Journal of the House

State of Indiana

113th General Assembly — First Regular Session

Nineteenth Meeting Day — **Monday Afternoon** — **February 17, 2003**

The House convened at 1:30 p.m. with the Speaker in the Chair.

The invocation was offered by Reverend Wayne Prosser, Living Water Worship Center, Angola, the guest of Representative Dennis K. Kruse.

The Pledge of Allegiance to the Flag was led by Representative Kruse.

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

T. Adams
Aguilera
Alderman
Austin
Avery
Ayres
Bardon
Becker ⏏
Behning
Bischoff
Borror
Bosma
Bottorff
C. Brown
T. Brown
Buck
Budak
Buell
Burton
Cheney
Cherry
Chowning
Cochran
Crawford
Crooks
Day
Denbo
Dickinson
Dobis
Duncan
Dvorak
Espich
Foley
Frenz
Friend
Frizzell
Fry
GiaQuinta
Goodin
Grubb
Gutwein
Harris
Hasler
Heim
Herrell
Hinkle
Hoffman
Kersey
Klinker
Koch
Kromkowski
Kruse
Kuzman
LaPlante
L. Lawson
Lehe
Leonard
Liggett
J. Lutz
Lytle
Mahern
Mangus
Mays
McClain
Moses
Murphy
Neese
Noe
Orentlicher
Oxley
Pelath
Pflum
Pierce
Pond
Porter
Reske
Richardson
Ripley
Robertson
Ruppel
Saunders ⏏
Scholer
V. Smith ⏏
Stevenson
Stilwell
Stine
Stutzman
Summers ⏏
Thomas
Thompson
Torr
Turner
Ulmer
Weinzapfel
Welch
Whetstone
Wolkins
D. Young ⏏
Yount
Mr. Speaker

Roll Call 99: 95 present; 5 excused. The Speaker announced a quorum in attendance. [*NOTE*: ⏏ *indicates those who were excused*.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, February 18, 2003, at 1:30 p.m.

KROMKOWSKI

Motion prevailed.

RESOLUTIONS ON FIRST READING

House Resolution 11

Representative Porter introduced House Resolution 11:

A HOUSE RESOLUTION honoring Lee Ann Smith.

Whereas, Lee Ann Smith served as the Principal Clerk of the House of Representatives from 1998 through 2002;

Whereas, The efforts of Lee Ann Smith helped to ensure that the daily business of the House of Representatives transpired without incident;

Whereas, Lee Ann Smith worked long hours to guarantee that the Indiana House of Representatives was ready to function when the Speaker's gavel fell;

Whereas, In addition to her work as the Principal Clerk of the House of Representatives, Lee Ann Smith served as a staff attorney for the Democratic Caucus during the 1998 session;

Whereas, Before coming to the House of Representatives, Lee Ann Smith was an attorney in private practice and a Deputy Public Defender;

Whereas, Lee Ann Smith also finds time in her busy schedule for her community, serving on the steering committee for the International Violin Competition of Indianapolis, the board of directors of the Historic Meridian Park Neighborhood Association, the board of directors of CHAMP Camp, a summer camp for children with ventilators and other severe respiratory challenges, the board of directors of the Indianapolis Symphonic Choir, and the board of directors of Indiana University Friends of Music, a funding auxiliary providing scholarships to music students;

Whereas, Lee Ann Smith received a J.D. degree from Chicago-Kent College of Law, Illinois Institute of Technology, and her Bachelor of General Studies from Indiana University; and

Whereas, Lee Ann Smith is a dedicated public servant whose efforts are appreciated by all who know her: 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 wishes to express its gratitude to Lee Ann Smith for the dedication and hard work she exhibited throughout her tenure as Principal Clerk of the House of Representatives.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Lee Ann Smith and her family.

The resolution was read a first time and adopted by voice vote.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the

recommendation that said bill be amended as follows:

Page 3, line 19, delete "seven (7)" and insert "**nine (9)**".

Page 3, between lines 30 and 31, begin a new line block indented and insert:

"**(5) Two (2) members appointed by the governor, from recommendations made by the speaker of the house of representatives and the president pro tempore of the senate, who are persons of known probity and who possess adequate capacity for the performance of the duties of members of the authority. The speaker of the house of representatives and the president pro tempore of the senate shall each make at least two (2) recommendations to the governor. The members appointed under this subdivision may not be from the same political party.**".

Page 4, line 8, delete "Four (4)" and insert "**Five (5)**".

Page 4, line 9, delete "Four (4)" and insert "**Five (5)**".

Page 5, line 5, delete "The" and insert "**Subject to section 36 of this chapter, the**".

Page 5, line 14, delete "chairman" and insert "**chairperson**".

Page 6, line 42, delete "in the principal amounts".

Page 7, line 18, delete "two (2) newspapers" and insert "**a newspaper**".

Page 7, line 19, delete "the city of Indianapolis." and insert "**each of the four (4) counties having the greatest population in Indiana.**".

Page 10, line 8, delete "forty percent (40%)" and insert "**twenty percent (20%)**".

Page 14, line 1, delete "of Indiana, or an agency of the state of Indiana," and insert "**or an agency of the state**".

Page 14, line 8, delete "of Indiana, or an agency of the state of Indiana," and insert "**or an agency of the state**".

Page 14, line 12, delete "of Indiana," and insert "**,**".

Page 14, line 13, delete "of Indiana," and insert "**,**".

Page 14, line 17, delete ", at the direction of the treasurer of state,".

Page 14, line 23, delete "of Indiana".

Page 14, line 24, delete "of Indiana," and insert "**,**".

Page 14, delete lines 38 through 41, begin a new paragraph and insert:

"**Sec. 36. (a) As used in this section, "bond service provider" means any bond counsel, other attorney, financial adviser, senior managing underwriter, or verification agent who provides bond services.**

(b) As used in this section, "bond services" includes legal, financial, and other services by a bond service provider rendered in conjunction with the issuance and sale of bonds. The term does not include services provided by nationally recognized credit rating agencies, co-managing underwriters and selling group members, or forecasters of cigarette consumption and providers of similar reports for use in an official statement or other disclosure document in connection with the sale of bonds.

(c) If the authority determines that a bond service required by the authority cannot be performed by employees of the authority, the authority shall enter into a contract for the bond service with a bond service provider. The authority shall have wide discretion in establishing criteria for entering into contracts under this section and selecting the bond service providers the authority considers to be necessary or appropriate to provide bond services. In the exercise of this discretion, the authority shall consider all proposed fee schedules and the public interest in achieving issuance and sale of bonds on terms and conditions most favorable to the authority. Notwithstanding any other provision of this section to the contrary, the general assembly finds that it is in the public interest to enter into contracts for bond services with Indiana based and minority and women's business enterprises.

(d) The authority shall seek responses to requests for qualifications for a contract for bond services under this section. Requests for qualifications for bond services must include the following:

(1) The factors or criteria that will be used in evaluating the responses.

(2) A statement concerning the relative importance of price and the other evaluation factors.

(3) A statement concerning whether the response must be accompanied by a certified check or other evidence of financial responsibility.

(4) A statement concerning whether discussions may be conducted with responsible respondents.

(e) The authority shall give public notice of the request for qualifications for bond services by publication in the manner required by IC 4-4-31-22(b) and shall also provide electronic access to the notice through the electronic gateway administered by the intelenet commission.

(f) Responses must be opened so as to avoid disclosure of contents to competing respondents during the process of negotiation.

(g) As provided in the request for qualifications or under the rules or policies of the authority, discussions may be conducted with, and best and final responses obtained from, responsible respondents.

(h) Respondents must be accorded fair and equal treatment with respect to any opportunity for discussion and revisions of responses. In conducting discussions with a respondent, information derived from responses submitted by competing respondents may not be disclosed.

(i) The only factors or criteria that may be used in the evaluation of responses are those specified in the request for qualifications.

(j) The authority shall enter into a contract with the responsible respondent whose response is determined in writing to be the most advantageous to the authority, taking into consideration price and other evaluation factors set forth in the request for qualifications. The following provisions apply to the authority's determination as to whether a respondent is responsible:

(1) If a respondent fails to provide information required by the authority concerning a determination of whether the respondent is responsible, that respondent may not be considered responsible under this article.

(2) In determining whether a respondent is responsible, the authority may consider the following factors:

(A) The ability and capacity of the respondent to provide the bond service.

(B) The integrity, character, and reputation of the respondent.

(C) The competency and experience of the respondent.

(k) A register of responses must be:

(1) prepared for each contract entered into under this section; and

(2) open for public inspection after the execution of the contract.

(l) The register of responses must contain the following:

(1) A copy of the request for qualifications.

(2) A list of all persons to whom copies of the request for qualifications were given.

(3) A list of all responses received, which must include all of the following:

(A) The names and addresses of all respondents.

(B) The manner in which the amount payable to the respondent would be determined.

(C) The name of the successful respondent and the manner in which the amount payable to that respondent is to be determined.

(4) The basis on which the contract was entered into.

(5) The entire contents of the contract file except for proprietary information, such as trade secrets and financial information that was not required to be made available for public inspection by the terms of the request for qualifications.

