-8, as amended by this act, and IC 7.1-5-7-18, as added by this act, apply only to offenses committed after June 30, 2007.**

SECTION 35. **An emergency is declared for this act.**

(Reference is to ESB 339 as reprinted April 11, 2007.)

MERRITT	VAN HAAFTEN
LANANE	WELCH
Senate Conferees	House Conferees

The conference committee report was filed and read a first time.

CONFERENCE COMMITTEE REPORT
EHB 1461–1; filed April 29, 2007, at 10:45 p.m.

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1461 respectfully reports that said two committee have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5.When used in this article, the term "adjusted gross income" shall mean the following:

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

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

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

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) *for taxable years beginning after December 31, 2004,* one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code ~~*for taxable years beginning after December 31, 1996*~~ *(as effective January 1, 2004);* and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

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

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

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars ($2,500); or

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

(18) Subtract an amount equal to the amount of a

September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

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

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

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

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

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

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

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

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the insurance company's taxable income under the Internal Revenue Code.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or

allowable under Section 170 of the Internal Revenue Code.
(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).
(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
(9) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the insurance company's taxable income under the Internal Revenue Code.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:
(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.
(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.
(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).
(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.
(7) Subtract income that is:
(A) exempt from taxation under IC 6-3-2-21.7; and
(B) included in the taxpayer's taxable income under the Internal Revenue Code.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:
STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.
STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.
STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.
STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).
STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars ($2,500).

SECTION 2. IC 6-3-2-21.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 21.7. (a) This section applies to a qualified patent issued to a taxpayer after December 31, 2007.**
(b) As used in this section, "invention" has the meaning set forth in 35 U.S.C. 100(a).
(c) As used in this section, "qualified patent" means:
(1) a utility patent issued under 35 U.S.C. 101; or
(2) a plant patent issued under 35 U.S.C. 161;
after December 31, 2007, for an invention resulting from a development process conducted in Indiana. The term does not include a design patent issued under 35 U.S.C. 171.
(d) As used in this section, "qualified taxpayer" means a taxpayer that on the effective filing date of the claimed invention:
(1) is either:
(A) an individual or corporation, if the number of employees of the individual or corporation, including affiliates as specified in 13 CFR 121.103, does not exceed five hundred (500) persons; or
(B) a nonprofit organization or nonprofit corporation as specified in:
(i) 37 CFR 1.27(a)(3)(ii)(A) or 37 CFR 1.27(a)(3)(ii)(B); or
(ii) IC 23-17; and
(2) is domiciled in Indiana.
(e) Subject to subsections (g) and (h), in determining adjusted gross income or taxable income under IC 6-3-1-3.5 or IC 6-5.5-1-2, a qualified taxpayer is entitled to an exemption from taxation under IC 6-3-1 through IC 6-3-7 for the following:
(1) Licensing fees or other income received for the use of a qualified patent.
(2) Royalties received for the infringement of a qualified patent.
(3) Receipts from the sale of a qualified patent.
(4) Subject to subsection (f), income from the taxpayer's own use of the taxpayer's qualified patent to produce the claimed invention.
(f) The exemption provided by subsection (e)(4) may not exceed the fair market value of the licensing fees or other

income that would be received by allowing use of the qualified taxpayer's qualified patent by someone other than the taxpayer. The fair market value referred to in this subsection must be determined in each taxable year in which the qualified taxpayer claims an exemption under subsection (e)(4).

(g) The total amount of exemptions claimed under this section by a qualified taxpayer in a taxable year may not exceed five million dollars ($5,000,000).

(h) A taxpayer may not claim an exemption under this section with respect to a particular qualified patent for more than ten (10) taxable years. Subject to the provisions of this section, the following amount of the income, royalties, or receipts described in subsection (e) from a particular qualified patent is exempt:

(1) Fifty percent (50%) for each of the first five (5) taxable years in which the exemption is claimed for the qualified patent.

(2) Forty percent (40%) for the sixth taxable year in which the exemption is claimed for the qualified patent.

(3) Thirty percent (30%) for the seventh taxable year in which the exemption is claimed for the qualified patent.

(4) Twenty percent (20%) for the eighth taxable year in which the exemption is claimed for the qualified patent.

(5) Ten percent (10%) each year for the ninth and tenth taxable year in which the exemption is claimed for the qualified patent.

(6) No exemption under this section for the particular qualified patent after the eleventh taxable year in which the exemption is claimed for the qualified patent.