SECTION 2. IC 4-12-1-14.3, AS AMENDED BY P.L.291-2001, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14.3. (a) As used in this section, "master settlement agreement" has the meaning set forth in

IC 24-3-3-6.

(b) There is hereby created the Indiana tobacco master settlement agreement fund for the purpose of depositing and distributing money received under the master settlement agreement. The fund consists of:

(1) all money received by the state under the master settlement agreement;

(2) appropriations made to the fund by the general assembly; ~~and~~

(3) grants, gifts, and donations intended for deposit in the fund; **and**

(4) interest accruing to the fund.

However, the fund does not include any amounts that are sold and assigned to the tobacco settlement authority under a sales agreement entered into under IC 4-4-31.

(c) Money may be expended, transferred, or distributed from the fund during a state fiscal year only in amounts permitted by ~~subsections~~ **subsection** (d), ~~through (e),~~ and only if the expenditures, transfers, or distributions are specifically authorized by another statute.

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

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

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

~~STEP THREE: Multiply the STEP TWO remainder by fifty percent (50%).~~

~~(e)~~ **(d)** The maximum amount of expenditures, transfers, or distributions that may be made from the fund during the state fiscal year beginning July 1, ~~2001,~~ **2003,** and each state fiscal year after that is determined under STEP THREE of the following formula:

STEP ONE: Determine the amount of money ~~received or to be received by~~ **payable to** the state under the master settlement agreement during that state fiscal year, **including any amounts that are sold and assigned to the tobacco settlement authority under a sales agreement entered into under IC 4-4-31.**

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

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

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

(1) All of the money that is received by the state under the master settlement agreement and remains in the fund after the expenditures, transfers, or distributions permitted under subsections (c) through ~~(e).~~ **(d). This subdivision does not apply to amounts payable under the master settlement agreement that are sold and assigned to the tobacco settlement authority under a sales agreement entered into under IC 4-4-31.**

(2) All interest that accrues from investment of money in the fund, unless specifically appropriated by the general assembly. Interest that is appropriated from the fund by the general assembly may not be considered in determining the maximum amount of expenditures, transfers, or distributions under subsection ~~(e).~~ **(d).**

~~(g)~~ **(f)** The fund shall be administered by the budget agency. 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. 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. Money in the fund at the end of the state fiscal year does not revert to the state general fund.

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

SECTION 3. IC 4-12-1-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 14.5. (a) In addition to the appropriation of three million dollars ($3,000,000) made annually by IC 4-12-7-9 to provide funding for local boards of health, the following appropriations are made annually from the Indiana tobacco master settlement agreement fund:**

(1) For the tobacco use prevention and cessation trust fund, thirty-five million dollars ($35,000,000) to be used in accordance with IC 4-12-4-10.

(2) For the office of Medicaid policy and planning within the office of the secretary of family and social services, thirty-three million six hundred thousand dollars ($33,600,000) to be used for the children's health insurance program.

(3) For the state department of health, one million four hundred thousand dollars ($1,400,000) to be used for local health maintenance fund programs.

(4) For the state department of health, fifteen million dollars ($15,000,000) to be used for community health centers.

(5) For the Indiana prescription drug account established by IC 4-12-8-2, twenty million dollars ($20,000,000) to be used in accordance with IC 4-12-8-2.

(6) For the nursing scholarship fund established by IC 20-12-21.9-4, the amount determined under IC 20-12-21.9-11, to be used in accordance with IC 20-12-21.9.

(7) For the health professions scholarship fund established by IC 20-12-22.2-4, the amount determined under IC 20-12-22.2-11, to be used in accordance with IC 20-12-22.2.

(b) The following appropriations are made from the Indiana tobacco master settlement agreement fund to the office of the secretary of family and social services for the indicated state fiscal years:

(1) For the state fiscal year beginning July 1, 2003:

(A) thirty million three hundred thousand dollars ($30,300,000) for developmentally disabled client services; and

(B) three million dollars ($3,000,000) for the division of disability, aging, and rehabilitative services administration.

(2) For the state fiscal year beginning July 1, 2004:

(A) thirty million three hundred thousand dollars ($30,300,000) for developmentally disabled client services; and

(B) three million dollars ($3,000,000) for the division of disability, aging, and rehabilitative services administration.

(c) Notwithstanding section 14.3(d) and 14.3(e) of this chapter, if the sum of the appropriations made in IC 4-12-7-9, subsection (a), and subsection (b) for any state fiscal year exceeds the permissible amount of expenditures from the Indiana tobacco master settlement agreement fund under section 14.3(d) of this chapter, the balance in the fund shall be added to the amount available under section 14.3(d) of this chapter to provide for the

appropriations in IC 4-12-7-9, subsection (a), and subsection (b).

(d) Notwithstanding section 14.3(d) and 14.3(e) of this chapter, the following provisions apply if the Indiana tobacco master settlement agreement fund contains insufficient money to make the appropriations made in IC 4-12-7-9, subsection (a), and subsection (b) for any state fiscal year after the adjustment specified in subsection (c) is made:

(1) The appropriations made in IC 4-12-7-9 and subsection (a)(1) are not subject to any reduction.

(2) Each appropriation listed in subsection (a)(2) through (a)(7) and subsection (b) is subject to a pro rata reduction. The amount of each appropriation is determined under STEP THREE of the following formula:

STEP ONE: Subtract the sum of the appropriations made in IC 4-12-7-9 and subsection (a)(1) from the amount available under subsection (c).

STEP TWO: Divide the appropriation by the sum of the appropriations made under subsection (a)(2) through (a)(7) and subsection (b).

STEP THREE: Multiply the STEP ONE remainder by the STEP TWO quotient.

SECTION 4. IC 4-12-8.5-3, AS ADDED BY P.L.291-2001, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The regional health care construction account is established for the purpose of providing funding for state psychiatric hospitals and developmental centers, regional health centers, or other health facilities designed to provide crisis treatment, rehabilitation, or intervention for adults or children with mental illness, developmental disabilities, addictions, or other medical or rehabilitative needs. The account consists of:

(1) amounts, if any, that any statute requires to be distributed to the account from the Indiana tobacco master settlement **agreement** fund;

(2) appropriations to the account from other sources; and

(3) grants, gifts, and donations intended for deposit in the account.

~~(b) Fourteen million dollars ($14,000,000) shall be transferred during state fiscal years 2001-2002 and 2002-2003 from the Indiana tobacco master settlement fund to the account.~~

~~(c)~~ **(b)** The budget agency shall administer the account. Money in the account at the end of a state fiscal year does not revert to the state general fund but remains available for expenditure.

~~(d)~~ **(c)** Money in the account may be used for:

(1) the construction, equipping, renovation, demolition, refurbishing, or alteration of existing or new state hospitals, regional health centers, or other health facilities; or

(2) lease rentals to the state office building commission or other public or private providers of such facilities.

~~(e)~~ **(d)** Money in the account shall be used to pay any outstanding lease rentals before making any other payments from the account.

~~(f)~~ **(e)** Money in the account is annually appropriated for the purposes described in this chapter.".

Delete page 15.

Page 16, delete lines 1 through 31.

Page 17, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 5. IC 12-10-16-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. An individual:**

(1) whose family income does not exceed one hundred eighty-five percent (185%) of the federal income poverty level for the same size family; and

(2) who meets other eligibility requirements established by the office under section 5 of this chapter;

is eligible to participate in the program.

SECTION 6. IC 20-12-21.9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The nursing scholarship fund is established:

(1) to encourage and promote qualified individuals to pursue a career in nursing in Indiana; and

(2) in recognition of the fact that there is a shortage of nurses in Indiana.

(b) The fund consists of the following:

(1) **Appropriations made from the Indiana tobacco master settlement agreement fund under section 11 of this chapter.**

(2) Other appropriations by the general assembly.

~~(2)~~ **(3)** Gifts to the fund.

SECTION 7. IC 20-12-21.9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (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 shall 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 **or the Indiana tobacco master settlement agreement fund.**

SECTION 8. IC 20-12-21.9-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. The amount determined under STEP FOUR of the following formula for each state fiscal year is appropriated annually to the nursing scholarship fund from the Indiana tobacco master settlement agreement fund for use in providing scholarships under this chapter:**

STEP ONE: Determine the amount remaining in the nursing scholarship fund on June 30 of the preceding state fiscal year.

STEP TWO: Determine the amount of the appropriations, if any, made to the nursing scholarship fund for the current state fiscal year from sources other than the Indiana tobacco settlement master agreement fund.

STEP THREE: Subtract the sum of the STEP ONE and STEP TWO amounts from five million dollars ($5,000,000).

STEP FOUR: If the STEP THREE remainder is greater than zero (0), the amount of the appropriation is equal to the STEP THREE remainder. If the STEP THREE remainder is less than zero (0), the amount of the appropriation is zero (0).

SECTION 9. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 22.2. Health Professions Scholarship Fund

Sec. 1. As used in this chapter, "approved institution of higher learning" has the meaning set forth in IC 20-12-21-3.

Sec. 2. As used in this chapter, "commission" refers to the state student assistance commission established by IC 20-12-21-4.