(i) To receive the exemption provided by this section, a qualified taxpayer must claim the exemption on the qualified taxpayer's annual state tax return or returns in the manner prescribed by the department. The qualified taxpayer shall submit to the department all information that the department determines is necessary for the determination of the exemption provided by this section.

(j) On or before December 1 of each year, the department shall provide an evaluation report to the legislative council, the budget committee, and the Indiana economic development corporation. The evaluation report must contain the following:

(1) The number of taxpayers claiming an exemption under this section.

(2) The sum of all the exemptions claimed under this section.

(3) The North American Industry Classification System code for each taxpayer claiming an exemption under this section.

(4) Any other information the department considers appropriate, including the number of qualified patents for which an exemption was claimed under this section.

The report required under this subsection must be in an electronic format under IC 5-14-6.

SECTION 3. IC 6-3.1-1-3, AS ADDED BY P.L.199-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 3. A taxpayer (as defined in the following laws), pass through entity (as defined in the following laws), or shareholder, partner, or member of a pass through entity may not be granted more than one (1) tax credit under the following laws for the same project:

(1) IC 6-3.1-10 (enterprise zone investment cost credit).

(2) IC 6-3.1-11 (industrial recovery tax credit).

(3) IC 6-3.1-11.5 (military base recovery tax credit).

(4) IC 6-3.1-11.6 (military base investment cost credit).

(5) IC 6-3.1-13.5 (capital investment tax credit).

(6) IC 6-3.1-19 (community revitalization enhancement district tax credit).

(7) IC 6-3.1-24 (venture capital investment tax credit).

(8) IC 6-3.1-26 (Hoosier business investment tax credit).

(9) IC 6-3.1-31.9 (Hoosier alternative fuel vehicle manufacturer tax credit).

If a taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity has been granted more than one (1) tax credit for the same project, the taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity must elect to apply only one (1) of the tax credits in the manner and form prescribed by the department.

SECTION 4. IC 6-3.1-31.9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:

Chapter 31.9. Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit

Sec. 1. As used in this chapter, "alternative fuel" means:

(1) methanol, denatured ethanol, and other alcohols;

(2) mixtures containing eighty-five percent (85%) or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuel;

(3) natural gas;

(4) liquefied petroleum gas;

(5) hydrogen;

(6) coal-derived liquid fuels;

(7) non-alcohol fuels derived from biological material;

(8) P-Series fuels; or

(9) electricity.

Sec. 2. As used in this chapter, "alternative fuel vehicle" means any vehicle designed to operate on at least one (1) alternative fuel.

Sec. 3. As used in this chapter, "the corporation" means the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 4. As used in this chapter, "director" has the meaning set forth in IC 6-3.1-13-3.

Sec. 5. As used in this chapter, "highly compensated employee" has the meaning set forth in Section 414(q) of the Internal Revenue Code.

Sec. 6. As used in this chapter, "new employee" has the meaning set forth in IC 6-3.1-13-6.

Sec. 7. As used in this chapter, "qualified investment" means the amount of a taxpayer's expenditures in Indiana that are reasonable and necessary for the manufacture or assembly of alternative fuel vehicles, including:

(1) the purchase of new telecommunications, production, manufacturing, fabrication, assembly, finishing, distribution, transportation, or logistical distribution equipment, jigs, dies, or fixtures;

(2) the purchase of new computers and related equipment;

(3) costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, finishing, distribution, transportation, or logistical distribution facilities;

(4) onsite infrastructure improvements;

(5) the construction of new telecommunications, production, manufacturing, fabrication, assembly, finishing, distribution, transportation, or logistical distribution facilities;

(6) costs associated with retooling existing machinery and equipment;

(7) costs associated with the construction of special purpose buildings, pits, and foundations; and

(8) costs associated with the purchase of machinery, equipment, or special purpose buildings used to manufacture or assemble alternative fuel vehicles;

that are certified by the corporation under this chapter as being eligible for the credit under this chapter.

Sec. 8. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

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

(2) IC 6-5.5 (the financial institutions tax); and
(3) IC 27-1-18-2 (the insurance premiums tax);
as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 9. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

Sec. 10. The corporation may make credit awards under this chapter to:
(1) foster job creation and higher wages;
(2) reduce dependency upon energy sources imported into the United States; and
(3) reduce air pollution as the result of the manufacture or assembly of alternative fuel vehicles in Indiana.

Sec. 11. A taxpayer that:
(1) is awarded a tax credit under this chapter by the corporation; and
(2) complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter;
is entitled to a credit against the taxpayer's state tax liability in a taxable year.