Sec. 3. As used in this chapter, "fund" refers to the health professions scholarship fund.

Sec. 4. (a) The health professions scholarship fund is established to encourage and promote qualified individuals to pursue careers in health professions in Indiana.

(b) The fund consists of the following:

(1) Appropriations by the general assembly from the Indiana tobacco master settlement agreement fund.

(2) Other appropriations by the general assembly.

(3) Gifts to the fund.

Sec. 5. (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 may be invested. Interest that accrues from those investments shall 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 or the Indiana tobacco master settlement agreement fund.

Sec. 6. (a) The money in the fund shall be used to provide annual scholarships to:

(1) students in programs leading to degrees that will enable the students to qualify for licensing in health professions governed by the:

(A) board of environmental health specialists (IC 25-32);
(B) speech-language pathology and audiology board (IC 25-35.6-2);
(C) controlled substances advisory committee (IC 35-48-2-1);
(D) Indiana physical therapy committee (IC 25-27);
(E) respiratory care committee (IC 25-34.5);
(F) occupational therapy committee (IC 25-23.5);
(G) physician assistant committee (IC 25-27.5); and
(H) Indiana dietitians certification board (IC 25-14.5-2-1); and

(2) students in training programs identified by the medical licensing board by rule adopted under IC 25-22.5-2-7 as training programs for nonlicensed allied health care professions.

(b) Scholarships shall be awarded under this section to students who qualify by demonstrating a financial need and meeting the requirements listed under section 8 of this chapter in an amount that is equal to the lesser of the following amounts:

(1) The balance of the student's total cost of tuition or fees in attending the eligible institution for the academic year.
(2) Five thousand dollars ($5,000).

(c) A scholarship awarded under this section may be used only for the payment of tuition or fees that are:

(1) approved by the approved institution of higher learning that awards the scholarship; and
(2) not otherwise payable under any other scholarship or form of financial assistance specifically designated for tuition or fees.

(d) Subject to section 7(c) of this chapter, each scholarship awarded under this section is renewable under section 8(b) of this chapter for a total number of terms that does not exceed eight (8) full-time (or part-time equivalent) semesters or twelve (12) full-time (or part-time equivalent) quarters.

Sec. 7. (a) The commission for higher education shall provide the commission with the most recent information concerning the number of students enrolled in programs described in section 6 of this chapter at each eligible institution.

(b) The commission shall allocate the available money from the fund to each approved institution of higher learning that has a program for persons training for health professions designated in section 6 of this chapter in proportion to the number of students enrolled in courses for health professions designated in section 6 of this chapter at each eligible institution based upon the information received by the commission under subsection (a).

(c) Each approved institution of higher learning shall determine the scholarship recipients under this chapter based upon the criteria set forth in section 8 of this chapter and the rules adopted by the commission under section 10 of this chapter. In addition, the approved institution of higher learning shall consider the need of the applicant when awarding scholarships under this chapter.

(d) The approved institution of higher learning may not grant a scholarship renewal to a student for an academic year that ends later than six (6) years after the date the student received the initial scholarship under this chapter.

(e) Any funds that:

(1) are allocated to an approved institution of higher learning; and
(2) are not used for scholarships under this chapter;

shall be returned to the commission for reallocation by the commission to any other eligible institution in need of additional funds.

Sec. 8. (a) To qualify initially for a scholarship from the fund, a student must:

(1) be admitted to an approved institution of higher learning as a full-time or part-time student in one (1) of the areas designated in section 6(a) of this chapter;
(2) agree, in writing, to work in a health profession described in section 6(a) of this chapter in any type of health care setting in Indiana for at least two (2) years following graduation;
(3) meet any other minimum criteria established by the commission; and
(4) demonstrate a financial need for the scholarship.

(b) To qualify for a scholarship renewal from the fund, a health professions student must:

(1) comply with the criteria set forth in subsection (a);
(2) maintain at least the cumulative grade point average:
(A) that is required by an approved institution of higher learning for admission to the approved institution of higher learning; or
(B) equivalent to 2.0 on a 4.0 grading scale, as established by the approved institution of higher learning, if the institution's program for health professions described in section 6 of this chapter does not require a certain minimum cumulative grade point average; and
(3) demonstrate a continuing financial need for the scholarship.

Sec. 9. (a) The commission shall maintain complete and accurate records in implementing the program, including the following:

(1) Scholarships awarded under this chapter.
(2) The number of individuals who fulfilled the agreement described under section 8(a)(2) of this chapter.
(3) The number of individuals who did not fulfill the agreement described under section 8(a)(2) of this chapter.

(b) Each eligible institution shall provide the commission with information concerning the following:

(1) The awarding of scholarships under this chapter.
(2) The academic progress made by each recipient of a scholarship under this chapter.
(3) Other pertinent information requested by the commission.

Sec. 10. The commission shall adopt rules under IC 4-22-2 necessary to carry out this chapter, including rules governing the enforcement of the agreements under section 8(a)(2) of this chapter.

Sec. 11. There is annually appropriated to the health professions scholarship fund from the Indiana tobacco master settlement agreement fund for use in providing scholarships under this chapter the amount determined under STEP FOUR of the following formula for each state fiscal year:

STEP ONE: Determine the amount remaining in the health professions scholarship fund on June 30 of the preceding state fiscal year.
STEP TWO: Determine the amount of the appropriations, if any, made to the health professions scholarship fund for the current state fiscal year from sources other than the Indiana tobacco master settlement agreement fund.
STEP THREE: Subtract the sum of the STEP ONE and STEP TWO amounts from five million dollars ($5,000,000).
STEP FOUR: If the STEP THREE remainder is greater than zero (0), the amount of the appropriation is equal to the STEP THREE remainder. If the STEP THREE remainder is less than zero (0), the amount of the appropriation is zero (0).

SECTION 10. IC 25-22.5-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The board shall do the following:

(1) Adopt rules and forms necessary to implement this article that concern, but are not limited to, the following areas:
(A) Qualification by education, residence, citizenship, training, and character for admission to an examination for licensure or by endorsement for licensure.
(B) The examination for licensure.
(C) The license or permit.
(D) Fees for examination, permit, licensure, and registration.
(E) Reinstatement of licenses and permits.
(F) Payment of costs in disciplinary proceedings conducted by the board.
(2) Administer oaths in matters relating to the discharge of its

official duties.
(3) Enforce this article and assign service bureau personnel duties as may be necessary in the discharge of the board's duty.
(4) Maintain, through the service bureau, full and complete records of all applicants for licensure or permit and of all licenses and permits issued.
(5) Make available, upon request, the complete schedule of minimum requirements for licensure or permit.
(6) Issue, at the board's discretion, a temporary permit to an applicant for the interim from the date of application until the next regular meeting of the board.
(7) Issue an unlimited license, a limited license, or a temporary medical permit, depending upon the qualifications of the applicant, to any applicant who successfully fulfills all of the requirements of this article.
(8) Adopt rules establishing standards for the competent practice of medicine, osteopathic medicine, or any other form of practice regulated by a limited license or permit issued under this article.
(9) Adopt rules regarding the appropriate prescribing of Schedule III or Schedule IV controlled substances for the purpose of weight reduction or to control obesity.
(10) Adopt rules identifying training programs for nonlicensed allied health care professions that qualify for annual scholarships under IC 20-12-22.2.".

Page 17, line 21, delete "ninety-five" and insert "**twenty**".

Page 17, line 22, delete "($195,000,000)" and insert "**($120,000,000)**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 3.

C. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1005, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1078, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 2.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1120, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 13, delete "." and insert "**(as defined in IC 20-8.1-15-6).**".

Page 3, line 36, after "(5);" reset in roman "and" .

Page 3, line 36, delete "or".

Page 4, line 41, after "(18)" insert "**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)".

Page 4, after line 42, begin a new paragraph and insert:

"SECTION 5. IC 20-8.1-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 15. Graduation Rate Determination

Sec. 1. This chapter applies to:
(1) a public high school; and
(2) an accredited nonpublic high school.

Sec. 2. As used in this chapter, "cohort" refers to a class of students within a high school who have the same expected graduation year.

Sec. 3. As used in this chapter, "enrollment" means the total number of students within a grade that is reported to the department annually on:
(1) October 1; or
(2) a date specified by the department.

Sec. 4. As used in this chapter, "expected graduation year" means the reporting year beginning three (3) years after the reporting year in which a student is first considered by a school corporation to have entered grade 9.

Sec. 5. (a) As used in this chapter, "graduation" means the successful completion by a student of:
(1) a sufficient number of academic credits, or the equivalent of academic credits; and
(2) the graduation examination or waiver process required under IC 20-10.1-16;
resulting in the awarding of a high school diploma or an academic honors diploma.

(b) The term does not include the granting of a general educational development diploma under IC 20-10.1-12.1.

Sec. 6. As used in this chapter, "graduation rate" means the percentage of students within a cohort who graduate during their expected graduation year.

Sec. 7. As used in this chapter, "reporting year" refers to the period beginning October 1 of a year and ending September 30 of the following year.

Sec. 8. As used in this chapter, "retention" refers to the reclassification by a school corporation of a student that places the student into a cohort that has an expected graduation year after the expected graduation year of the student's initial cohort.

Sec. 9. Beginning with the class of students who expect to graduate in the 2005-2006 school year, the department shall determine the graduation rate of high school students under this chapter.

Sec. 10. The graduation rate for a cohort in a high school is the percentage determined under STEP SEVEN of the following formula:

STEP ONE: Determine the grade 9 enrollment at the beginning of the reporting year three (3) years before the reporting year for which the graduation rate is being determined.

STEP TWO: Add:
(A) the number determined under STEP ONE; and
(B) the number of students who:
(i) have enrolled in the high school after the date on which the number determined under STEP ONE was determined; and
(ii) have the same expected graduation year as the cohort.

STEP THREE: Add:
(A) the sum determined under STEP TWO; and
(B) the number of retained students from earlier cohorts who became members of the cohort for whom the graduation rate is being determined.

STEP FOUR: Add:
(A) the sum determined under STEP THREE; and
(B) the number of students who:
(i) began the reporting year in a cohort that expects to graduate during a future reporting year; and
(ii) graduate during the current reporting year.

STEP FIVE: Subtract from the sum determined under STEP FOUR the number of students who have left the cohort for any of the following reasons:
(A) Transfer to another public or nonpublic school.

(B) Removal by the student's parents under IC 20-8.1-3-34 to provide instruction equivalent to that given in the public schools.
(C) Withdrawal because of a long term medical condition or death.
(D) Detention by a law enforcement agency or the department of correction.
(E) Placement by a court order or the division of family and children.
(F) Enrollment in a virtual school.
(G) Graduation before the beginning of the reporting year.
(H) Students who have left school and whose location cannot be determined.
STEP SIX: Determine the total number of students who have graduated during the current reporting year.
STEP SEVEN: Divide:
(A) the number determined under STEP SIX; by
(B) the remainder determined under STEP FIVE.".
Renumber all SECTIONS consecutively.
(Reference is to HB 1120 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 11, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1140, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Delete the title and insert the following:
A BILL FOR AN ACT to amend the Indiana Code concerning health and to make an appropriation.
Page 1, between the enacting clause and line 1, begin a new paragraph and insert:
"SECTION 1. IC 16-18-2-163, AS AMENDED BY P.L.148-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 163. (a) "Health care provider", for purposes of IC 16-21 and IC 16-41, means any of the following:
(1) An individual, a partnership, a corporation, a professional corporation, a facility, or an institution licensed or legally authorized by this state to provide health care or professional services as a licensed physician, a psychiatric hospital, a hospital, a health facility, an emergency ambulance service (IC 16-31-3), a dentist, a registered or licensed practical nurse, a midwife, an optometrist, a pharmacist, a podiatrist, a chiropractor, a physical therapist, a respiratory care practitioner, an occupational therapist, a psychologist, a paramedic, an emergency medical technician, or an advanced emergency technician, or a person who is an officer, employee, or agent of the individual, partnership, corporation, professional corporation, facility, or institution acting in the course and scope of the person's employment.
(2) A college, university, or junior college that provides health care to a student, a faculty member, or an employee, and the governing board or a person who is an officer, employee, or agent of the college, university, or junior college acting in the course and scope of the person's employment.
(3) A blood bank, community mental health center, community mental retardation center, community health center, or migrant health center.
(4) A home health agency (as defined in IC 16-27-1-2).
(5) A health maintenance organization (as defined in IC 27-13-1-19).
(6) A health care organization whose members, shareholders, or partners are health care providers under subdivision (1).
(7) A corporation, partnership, or professional corporation not otherwise qualified under this subsection that:
(A) provides health care as one (1) of the corporation's, partnership's, or professional corporation's functions;
(B) is organized or registered under state law; and
(C) is determined to be eligible for coverage as a health care provider under IC 34-18 for the corporation's, partnership's, or professional corporation's health care function.
Coverage for a health care provider qualified under this subdivision is limited to the health care provider's health care functions and does not extend to other causes of action.
(b) "Health care provider", for purposes of **IC 16-19-1-4 and** IC 16-35, has the meaning set forth in subsection (a). However, for purposes of **IC 16-19-1-4 and** IC 16-35, the term also includes a health facility (as defined in section 167 of this chapter).
(c) "Health care provider", for purposes of IC 16-36-5, means an individual licensed or authorized by this state to provide health care or professional services as:
(1) a licensed physician;
(2) a registered nurse;
(3) a licensed practical nurse;
(4) an advanced practice nurse;
(5) a licensed nurse midwife;
(6) a paramedic;
(7) an emergency medical technician;
(8) an advanced emergency medical technician; or
(9) a first responder, as defined under IC 16-18-2-131.
The term includes an individual who is an employee or agent of a health care provider acting in the course and scope of the individual's employment.
SECTION 2. IC 16-19-1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4. (a) As used in this section, "augmentation allowed" means the governor and the budget agency are authorized to add to any appropriation from revenues accruing to the fund from which the appropriation was made.**
(b) As used in this section, "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, and disability and retirement fund contributions.
(c) In addition to any other appropriation, augmentation is allowed for any appropriation made for any state fiscal year to the department for personal services in amounts not to exceed the additional revenue derived from the sum of:
(1) the increase in the health facility licensing fee under IC 16-28-2-7, as enacted in the 2003 session of the general assembly; and
(2) any increase in the fees on health care providers (as defined in IC 16-18-2-163(b)) that are:
(A) enacted; or
(B) adopted by the executive board under IC 16-19-3;
after December 31, 2002.
The amount of augmentation allowed is annually appropriated to the department for personal services.
(d) This section expires June 30, 2008.".
Page 1, delete lines 7 through 16.
Renumber all SECTIONS consecutively.
(Reference is to HB 1140 as printed February 11, 2003.)
and when so amended that said bill do pass.
Committee Vote: yeas 21, nays 5.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1150, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 1, line 3, delete "fourteen (14)" and insert "**twelve (12)**".
Page 1, line 8, delete "four (4)" and insert "**three (3)**".

Page 1, line 11, delete "Ten (10)" and insert "**Nine (9)**".
(Reference is to HB 1150 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 11, nays 0.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1166, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Page 1, after line 17, begin a new line block indented and insert:

"**(8) Administer the Indiana coal research grant fund under IC 4-23-5.5-16.**".

Page 2, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 2. IC 4-23-5.5-16, AS AMENDED BY P.L.159-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) **As used in this section, "center" refers to the center for coal technology research established by IC 4-4-30-5.**

(b) The Indiana coal research grant fund is established for the purpose of providing grants for research and other projects designed to develop and expand markets for Indiana coal. The fund shall be administered by the ~~board.~~ **center.**

~~(b)~~ **(c)** Sources of money for the fund consist of the following:

(1) Appropriations from the general assembly.

(2) Donations, gifts, and money received from any other source, including transfers from other funds or accounts.

~~(c)~~ **(d)** Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

~~(d)~~ **(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 may be invested. Interest that accrues from these investments shall be deposited in the fund.

~~(e)~~ **(f)** The ~~board~~ **center** shall establish:

(1) amounts for grants under this section; and

(2) criteria for awarding grants under this section.

~~(f)~~ **(g)** A person, business, or manufacturer that wants a grant from the fund must file an application in the manner prescribed by the ~~board.~~ **center.**

(h) The center shall appoint a panel of at least eight (8) members to review and make recommendations to the center about each application filed under this section. To be a member of the panel, an individual must be a scientist or an engineer who is familiar with coal combustion, coal properties, coal byproducts, and other coal uses.

~~(g)~~ **(i)** The department shall pursue available private and public sources of money for the fund.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1166 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 13, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1171, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "two" and insert "**one**".
Page 1, line 6, delete "five hundred".
Page 1, line 6, delete "($2,500)" and insert "**($1,000)**".
Page 2, line 15, delete "two" and insert "**one**".
Page 2, line 15, delete "five hundred".
Page 2, line 16, delete "($2,500)," and insert "**($1,000),**".
Page 2, line 25, delete "two" and insert "**one**".
Page 2, line 25, delete "five hundred".
Page 2, line 26, delete "($2,500)." and insert "**($1,000).**".
Page 2, line 36, delete "two" and insert "**one**".
Page 2, line 36, delete "five hundred".
Page 2, line 37, delete "($2,500)." and insert "**($1,000).**".
(Reference is to HB 1171 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 12, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1201, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.
Committee Vote: yeas 10, nays 2.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1209, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The commission shall have the following powers and duties:

(1) To develop, continually keep current, and implement a long range plan for postsecondary education. In developing this plan, the commission shall take into account the plans and interests of the state private institutions, anticipated enrollments in state postsecondary institutions, financial needs of students and other factors pertinent to the quality of educational opportunity available to the citizens of Indiana. The plan shall define the educational missions and the projected enrollments of the various state educational institutions.

(2) To consult with and make recommendations to the commission on vocational and technical education within the department of workforce development on all postsecondary vocational education programs. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on vocational and technical education within the department of workforce development for its review and recommendations, and shall specifically report on how the plan addresses preparation for employment.