Sec. 12. The total amount of a tax credit claimed for a taxable year under this chapter is a percentage determined by the corporation, not to exceed fifteen percent (15%) of the amount of a qualified investment made by the taxpayer in Indiana during that taxable year. The taxpayer may carry forward any unused credit.

Sec. 13. (a) A taxpayer may carry forward an unused credit for the number of years determined by the corporation, not to exceed nine (9) consecutive taxable years, beginning with the taxable year after the taxable year in which the taxpayer makes the qualified investment.

(b) The amount that a taxpayer may carry forward to a particular taxable year under this section equals the unused part of a credit allowed under this chapter.

(c) A taxpayer may:
(1) claim a tax credit under this chapter for a qualified investment; and
(2) carry forward a remainder for one (1) or more different qualified investments;
in the same taxable year.

(d) The total amount of each tax credit claimed under this chapter may not exceed fifteen percent (15%) of the qualified investment for which the tax credit is claimed.

Sec. 14. A person that proposes a project to manufacture or assemble alternative fuel vehicles that would create new jobs, increase wage levels, or involve substantial capital investment in Indiana may apply to the corporation before the taxpayer makes the qualified investment to enter into an agreement for a tax credit under this chapter. The corporation shall prescribe the form of the application.

Sec. 15. After receipt of an application, the corporation may enter into an agreement with the applicant for a credit under this chapter if the corporation determines that all the following conditions exist:
(1) The applicant's project will raise the total earnings of employees of the applicant in Indiana.
(2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.
(3) The manufacture or assembly of alternative fuel vehicles by the applicant will reduce air pollution.
(4) The manufacture or assembly of alternative fuel vehicles by the applicant will reduce dependence by the United States on foreign energy sources.
(5) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project.
(6) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
(7) The credit is not prohibited by section 16 of this chapter.
(8) The average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

Sec. 16. A person is not entitled to claim the credit provided by this chapter for any jobs that the person relocates from one (1) site in Indiana to another site in Indiana. Determinations under this section shall be made by the corporation.

Sec. 17. The corporation shall certify the amount of the qualified investment that is eligible for a credit under this chapter. In determining the credit amount that should be awarded, the corporation shall grant a credit only for the amount of the qualified investment that is directly related to expanding:
(1) the workforce in Indiana; or
(2) the capital investment in Indiana.

Sec. 18. The corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:
(1) A detailed description of the project that is the subject of the agreement.
(2) The first taxable year for which the credit may be claimed.
(3) The amount of the taxpayer's state tax liability for each tax in the taxable year of the taxpayer that immediately preceded the first taxable year in which the credit may be claimed.
(4) The maximum tax credit amount that will be allowed for each taxable year.
(5) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.
(6) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.
(7) A requirement that the taxpayer shall annually report to the corporation the number of new employees who are performing jobs not previously performed by an employee, the average wage of the new employees, the average wage of all employees at the location where the qualified investment is made, and any other information the director needs to perform the director's duties under this chapter.
(8) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (7), and that after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.
(9) A requirement that the taxpayer shall pay an average wage to all its employees other than highly compensated employees in each taxable year that a tax credit is available that equals at least one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.
(10) A requirement that the taxpayer will keep the qualified investment property that is the basis for the tax credit in Indiana for at least the lesser of its useful life for federal income tax purposes or ten (10) years.
(11) A requirement that the taxpayer will maintain at the location where the qualified investment is made during the term of the tax credit a total payroll that is

at least equal to the payroll level that existed before the qualified investment was made.

(12) A requirement that the taxpayer shall provide written notification to the director and the corporation not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(13) Any other performance conditions that the corporation determines are appropriate.

Sec. 19. A taxpayer claiming a credit under this chapter shall submit to the department of state revenue a copy of the director's certificate of verification under this chapter for the taxable year. However, failure to submit a copy of the certificate does not invalidate a claim for a credit.

Sec. 20. If the director determines that a taxpayer who has received a credit under this chapter is not complying with the requirements of the tax credit agreement or all the provisions of this chapter, the director shall, after giving the taxpayer an opportunity to explain the noncompliance, notify the Indiana economic development corporation and the department of state revenue of the noncompliance and request an assessment. The department of state revenue, with the assistance of the director, shall state the amount of the assessment, which may not exceed the sum of any previously allowed credits under this chapter. After receiving the notice, the department of state revenue shall make an assessment against the taxpayer under IC 6-8.1.