(3) To make recommendations to the general assembly and the governor concerning the long range plan, and prepare to submit drafts and proposed legislation needed to implement the plan. The commission may also make recommendations to the general assembly concerning the plan for postsecondary vocational education under subdivision (2).

(4) To review the legislative request budgets of all state educational institutions preceding each session of the general assembly and to make recommendations concerning appropriations and bonding authorizations to state educational institutions including public funds for financial aid to students by any state agency. The commission may review all programs of any state educational institution, regardless of the source of funding, and may make recommendations to the governing board of the institution, the governor, and the general assembly concerning the funding and the disposition of the programs. In

making this review, the commission may request and shall receive, in such form as may reasonably be required, from all state educational institutions, complete information concerning all receipts and all expenditures.
(5) To submit to the commission on vocational and technical education within the department of workforce development for its review under IC 20-1-18.3-15 the legislative budget requests prepared by state educational institutions for state and federal funds for vocational education. These budget requests shall be prepared upon request of the budget director, shall cover the period determined by the budget director, and shall be made available to the commission within the department of workforce development before review by the budget committee.
(6) To make, or cause to be made, studies of the needs for various types of postsecondary education and to make recommendations to the general assembly and the governor concerning the organization of these programs. The commission shall make or cause to be made studies of the needs for various types of postsecondary vocational education and shall submit to the commission on vocational and technical education within the department of workforce development its findings in this regard.
(7) To approve or disapprove the establishment of any new branches, regional or other campuses, or extension centers or of any new college or school, or the offering on any campus of any additional associate, baccalaureate, or graduate degree, or of any additional program of two (2) semesters, or their equivalent in duration, leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college, or school, or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.
(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.
(9) To designate and employ an executive officer and necessary employees, to designate their titles, and to fix the compensation in terms of the employment.
(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.
(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.
(12) To develop a definition for and report biennially to the:
(A) general assembly;
(B) governor; and
(C) commission on vocational and technical education within the department of workforce development;
on attrition and persistence rates by students enrolled in state vocational education.
(13) To develop and maintain a computerized data base of courses and programs that are transferred between state educational institutions and submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs. The report must include any changes made during the immediately preceding academic year.
(14) To develop statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.
(15) To develop statewide agreements under which Associate of Arts and Associate of Science programs articulate fully with related baccalaureate degree programs.
(16) To publicize by all appropriate means, including an electronic web site, a master list of course transfer of credit and program articulation agreements.".
Page 1, line 6, after "institution" insert "**(as defined in IC 20-12-0.5-1)**".
Page 1, after line 14, begin a new paragraph and insert:
"SECTION 3. [EFFECTIVE JULY 1, 2003] **(a) Notwithstanding IC 20-12-0.5-8, as amended by this act, the commission for higher education is not required to submit an annual report to the legislative council by August 2003. However, the annual report that is submitted to the legislative council by August 2004 must include a comparison of the transfer of courses and programs between state educational institutions for the 2001-2002 academic year with the transfer of courses and programs between those institutions for the 2002-2003 academic year.**
(b) This SECTION expires September 1, 2004.
SECTION 4. [EFFECTIVE JULY 1, 2003] **(a) The commission for higher education shall complete the duties described in IC 20-12-0.5-8(13), IC 20-12-0.5-8(14), IC 20-12-0.5-8(15), and IC 20-12-0.5-8(16), all as amended by this act, not later than August 30, 2005.**
(b) This SECTION expires December 312005.".
Renumber all SECTIONS consecutively.
(Reference is to HB 1209 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 8, nays 1.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1241, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 2, line 16, delete "If" and insert "**In computing the average weekly wage for**".
Page 2, line 16, after "who" insert "**:**
(1)".
Page 2, line 16, after "injury" insert "**;**
(2)".
Page 2, line 17, after "work" insert "**;**".
Page 2, line 17, delete "suffers" and begin a new line block indented and insert:
"**(3) sustains**".
Page 2, line 18, delete "July 1, 2003," and insert "**June 30, 2003;**".
Page 2, line 18, beginning with "the average" begin a new line blocked left.
Page 2, line 18, delete "that" and insert "**the later**".
Page 2, line 19, delete "determined based on" and insert "**the greater of**".
Page 2, line 20, delete "disability" and insert "**compensable injury or the employee's average weekly wage at the time of the later period of disability,**".
Page 2, line 21, after "day" insert "**the employee**".
Page 2, delete lines 25 through 42.
Delete pages 3 through 5.
Page 10, line 11, before "has sustained" delete "who" and insert "**who:**
(1)".
Page 10, line 11, delete "injury," and insert "**injury;**".
Page 10, line 11, before "has returned" delete "who", begin a new line block indented and insert:

"**(2)**".
Page 10, line 12, delete "work," and insert "**work;**".
Page 10, line 12, delete "who", begin a new line block indented and insert:
"**(3)**".
Page 10, line 13, delete "July 1, 2003," and insert "**June 30, 2003;**".
Page 10, line 13, beginning with "the" begin a new line blocked left.
Page 10, line 13, delete "that" and insert "**the later**".
Page 10, line 14, delete "determined based on" and insert "**the greater of**".
Page 10, line 15, delete "disability" and insert "**compensable injury or the employee's average weekly wage at the time of the later period of disability,**".
Page 10, line 16, after "day" insert "**the employee**".
Page 17, line 16, delete "who" and insert "**who:**
(1)".
Page 17, line 17, delete "disease," and insert "**disease;**".
Page 17, line 17, delete "who", begin a new line block indented and insert:
"**(2)**".
Page 17, line 18, delete "work," and insert "**work;**".
Page 17, line 18, delete "who".
Page 17, line 18, beginning with "has" begin a new line block indented and insert:
"**(3)**".
Page 17, line 19, delete "July 1, 2003," and insert "**June 30, 2003;**".
Page 17, line 19, beginning with "the" begin a new line blocked left.
Page 17, line 20, delete "that" and insert "**the later**".
Page 17, line 20, delete "determined based on" and insert "**the greater of**".
Page 17, line 21, delete "disability" and insert "**compensable occupational disease or the employee's average weekly wage at the time of the later period of disability,**".
Page 17, line 22, after "day" insert "**the employee**".
Renumber all SECTIONS consecutively.
(Reference is to HB 1241 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 8, nays 4.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1243, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 1, line 10, reset in roman "in a".
Page 1, line 10, delete "but not more often than once each".
Page 1, line 10, reset in roman "year,".
Page 1, line 10, delete "quarter,".
(Reference is to HB 1243 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 12, nays 0.

MOSES, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1250, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 1, line 4, after "for" insert "**teacher**".
Page 1, line 7, delete "following information to the".
Page 1, delete line 8.
Page 1, line 9, delete "(1) The".
Page 1, run in lines 7 through 9.
Page 1, delete lines 11 through 15.
(Reference is to HB 1250 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 12, nays 1.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1263, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 1, between the enacting clause and line 1, begin a new paragraph and insert:
"SECTION 1. IC 31-9-2-74 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 74. "Law enforcement agency", for purposes of **IC 31-11-6-1 and** IC 31-36, means a governmental agency or department whose principal function is the apprehension of criminal offenders.".
Renumber all SECTIONS consecutively.
(Reference is to HB 1263 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 8, nays 4.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1326, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.
Committee Vote: yeas 10, nays 1.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1329, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.
Committee Vote: yeas 7, nays 5.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1337, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.
Committee Vote: yeas 7, nays 5.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1377, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:
Page 1, line 5, delete "in a county that does not" and insert "**for a taxpayer who is eligible to claim the homestead credit for property taxes owed on the real property under IC 6-1.1-20.9;**".
Page 1, delete line 6.
Page 1, line 7, delete "in a" and insert "**for a taxpayer that is not eligible to claim the homestead credit for the taxed real property under IC 6-1.1-20.9;**".

Page 1, delete line 8.

(Reference is to HB 1377 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 3.

MOSES, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1408, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

BARDON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1415, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-2-6, AS AMENDED BY P.L.1-2002, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) This article does not apply to the formulation, issuance, or administrative review (but does, except as provided in subsection (b), apply to the judicial review and civil enforcement) of any of the following:

(1) Determinations by the division of family and children, **except a determination under IC 12-17.2-7-3.**

(2) Determinations by the alcohol and tobacco commission.

(3) Determinations by the office of Medicaid policy and planning concerning recipients and applicants of Medicaid. However, this article does apply to determinations by the office of Medicaid policy and planning concerning providers.

(4) A final determination of the Indiana board of tax review.

(b) IC 4-21.5-5-12 and IC 4-21.5-5-14 do not apply to judicial review of a final determination of the Indiana board of tax review.".

Page 1, delete lines 16 through 17, begin a new paragraph and insert:

"SECTION 3. IC 12-17.2-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The division shall perform the following duties:

(1) Administer the licensing and monitoring of child care centers or child care homes in accordance with this article.

(2) Ensure that a criminal history background check of the applicant is completed before issuing a license.

(3) Ensure that a criminal history background check of a child care ministry applicant for registration is completed before registering the child care ministry.

(4) Provide for the issuance, denial, suspension, and revocation of licenses.

(5) Cooperate with governing bodies of child care centers and child care homes and their staffs to improve standards of child care.

(6) Prepare at least biannually a directory of licensees with a description of the program capacity and type of children served that will be distributed to the legislature, licensees, and other interested parties as a public document.

(7) Deposit all license application fees **and registration fees** collected under section 2 of this chapter in the child care fund.

(8) Require each child care center or child care home to record proof of a child's date of birth before accepting the child. A child's date of birth may be proven by the child's original birth certificate or other reliable proof of the child's date of birth, including a duly attested transcript of a birth certificate.

SECTION 4. IC 12-17.2-2-2, AS AMENDED BY P.L.215-2001, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The division may do the following:

(1) Prescribe forms for reports, statements, notices, and other documents required by this article or by the rules adopted under this article.

(2) Increase public awareness of this article and the rules adopted under this article by preparing and publishing manuals and guides explaining this article and the rules adopted under this article.

(3) Facilitate compliance with and enforcement of this article through the publication of materials under subdivision (2).

(4) Prepare reports and studies to advance the purpose of this article.

(5) Seek the advice and recommendations of state agencies whose information and knowledge would be of assistance in writing, revising, or monitoring rules developed under this article. These agencies, including the office of the attorney general, state department of health, division of mental health and addiction, bureau of criminal identification and investigation, and fire prevention and building safety commission, shall upon request supply necessary information to the division.

(6) Make the directory of licensees available to the public for a charge not to exceed the cost of reproducing the directory.

(7) Charge a reasonable processing fee for each license application and renewal as follows:

(A) For a child care center license, a fee of two dollars ($2) per licensed child capacity.

(B) For a child care center new inquiry application packet, a fee not to exceed five dollars ($5).

(C) For a child care home license new inquiry application packet, a fee not to exceed five dollars ($5).

(D) For a child care home annual inspection, a fee not to exceed twenty-five dollars ($25).

(8) **Charge a processing fee not to exceed five dollars ($5) for registration of a preschool under IC 12-17.2-7.**

(9) Exercise any other regulatory and administrative powers necessary to carry out the functions of the division.".

Page 2, delete lines 1 through 40.

Page 4, line 27, delete "may not operate unless the preschool has:" and insert "**shall, on a form approved by the division, register with the division not more than thirty (30) days after the preschool opens for business.**

Sec. 3. If the division, after a hearing conducted under IC 4-21.5-3, determines that a preschool has knowingly failed to register as required under this chapter, the division shall assess against the preschool a civil penalty of one hundred dollars ($100).

Sec. 4. Penalties assessed under section 3 of this chapter shall be deposited in the child care fund established under IC 12-17.2-2-3.

Sec. 5. The division shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 7. [EFFECTIVE JULY 1, 2003] **Notwithstanding IC 12-17.2-7-2, as added by this act, a preschool in existence on June 30, 2003, shall register with the division not later than January 1, 2004.**".

Page 4, delete lines 28 through 42.

Delete pages 5 through 6.

Renumber all SECTIONS consecutively.

(Reference is to HB 1415 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

SUMMERS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1421, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 0.

RESKE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1445, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 11, nays 0.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1463, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-32-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) This article applies only to a qualified organization.

(b) This article applies only to:

(1) bingo events, charity game nights, door prize events, raffle events, **card tournaments,** and festivals; and

(2) the sale of pull tabs, punchboards, and tip boards at bingo events, door prize events, raffle events, charity game nights, **card tournaments,** and festivals, or on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization at any time.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

SECTION 2. IC 4-32-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The purpose of this article is to permit a licensed qualified organization:

(1) to conduct bingo events, charity game nights, door prize drawings, **card tournaments,** and raffles; and

(2) to sell pull tabs, punchboards, and tip boards;

as a fund raising activity for lawful purposes of the organization.

SECTION 3. IC 4-32-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. "Allowable event" means:

(1) a bingo event;

(2) a charity game night;

(3) a raffle;

(4) a door prize drawing;

(5) a festival; ~~or~~

(6) **a card tournament; or**

(7) a sale of pull tabs, punchboards, or tip boards;

conducted by a qualified organization in accordance with this article and rules adopted by the department under this article.

SECTION 4. IC 4-32-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. ~~(a)~~ "Bona fide political organization" means **a candidate's committee (as defined in IC 3-5-2-7),** a party committee, association, fund, or other organization, whether incorporated or not, organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code).

~~(b) The term does not include a candidate's committee (as defined in IC 3-5-2-7).~~

SECTION 5. IC 4-32-6-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10.5. "Card tournament" means a contest conducted under a license issued under this article involving a number of players who compete in a series of elimination card games for prizes.**

SECTION 6. IC 4-32-6-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 20.5. "Qualified recipient" means:**

(1) a hospital or medical center operated by the federal government;

(2) a hospital licensed under IC 16-21;

(3) a hospital subject to IC 16-22;

(4) a hospital subject to IC 16-23;

(5) a health facility licensed under IC 16-28;

(6) a psychiatric facility licensed under IC 12-25;

(7) an organization described in section 20(a) of this chapter;

(8) an activity or a program of a local law enforcement agency intended to reduce substance abuse;

(9) a charitable activity of a local law enforcement agency; or

(10) a veteran's home (as defined in section 23.5 of this chapter).".

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 2. IC 4-32-6-22.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 22.7. "Single day raffle event" means a raffle event in which the tickets are sold, the winning ticket drawn, and the prize awarded on a single day.**

SECTION 3. IC 4-32-6-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 23. 5. "Veterans' home" means any of the following:**

(1) The Indiana Veterans' Home.

(2) The VFW National Home for Children.

(3) The Indiana Soldiers' and Sailors' Children's Home.

SECTION 4. IC 4-32-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A qualified organization may conduct the following activities in accordance with this article:

(1) A bingo event.

(2) A charity game night.

(3) A raffle event.

(4) A door prize event.

(5) A festival.

(6) The sale of pull tabs, punchboards, and tip boards.

(7) A card tournament.".

Page 1, delete lines 9 through 17, begin a new paragraph and insert:

"SECTION 7. IC 4-32-9-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 3.5. (a) A school may apply for an annual license from the department to conduct allowable events.**

(b) Except as provided in subsection (c), a school holding an annual license issued under section 5.5 of this chapter may not conduct more than twenty-five (25) allowable events in a calendar year.

(c) In addition to the number of events permitted under subsection (b), a school may conduct an unlimited number of single day raffle events under an annual license issued under section 5.5 of this chapter.

(d) A school holding an annual license issued under section 5.5 of this chapter is not required to obtain a bingo license, special bingo license, charity game night license, raffle license, door prize drawing license, or festival license before holding a particular event. However, this chapter may not be construed to preclude a school from conducting an allowable event under any other charity gaming license obtained under this article.".

Page 2, line 4, after "school license," insert "**card tournament license,**".

Page 3, line 4, delete "publish" and insert "**give**".

Page 4, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 6. IC 4-32-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The commissioner 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 4-32-11. The license must authorize the qualified organization to conduct bingo events, charity game nights, one (1) raffle event, **a card tournament,** 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) A qualified organization may not conduct more than one (1) festival each year at which bingo events, charity game nights, raffle events, **card tournaments,** 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, **card tournaments,** and door prize events conducted at a festival are subject to the prize limits set forth in this chapter.

SECTION 7. IC 4-32-9-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10.5. (a) The commissioner may issue a card tournament 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 department under IC 4-32-11.

(b) Each officer of a qualified organization that signs an application for a card tournament license under this section must live in the county where the proposed card tournaments will be held.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct card tournaments on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted card tournaments;

(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 department and upon the licensee's payment of a fee set by the department.

SECTION 8. IC 4-32-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. **(a)** A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization. **Except as provided in subsection (b),** a qualified organization shall use only operators and workers meeting the requirements of this chapter to manage and conduct an allowable event.

(b) The superintendent, principal, or other executive officer of a school may designate any individual to sell raffle tickets on behalf of the school. Section 25 of this chapter applies to an individual designated under this section.

SECTION 9. IC 4-32-9-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. **(a)** The department may, by rule, set the allowable expenditures of a qualified organization with respect to an allowable event. All net proceeds from an allowable event and related activities may only be used 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 an allowable event:

(1) Prize payouts.

(2) Door prizes.

(3) License fees.

(4) The sum of the purchase prices of licensed supplies described in IC 4-32-7-4 purchased for the allowable event.

(c) The lawful purposes of a qualified organization include:

(1) the religious, charitable, community, or educational purposes for which the qualified organization is specifically chartered or organized;

(2) expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property involved in the operation of the organization, and used for lawful, religious, charitable, community, or educational purposes;

(3) expenses related to the acquisition and maintenance of equipment, vehicles, or other personal property used for the religious, charitable, educational, or community purposes of the organization;

(4) scholarship funds; or

(5) payments made to or on behalf of a sick or deceased member or the member's immediate family. However, the department must approve payments under this subdivision that exceed one percent (1%) of the qualified organization's gross receipts.

(d) A qualified organization must annually provide a detailed accounting of the use of the qualified organization's net proceeds on a form prescribed by the department.