Sec. 21. On or before March 31 each year, the director shall submit a report to the corporation on the tax credit program under this chapter. The report must include information on the number of agreements that were entered into under this chapter during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the sum of the credits awarded under this chapter. A copy of the report shall be transmitted in an electronic format under IC 5-14-6 to the executive director of the legislative services agency for distribution to the members of the general assembly.

Sec. 22. On a biennial basis, the corporation shall provide for an evaluation of the tax credit program. The evaluation must include an assessment of the effectiveness of the program in creating new jobs and increasing wages in Indiana and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year. The report provided to the president pro tempore of the senate and the speaker of the house of representatives must be in an electronic format under IC 5-14-6.

Sec. 23. (a) This chapter applies to taxable years beginning after December 31, 2006.

(b) Notwithstanding the other provisions of this chapter, the corporation may not approve a credit for a qualified investment made after December 31, 2012. However, this section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a qualified investment made before January 1, 2012, forward to a taxable year beginning after December 31, 2011, in the manner provided by section 13 of this chapter.

SECTION 5. IC 6-5.5-1-2, AS AMENDED BY P.L.246-2005, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(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) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(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.

(E) The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of

adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(G) Income that is:

(i) exempt from taxation under IC 6-3-2-21.7; and

(ii) included in the taxpayer's taxable income under 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 contracts issued by the company and held by persons residing within Indiana and elsewhere.

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

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

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

(A) a so-called bond;

(B) a share;

(C) a coupon;

(D) a certificate of membership;

(E) an agreement;

(F) a pretended agreement; or

(G) other evidences of obligation;

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

SECTION 6. IC 6-9-2-2, AS AMENDED BY P.L.168-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) The revenue received by the county treasurer under this chapter shall be allocated to the Lake County convention and visitor bureau, Indiana University-Northwest, Purdue University-Calumet, municipal public safety departments, municipal physical and economic development divisions, and the cities and towns in the county as provided in this section. Subsections (b) through (g) do not apply to the distribution of revenue received under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county.

(b) The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion fund (referred to in this chapter as the "promotion fund"). The county treasurer shall transfer to the Lake County convention and visitor bureau for deposit in the promotion fund thirty-five percent (35%) of the first one million two hundred thousand dollars ($1,200,000) of revenue received from the tax imposed under this chapter in each year. The promotion fund consists of:

(1) money in the promotion fund on June 30, 2005;

(2) revenue deposited in the promotion fund under this subsection after June 30, 2005; and

(3) investment income earned on the promotion fund's assets.

Money in the ~~promotion fund~~ **bureau's funds** may be expended ~~only~~ to promote and encourage conventions, trade shows, special events, recreation, and visitors. ~~within the county.~~ Money may be paid from the promotion fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.

(c) This subsection applies to the first one million two hundred thousand dollars ($1,200,000) of revenue received from the tax imposed under this chapter in each year. During each year, the county treasurer shall transfer to Indiana University-Northwest forty-four and thirty-three hundredths percent (44.33%) of the revenue received under this chapter for that year to be used as follows:

(1) Seventy-five percent (75%) of the revenue received under this subsection may be used only for the university's medical education programs.

(2) Twenty-five percent (25%) of the revenue received under this subsection may be used only for the university's allied health education programs.

~~The amount for each year shall be transferred in four (4) approximately equal quarterly installments.~~

(d) This subsection applies to the first one million two hundred thousand dollars ($1,200,000) of revenue received from the tax imposed under this chapter in each year. During each year, the county treasurer shall allocate among the cities and towns throughout the county nine percent (9%) of the revenue received under this chapter for that year ~~The amount of each city's or town's allocation is~~ as follows:

(1) Ten percent (10%) of the revenue covered by this subsection shall be ~~transferred~~ **distributed** to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Ten percent (10%) of the revenue covered by this subsection shall be ~~transferred~~ **distributed** to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(3) Ten percent (10%) of the revenue covered by this subsection shall be ~~transferred~~ **distributed** to cities having a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800).

(4) ~~Five~~ **Seventy** percent ~~(5%)~~ **(70%)** of the revenue covered by this subsection shall be ~~transferred~~ **distributed in equal amounts** to each town and each city not receiving a ~~transfer~~ **distribution** under subdivisions (1) through (3).

The money ~~transferred~~ **distributed** under this subsection may be used only for **tourism and** economic development projects. The county treasurer shall make the ~~transfers~~ **distributions** on or before December 1 of each year.