SECTION 10. IC 4-32-9-16.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.1. For purposes of section 16 of this chapter, the net proceeds of an allowable event may not be used for:**

(1) social or recreational activities that are open primarily to the organization's members and their families, unless a substantial benefit to the community is demonstrated;

(2) salaries and honoraria to the officers, directors, members, or employees of the qualified organization;

(3) payments, other than a payment authorized under section 16(c)(5) of this chapter, made directly for the benefit of an individual member of the qualified organization or a member of the member's family;

(4) an activity prohibited by federal, state, or local law; or

(5) an activity prohibited by the qualified organization's charter or bylaws.

SECTION 11. IC 4-32-9-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16.5. **(a)** A qualified organization that receives ninety percent (90%) or more of the organization's total gross receipts from any events licensed under this article is required to donate sixty percent (60%) of its gross charitable gaming receipts less prize payout to ~~another qualified organization~~ **a qualified recipient** that is not an affiliate, a parent, or a subsidiary organization of the qualified organization.

(b) For purposes of this section, a veterans' home (as defined in IC 4-32-6-23.5) is not considered to be an affiliate, a parent, or a subsidiary organization of a qualified organization that is a bona fide veterans' organization.

SECTION 12. IC 4-32-9-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. 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 department within the time established by the department. The department ~~may~~ **shall** prescribe forms for this purpose. The department 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.

SECTION 13. IC 4-32-9-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 29. **(a) Except as provided in 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) The following individuals may work at an allowable event without meeting the requirements of subsection (a):

(1) A member of an auxiliary organization as defined in the rules of the department.

(2) A member of the immediate family of a worker who satisfies the requirements of subsection (a).

(3) An individual designated to sell raffle tickets under section 15(b) of this chapter.

(c) Section 25 of this chapter applies to an individual described in subsection (b).

SECTION 14. IC 4-32-9-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 33. ~~(a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed two thousand dollars ($2,000).~~

~~(b)~~ **(a)** A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed ~~three~~ **five** hundred **ninety-nine** dollars ~~($300).~~ **($599).**

~~(c)~~ **(b)** The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar ($1).

SECTION 15. IC 4-32-9-33.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 33.5. (a) The total prizes awarded for one (1) card tournament may not exceed five hundred dollars ($500).**

(b) The total value of all prizes awarded annually for a qualified organization's card tournaments may not exceed twenty thousand dollars ($20,000).

(c) The entry fee to play in a card tournament may not exceed ten dollars ($10).

(d) Wagering is not permitted on the following:

(1) The result of a particular hand played in a card tournament.

(2) The result of a particular game played in a card tournament.

(3) The results of the card tournament.

(e) Section 3 of this chapter does not apply to a card tournament.".

Page 4, line 40, delete "An allowable event is considered to be an allowable event of".

Page 4, delete lines 41 through 42.

Page 5, delete line 1.

Page 5, line 2, delete "submitted under subsection (c).".

Page 5, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 7. IC 4-32-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. **(a) Except as provided in subsection (b),** the department shall establish an initial license fee schedule. However, the license fee that is charged to a qualified organization in the first year that the qualified organization applies for a license, **other than an annual school license,** may not exceed twenty-five dollars ($25).

(b) The initial license fee charged to a school that applies for an annual school license is two hundred dollars ($200).".

Page 5, delete lines 41 through 42.

Page 6, delete line 1, begin a new paragraph and insert:

"SECTION 8. IC 4-32-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The department may suspend or revoke the license of or levy a civil penalty against a qualified organization or an individual under this article for any of the following:

(1) Violation of a provision of this article or of a rule of the department.

(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.

(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 department.~~

(b) If a violation is of a continuing nature, the department may impose a civil penalty upon a licensee or an individual for each day the violation continues.

SECTION 9. IC 4-32-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. At the direction of the commissioner, the department 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 department.

(3) Enter upon the following premises for the performance of their lawful duties:

(A) Where a bingo event, charity game night, raffle, **card tournament,** or door prize drawing is being conducted.

(B) 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 commissioner. A contract entered into by the commissioner 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 10. IC 4-32-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A bingo event, charity game night, raffle, **card tournament,** or door prize drawing is not allowed in Indiana, except those authorized by the department under this article.

SECTION 11. IC 4-32-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) Local governmental authority concerning the following is preempted by the state under this article and IC 4-30:

(1) All matters relating to the operation of bingo events, charity game nights, raffles, **card tournaments,** and door prize drawings.

(2) All matters relating to the possession, transportation, advertising, sale, manufacture, printing, storing, or distribution of pull tabs, punchboards, or tip boards.

(b) A county, municipality, or other political subdivision of the state may not enact an ordinance relating to the department's operations authorized by this article.

SECTION 12. IC 4-32-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. A state or local law providing a penalty for or restriction or prohibition against the operation of bingo events, charity game nights, raffles, **card tournaments,** or door prize drawings, or the possession, manufacture, transportation, distribution, advertising, printing, storing, or sale of bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs, punchboards, or tip boards does not apply to the operation of bingo games, charity game nights, raffles, **card tournaments,** or door prize drawings under this article, or to the possession, manufacture, transportation, distribution, advertising, printing, storing, or sale of bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs, punchboards, or tip boards under this article.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1463 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 1.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1540, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 2, delete "statistic records" and insert "**records, vital reports, and vital statistics**".

Page 5, line 32, delete "," and insert ":

(1) a vital record that is a certificate or report of a death shall be made available for inspection and copying fifty (50) years after the creation of the record; and
(2)".

Page 8, line 20, after "report." insert "**However, information that may identify a person named in a vital record or report may be released to:**
(1) a person doing a genealogical study; or
(2) a person acting as a representative of the news media (as defined in IC 5-14-1.5-2(j));
in compliance with rules adopted by the state department under IC 4-22.".

Page 8, line 25, delete "one hundred (100)" and insert "**seventy-five (75)**".

Page 8, line 30, after "of" insert "**vital**".

Page 8, line 31, after "records," insert "**vital**".

Page 8, line 33, after "furnish" insert "**the**".

Page 9, line 5, after "of" insert "**vital**".

Page 9, line 25, delete "and" and insert "**or**".

Page 9, line 25, delete "are" and insert "**is**".

Page 9, line 27, delete "and" and insert "**or**".

Page 9, line 39, delete "or".

Page 9, line 40, delete "." and insert "**; or**
(7) a person:
(A) conducting a genealogical study; or
(B) acting as a representative of the news media (as defined in IC 5-14-1.5-2(j));
in compliance with rules adopted by the state department under IC 4-22.".

Page 10, between lines 25 and 26, begin a new line block indented and insert:
"**(7) When:**
(A) a person conducting a genealogical study; or
(B) a person acting as a representative of the news media (as defined in IC 5-14-1.5-2(j));
in compliance with a rule adopted by the state department under IC 4-22 proves a documented need for the death certificate.".

Page 11, line 2, delete "through fraud or" and insert "**with false or inaccurate information, the state registrar shall withhold issuance of any copy of the certificate pending an investigation by the state registrar. If, upon conclusion of the investigation, false or inaccurate information is not found, copies may be issued. If, upon conclusion of the investigation, false or inaccurate information is found, the state registrar shall remove the certificate from the file until the information is corrected or refer the matter to the appropriate law enforcement authorities if criminal activity is suspected. Upon referral to law enforcement authorities the certificate, evidence, and information gathered by the state registrar**".

Page 11, delete lines 3 through 11.

Page 11, run in lines 2 and 12.

(Reference is to HB 1540 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 3.

C. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1556, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 6, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.198-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Except as provided in subsection (c),** this article does not apply to any of the following agencies:
(1) The governor.
(2) The state board of accounts.
(3) The state educational institutions (as defined by IC 20-12-0.5-1).
(4) The department of workforce development.
(5) The unemployment insurance review board of the department of workforce development.
(6) The worker's compensation board.
(7) The military officers or boards.
(8) The Indiana utility regulatory commission.
(9) The department of state revenue (excluding an agency action related to the licensure of private employment agencies).

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

(c) This article applies to a protest or hearing related to the regulation of charity gaming under IC 4-32 by the department of state revenue.

SECTION 2. IC 4-32-6-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.5. "Marketing sheet" means additional information published about a wagering game that describes winnings.**".

Page 2, delete lines 11 through 42.

Delete pages 3 through 5.

Page 6, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 6. IC 4-32-9-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 35. 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.**

SECTION 7. IC 4-32-9-36 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 36. An advertisement for an allowable event in radio broadcast media must announce, within the advertisement, the name of the qualified organization conducting the allowable event and that the qualified organization's license number is on file.**

SECTION 8. IC 4-32-13-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6. A marketing sheet published in connection with a wagering game must be maintained for the lesser of:**
(1) six (6) years after the year in which the marketing sheet was published; or
(2) the end of an audit in which the marketing sheet and similar records are audited.

SECTION 9. IC 4-32-13-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. (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;
the manufacturer or distributor must provide the department 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 10. IC 4-32-13-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. Records of a manufacturer or distributor must be produced upon request by the department or its representative within seventy-two (72) hours or by another mutually agreed upon time if production of the requested documents within seventy-two (72) hours is impractical or burdensome.**

SECTION 11. IC 4-32-13-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. A manufacturer or distributor of supplies, devices, or equipment described in IC 4-32-7-4(a) 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.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1556 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1577, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 42, delete "on a farm".