(e) This subsection applies to the first one million two hundred thousand dollars ($1,200,000) of revenue received from the tax imposed under this chapter in each year. During each year, the county treasurer shall transfer to Purdue University-Calumet nine percent (9%) of the revenue received under this chapter for that

year. The money received by Purdue University-Calumet may be used by the university only for nursing education programs.

(f) This subsection applies to the first one million two hundred thousand dollars ($1,200,000) of revenue received from the tax imposed under this chapter in each year. During each year, the county treasurer shall transfer two and sixty-seven hundredths percent (2.67%) of the revenue received under this chapter for that year to the following cities:

(1) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

Money transferred under this subsection may be used only for convention facilities located within the city. In addition, the money may be used only for facility marketing, sales, and public relations programs. Money transferred under this subsection may not be used for salaries, facility operating costs, or capital expenditures related to the convention facilities. The county treasurer shall make the transfers on or before December 1 of each year.

(g) This subsection applies to the revenue received from the tax imposed under this chapter in each year that exceeds one million two hundred thousand dollars ($1,200,000). During each year, the county treasurer shall distribute money in the promotion fund as follows:

(1) Eighty-five percent (85%) of the revenue covered by this subsection shall be deposited in the convention, tourism, and visitor promotion fund. The money deposited in the fund under this subdivision may be used only for the purposes for which other money in the fund may be used.

(2) Five percent (5%) of the revenue covered by this subsection shall be transferred to Purdue University-Calumet. The money received by Purdue University-Calumet under this subdivision may be used by the university only for nursing education programs.

(3) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's medical education programs.

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's allied health education programs.

~~(h) The county treasurer may estimate the amount that will be received under this chapter for the year to determine the amount to be transferred under this section.~~

~~(i)~~ **(h)** This subsection applies only to the distribution of revenue received from the tax imposed under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county. During each year, the county treasurer shall transfer:

(1) seventy-five percent (75%) of the revenues under this subsection to the department of public safety; and

(2) twenty-five percent (25%) of the revenues under this subsection to the division of physical and economic development;

of the largest city of the county.

~~(j)~~ **(i)** The Lake County convention and visitor bureau shall assist the county treasurer, as needed, with the calculation of the amounts that must be deposited and transferred under this section.

SECTION 7. IC 6-9-2-3, AS AMENDED BY P.L.168-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) For purposes of this section, the size of a political subdivision is based on the population determined in the last federal decennial census.

(b) A convention and visitor bureau having fifteen (15) members is created to promote the development and growth of the convention, tourism, and visitor industry in the county.

(c) The executives (as defined by IC 36-1-2-5) of the eight (8) largest municipalities (as defined by IC 36-1-2-11) in the county shall each appoint one (1) member to the bureau. The legislative body (as defined in IC 36-1-2-9) of the two (2) largest municipalities in the county shall each appoint one (1) member to the bureau.

(d) The county council shall appoint two (2) members to the bureau. One (1) of the appointees must be a resident of the largest township in the county, and one (1) of the appointees must be a resident of the second largest township in the county.

(e) The county commissioners shall appoint two (2) members to the bureau. Each appointee must be a resident of the fifth, sixth, seventh, eighth, ninth, tenth, or eleventh largest township in the county. These appointees must be residents of different townships.

(f) The lieutenant governor shall appoint one (1) member to the bureau.

(g) One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the highest number of votes in the county in the last preceding election for the office of secretary of state. One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the second highest number of votes in the county in the election for that office. No appointee under this section may hold an elected or appointed political office while ~~he serves~~ **serving** on the bureau.

(h) In making appointments under this section, the appointing authority shall give sole consideration to individuals who ~~shall be~~ **are** knowledgeable ~~and interested~~ **about or employed as executives or managers** in at least one (1) of the following businesses in the county:

(1) Hotel.
(2) Motel.
(3) Restaurant.
(4) Travel.
(5) Transportation.
(6) Convention.
(7) Trade show.
(8) A riverboat licensed under IC 4-33.
(9) Banking.
(10) Real estate.
(11) Construction.

However, an individual employed by a riverboat may not be appointed under this section unless the individual holds a Level 1 occupational license issued under IC 4-33-8. This subsection does not apply to board members appointed before July 1, 2007, who are eligible for reappointment after June 30, 2007.

(i) All terms of office of bureau members begin on July 1. Members of the bureau serve terms of three (3) years. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, the appointing authority shall appoint a qualified person to serve for the remainder of the term. If an appointment is not made before July 16 or a vacancy is not filled within thirty (30) days, the member appointed by the lieutenant governor under subsection (f) shall appoint a qualified person.

(j) A member of the bureau may be removed for cause by the member's appointing authority.

(k) Members of the bureau may not receive a salary. However, bureau members are entitled to reimbursement for necessary expenses incurred in the performance of their respective duties.

(l) Each bureau member, before entering the member's duties, shall take an oath of office in the usual form, to be endorsed upon the member's certificate of appointment and promptly filed with the clerk of the circuit court of the county.

(m) The bureau shall meet after July 1 each year for the purpose of organization. The bureau shall elect a chairman from its members. The bureau shall also elect from its members a vice chairman, a secretary, and a treasurer. The members serving in those offices shall perform the duties pertaining to the offices. The first officers chosen shall serve until their successors are elected and qualified. A majority of the bureau constitutes a quorum, and the concurrence of a majority of those present is necessary to authorize any action.

(n) If the county and one (1) or more adjoining counties desire to establish a joint bureau, the counties shall enter into an agreement under IC 36-1-7. ~~In the absence of such an agreement, the bureau may not expend funds to promote activities in any other county.~~

(o) Notwithstanding any other law, any bureau member appointed as of January 1, 2007, is eligible for reappointment.

SECTION 8. IC 6-9-2-4, AS AMENDED BY P.L.168-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The bureau may:

(1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;

(2) sue and be sued;

(3) enter into contracts and agreements;

(4) make rules necessary for the conduct of its business and the accomplishment of its purposes;

(5) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (6);

(6) after its approval of a proposal, transfer money from the promotion fund or from the alternate revenue fund to any Indiana nonprofit corporation to promote and encourage conventions, trade shows, visitors, or special events in the county;

(7) require financial or other reports from any corporation that receives funds under this chapter;

(8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and

(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from ~~the promotion fund.~~ **funds established by the bureau.** Before September 1 of each year, the bureau shall prepare a budget for expenditures ~~from the promotion fund~~ during the following year, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6). **A budget prepared under this section must be submitted to the department of local government finance and placed on file with the county auditor.**

(c) All money in the ~~promotion fund~~ **bureau's funds** shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the ~~promotion fund is~~ **bureau's funds are** subject to audit and supervision by the state board of accounts.

SECTION 9. IC 6-9-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The legislative body of a county that imposes a tax under section 1 of this chapter shall annually prepare a report concerning the disbursement and use of the money collected under this chapter **during the preceding calendar year.** The report shall be prepared before ~~December~~ **March** 15 each year and shall be made available to the public.

(b) If in any year an entity receiving money under this chapter fails to provide the county legislative body with sufficient information, as reasonably requested by the county legislative body:

(1) for the county legislative body to comply with this section; and

(2) before the date specified by the county legislative body;

the county legislative body may direct the county treasurer by resolution to stop deposits and transfers under this chapter to the entity. When an entity provides the information that is the subject of the resolution, the county legislative body shall as soon as practicable direct the county treasurer, by resolution, to resume making deposits and transfers to the entity, including any deposits and transfers that would otherwise have been made to the entity during the time that deposits and transfers were stopped under this subsection. A copy of a resolution adopted under this subsection must be distributed to the county treasurer and the entity that is the subject of the resolution within ten (10) business days after the resolution is adopted. The county treasurer shall comply with a resolution adopted under this subsection.

SECTION 10. IC 6-9-2-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 11. The bureau created under section 3 of this chapter is a political subdivision for purposes of IC 34-13-3.**

SECTION 11. [EFFECTIVE JANUARY 1, 2008] **(a) IC 6-3-1-3.5 and IC 6-5.5-1-2, both as amended by this act, apply only to taxable years beginning after December 31, 2007, for patents issued after December 31, 2007.**

(b) IC 6-3-2-21.7, as added by this act, applies only to taxable years beginning after December 31, 2007.

(c) The department of state revenue may adopt rules and prescribe forms to implement IC 6-3-2-21.7, as added by this act.

SECTION 12. **An emergency is declared for this act.**

(Reference is to EHB 1461 as reprinted April 6, 2007.)

KUZMAN	FORD
BOSMA	BRODEN
House Conferees	Senate Conferees

The conference committee report was filed and read a first time.

ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed House Bills 1659–1, 1678–1, and 1835–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed House Bills 1659–1, 1678–1, and 1835–1.

PELATH, Chair

Motion prevailed.

Engrossed House Bill 1835–1

The conference committee report was reread. Representative Herrell was excused from voting, pursuant to House Rule 46.

Roll Call 673: yeas 54, nays 45. Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bills 503–3 and Engrossed House Bills 1478–2 and 1510–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bills 503–3 and Engrossed House Bills 1478–2 and 1510–1.

PELATH, Chair

Motion prevailed.

Engrossed House Bill 1478–2

The conference committee report was reread. Roll Call 674: yeas 74, nays 25. Report adopted.

Engrossed House Bill 1678–1

The conference committee report was reread. Representative Murphy was excused from voting, pursuant to House Rule 46. Roll Call 675: yeas 70, nays 29. Report adopted.

Engrossed House Bill 1510–1

The conference committee report was reread. Roll Call 676: yeas 53, nays 43. Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bill 500–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bill 500–1.

PELATH, Chair

Motion prevailed.

Engrossed Senate Bill 500–1

The conference committee report was reread. Roll Call 677: yeas 53, nays 46. Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bill 339–1 and Engrossed House Bill 1461–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bill 339–1 and Engrossed House Bill 1461–1.

PELATH, Chair

Motion prevailed.

Engrossed Senate Bill 339–1

The conference committee report was reread. Representative Murphy was excused from voting, pursuant to House Rule 46. Roll Call 678: yeas 54, nays 45. Report adopted.

Representative Pelath was excused.

Engrossed Senate Bill 503–3

The conference committee report was reread. Roll Call 679: yeas 83, nays 6. Report adopted.

Representative Pelath, who had been excused. was present.

Engrossed House Bill 1461–1

The conference committee report was reread. Roll Call 680: yeas 93, nays 2. Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rules 162.1 and 164.1 and recommends that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports may be eligible for consideration: Engrossed Senate Bill 206–1.

PELATH, Chair

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that House Rules 162.1 and 164.1 be suspended so that the following conference committee reports are eligible for consideration: Engrossed Senate Bill 206–1.

PELATH, Chair

Motion prevailed.

Engrossed Senate Bill 206–1

The conference committee report was reread. After discussion, the conference committee report was withdrew from further consideration.

OTHER BUSINESS ON THE SPEAKER'S TABLE

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 2 on Engrossed House Bills 1001 and 1478.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed House Bill 1386.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed House Bills 1461 and 1678.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House

that the Senate has adopted the Conference Committee Report 1 on Engrossed House Bills 1510 and 1835.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 1 on Engrossed Senate Bill 206.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has concurred in the House amendments to Engrossed Senate Bill 450.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the Conference Committee Report 3 on Engrossed Senate Bill 503.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1503.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 108 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1067, Roll Call 595, on April 26, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

SUMMERS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 595 to 94 yeas, 0 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1078, Roll Call 631, on April 28, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

MAYS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 631 to 93 yeas, 0 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1173, Roll Call 632, on April 28, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

MAYS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 632 to 95 yeas, 0 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1237, Roll Call 666, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, I inadvertently pushed the yea button when I intended to vote nay."

NOE

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 666 to 57 yeas, 43 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the concurrence on Engrossed House Bill 1339, Roll Call 565, on April 18, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

DVORAK

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 565 to 92 yeas, 0 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1452, Roll Call 604, on April 27, 2007. In support of this petition, I submit the following reason:

"I was present, but my vote was not recorded. I intended to vote yea."

DAVIS

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 604 to 96 yeas, 0 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1510, Roll Call 676, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, I inadvertently pushed the yea button when I intended to vote nay."

CHEATHAM

There being a constitutional majority voting in favor of the petition, the petition was adopted.

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on

Engrossed House Bill 1510, Roll Call 676, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, I inadvertently pushed the yea button when I intended to vote nay."

CROOKS

There being a constitutional majority voting in favor of the petition, the petition was adopted.

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1510, Roll Call 676, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present ini the Chamber but, when I attempted to vote, the machine had closed. I intended to vote nay."

L. LAWSON

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: adoption of the petitions of Representatives Cheatham, Crooks, and L. Lawson changes the vote tally for Roll Call 676 to 53 yeas, 43 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the concurrence on Engrossed House Bill 1739, Roll Call 582, on April 25, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

VAN HAAFTEN

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 582 to 84 yeas, 9 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1722, Roll Call 607, on April 27, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote nay."

HOY

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 607 to 80 yeas, 15 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed House Bill 1835, Roll Call 673, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, my vote was not recorded. I intended to vote nay."

HINKLE

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 673 to 54 yeas, 45 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed Senate Bill 261, Roll Call 611, on April 27, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, I inadvertently pushed the yeas button when I intended to vote nay."

GOODIN

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 611 to 42 yeas, 54 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 1 on Engrossed Senate Bill 320, Roll Call 640, on April 28, 2007. In support of this petition, I submit the following reason:

"I was present in the Chamber but, when I attempted to vote, the machine had closed. I intended to vote yea."

HOY

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 640 to 61 yeas, 31 nays.*]

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on conference committee report 3 on Engrossed Senate Bill 503, Roll Call 679, on April 29, 2007. In support of this petition, I submit the following reason:

"I was present and in my seat but, when I attempted to vote, my vote was not recorded. I intended to vote yea."

RUPPEL

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 679 to 83 yeas, 6 nays.*]

ADJOURNMENT OF THE SECOND REGULAR SESSION

HOUSE MOTION

Mr. Speaker: I move that all requests for interim studies, including those made by resolution, bills which failed to pass both Houses of the General Assembly, or written or oral requests to the Speaker of the House, are hereby referred to the Legislative Council for further consideration as it deems necessary or appropriate.

PELATH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to confer with the Senate for the purpose of ascertaining if the Senate has any further legislative business to transact with the House of Representatives.

PELATH

Motion prevailed. The Speaker appointed Representatives Dembowski, Niezgodski, Thomas, and Crouch.

COMMITTEE REPORT

Mr. Speaker: Your Committee which was appointed by the Speaker to ascertain if the Senate has further legislative business to transact with the House of Representatives has performed the duties assigned to them. The committee reports that the Senate has no further legislative business to transact with the House of

Representatives.

DEMBOWSKI NIEZGODSKI
THOMAS CROUCH

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to confer with the Governor for the purpose of ascertaining if the Governor has any further communication to make to the House of Representatives.

PELATH

Motion prevailed. The Speaker appointed Representatives Stemler, Dickinson, Eberhart, and M. Smith.

COMMITTEE REPORT

Mr. Speaker: Your Committee which was appointed by the Speaker to ascertain if the Governor has further business to transact with the House of Representatives has performed the duties assigned to them. The committee reports that the Governor has no further business with the House of Representatives.

STEMLER DICKINSON
EBERHART M. SMITH

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to inform the Senate that the House of Representatives has completed its business and is ready to adjourn.

PELATH

Motion prevailed. The Speaker appointed Representatives Candelaria Reardon, Battles, Elrod, and Knollman.

COMMITTEE REPORT

Mr. Speaker: Your Committee appointed by the Speaker to inform the Senate that the House of Representatives has completed its business and is ready to adjourn has performed the duties assigned to them. The committee reports that they have informed the Senate that the House of Representatives has completed its business and is ready to adjourn.

CANDELARIA REARDON BATTLES
ELROD KNOLLMAN

Report adopted.

HOUSE MOTION

Mr. Speaker: I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to inform the Governor that the House of Representatives has completed its business and is ready to adjourn.

PELATH

Motion prevailed. The Speaker appointed Representatives GiaQuinta, Herrell, Soliday, and Dermody.

COMMITTEE REPORT

Mr. Speaker: Your Committee which was appointed by the Speaker to inform the Governor that the House of Representatives has completed its business and is ready to adjourn has performed the duties assigned to them. The committee reports that they have informed the Governor that the House of Representatives has completed its business and is ready to adjourn.

GIA QUINTA HERRELL
SOLIDAY DERMODY

Report adopted.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the following committee report:

"Your committee appointed to ascertain whether the House of Representatives has any further legislative business to transact hereby reports that your Committee of Senators C. Lawson and Simpson has conferred with the House of Representatives and the House of Representatives has no further business to transact with the Senate."

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted the following committee report:

"Your committee appointed to confer with the Governor to ascertain whether or not he has any further communications to make to the Senate hereby reports that your Committee of Senators Riegsecker and Skinner has waited upon the Governor and that the Governor has no further communications to make to the Senate."

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adjourned the First Regular Session of the 115th Indiana General Assembly *sine die* at 11:46 p.m. on the twenty-ninth day of April, 2007.

MARY C. MENDEL
Principal Secretary of the Senate

HOUSE MOTION

Mr. Speaker: I move that the House of Representatives of the First Regular Session of the 115th General Assembly do now adjourn *sine die* at 11:58 p.m., this twenty-ninth day of April, 2007.

STILWELL

Motion prevailed. The House adjourned *sine die*.

B. PATRICK BAUER
Speaker of the House of Representatives

CLINTON McKAY
Principal Clerk of the House of Representatives