Page 3, delete lines 26 through 39.

(Reference is to HB 1577 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 1.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1588, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-10-16.7, AS AMENDED BY P.L.179-2002, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16.7. **(a)** All or part of real property is exempt from property taxation if:

(1) the improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42;

(2) the real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the Indiana housing finance authority; and

(3) the owner of the property has entered into an agreement to make payments in lieu of taxes under IC 36-1-8-14.2, IC 36-2-6-22, or IC 36-3-2-11.

(b) An exemption under subsection (a) applies only to property tax liability for property taxes imposed by a county and any city or town on the property subject to the exemption.

SECTION 2. IC 36-1-8-14.2, AS ADDED BY P.L.186-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14.2. (a) **This section applies only to a municipality other than a municipality in a county with a consolidated city.**

(b) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

(7) Township assessor.

~~(b)~~ **(c)** As used in this section, "PILOTS" means payments in lieu of taxes.

~~(c)~~ **(d)** As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.

~~(d)~~ **(e)** Subject to the approval of a property owner, the governing body of a ~~political subdivision~~ **municipality** may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the ~~governing~~ **fiscal** body, subject to the approval of the property owner.

~~(e)~~ **(f)** The PILOTS must be calculated so that the PILOTS are in an amount ~~equal to~~ **that is:**

(1) agreed upon by the property owner and the fiscal body of the municipality;

(2) a percentage of the property taxes that would have been levied by the fiscal bodies for the municipality and the county upon the real property described in subsection (e) if the property were not subject to an exemption from property taxation; and

(3) not more than the amount of property taxes that would have been levied by the ~~governing body~~ **fiscal bodies** for the ~~political subdivision~~ **municipality and the county** upon the real property described in subsection ~~(d)~~ **(e)** if the property were not subject to an exemption from property taxation.

~~(f)~~ **(g)** PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection ~~(d).~~ **(e).** The township assessors shall assess the real property described in subsection ~~(d)~~ **(e)** as though the property were not subject to an exemption.

~~(g)~~ **(h)** PILOTS collected under this section shall be:

(1) deposited in: ~~the~~

(A) a housing trust fund established under IC 36-7-14-50; or

(B) an affordable housing fund established under IC 5-20-5-15.5, **if a housing trust fund has not been established for the area including the property under IC 36-7-14-50;** and

(2) used for any purpose for which the ~~affordable housing~~ fund may be used.

~~(h)~~ **(i)** PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

~~(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.~~

SECTION 3. IC 36-2-6-22, AS AMENDED BY P.L.1-2002, SECTION 155, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is not located in a county containing a consolidated city.

(d) Subject to the approval of a property owner, the fiscal body of a county may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The

ordinance remains in full force and effect until repealed or modified by the ~~legislative~~ **fiscal** body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount ~~equal to~~ **that is:**

(1) agreed upon by the property owner and the fiscal body of the county;

(2) a percentage of the property taxes that would have been levied by the fiscal bodies of the county and any municipality upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and

(3) not more than the amount of property taxes that would have been levied upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed in the same manner as property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be: ~~distributed in the same manner as if they were property taxes being distributed to taxing units in the county.~~

(1) deposited in:

(A) a housing trust fund established under IC 36-7-14-50; or

(B) an affordable housing fund established under IC 5-20-5-15.5, if a housing trust fund has not been established for the area including the property under IC 36-7-14-50; and

(2) used for any purpose for which the fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

SECTION 4. IC 36-3-2-11, AS AMENDED BY P.L.170-2002, SECTION 140, AND AS AMENDED BY P.L.179-2002, SECTION 4, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.
(2) Exemption.
(3) Owner.
(4) Person.
(5) Property taxation.
(6) Real property.
(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is located in a county ~~*(1)*~~ with a consolidated city. ~~*or*~~ ~~*(2) having a population of more than*~~

(d) Subject to the approval of a property owner, the ~~legislative~~ **fiscal** body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the ~~legislative~~ **fiscal** body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount *that is:*

(1) agreed upon by the property owner and the ~~legislative~~ ***fiscal*** *body of the consolidated city;*

(2) a percentage of the property taxes that would have been levied by the ~~legislative~~ ***fiscal*** *body for the consolidated city and the county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and*

(3) ~~equal to~~ not more than the amount of property taxes that would have been levied by the ~~legislative~~ **fiscal** body for the consolidated city and county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be:

(1) deposited in: ~~the~~

(A) a housing trust fund established under IC 36-7-15.1-35.5; **or**

(B) an affordable housing fund established under IC 5-20-5-15.5, if a housing trust fund has not been established under IC 36-7-15.1-35.5 for the area including the property; and

(2) used for any purpose for which the housing trust fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

SECTION 5. IC 36-7-14-45 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 45. The general assembly finds the following:**

(1) There exists within blighted, deteriorated, or deteriorating areas a shortage of safe and affordable housing for persons of low and moderate income.

(2) The planning, replanning, development, and redevelopment of housing within blighted, deteriorated, or deteriorating areas are public and governmental functions that cannot be accomplished through the ordinary operations of private enterprise because of:

(A) the necessity for the exercise of the power of eminent domain;

(B) the necessity for requiring the proper use of the land so as to best serve the interests of the county and its citizens; and

(C) the costs of these projects.

(3) The provision of affordable housing for persons of low or moderate income does not compete with the ordinary operation of private enterprise.

(4) It is in the public interest that work on the provision of housing be commenced as soon as possible to relieve the need for this housing, which constitutes an emergency.

(5) The absence of affordable housing in blighted, deteriorated, or deteriorating areas necessitates excessive and disproportionate expenditures of public funds for crime prevention, public health and safety, fire and accident prevention, and other public services and facilities.

(6) The planning, replanning, development, and redevelopment of housing within blighted, deteriorated, or deteriorating areas will do the following:

(A) Benefit the health, safety, morals, and welfare of the county and the state.

(B) Serve to protect and increase property values in the county and the state.

(C) Benefit persons of low and moderate income by making affordable housing available to them.

(D) Reduce public expenditures required for governmental functions such as police and fire protection and other services.

(7) The planning, replanning, development, and redevelopment of housing within blighted, deteriorated, or deteriorating areas under this section and sections 32 through 35 of this chapter are:

(A) necessary in the public interest; and

(B) public uses and purposes for which public money may be spent and private property may be acquired.

(8) This section and sections 46 through 49 of this chapter shall be liberally construed to carry out the purposes of this

section and this chapter.

SECTION 6. IC 36-7-14-46 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 46. (a) The commission shall establish a program for housing. The program, which may include such elements as the commission considers appropriate, shall be adopted as part of a redevelopment plan or amendment to a redevelopment plan and must establish an allocation area for purposes of sections 39 and 49 of this chapter for the accomplishment of the program.**

(b) The notice and hearing provisions of sections 17 and 17.5 of this chapter apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any housing program to the commission, the department shall consult with persons interested in or affected by the proposed program and provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program. The department may hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents.

SECTION 7. IC 36-7-14-47 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 47. All of the rights, powers, privileges, and immunities that may be exercised by the commission in blighted, deteriorated, or deteriorating areas may be exercised by the commission in implementing its program for housing, including the following:**

(1) The special tax levied in accordance with section 28 of this chapter may be used to accomplish the housing program.

(2) Bonds may be issued under this chapter to accomplish the housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area except for refunding bonds or bonds issued in an amount necessary to complete a housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under section 39 of this chapter.

SECTION 8. IC 36-7-14-48 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 48. The commission must make the following findings in the resolution adopting a housing program under section 46 of this chapter:**

(1) The program meets the purposes of section 45 of this chapter.

(2) The program cannot be accomplished by regulatory processes or by the ordinary operation of private enterprise because of:

(A) lack of public improvements;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land; or

(C) other similar conditions.

(3) The public health and welfare will be benefited by accomplishment of the program.

(4) The accomplishment of the program will be of public utility and benefit as measured by:

(A) provision of adequate housing for low and moderate income persons;

(B) increase in the property tax base; or

(C) other similar public benefits.

(5) At least one-third (1/3) of the parcels in the allocation area established by the program are vacant.

(6) At least three-fourths (3/4) of the allocation area is used for residential purposes or is planned to be used for residential purposes.

(7) At least one-third (1/3) of the residential units in the allocation area were constructed before 1941.

(8) At least one-third (1/3) of the parcels in the allocation area have one (1) or more of the following characteristics:

(A) The dwelling unit on the parcel is not permanently occupied.

(B) The parcel is the subject of a governmental order, issued under a statute or ordinance, requiring the correction of a housing code violation or unsafe building condition.

(C) Two (2) or more property tax payments on the parcel are delinquent.

(D) The parcel is owned by local, state, or federal government.

SECTION 9. IC 36-7-14-49 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 49. (a) Notwithstanding section 39 of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 46 of this chapter, "base assessed value" means the net assessed value of all the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39 of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.**

(b) The special fund established under section 39 of this chapter for the allocation area for a program adopted under section 46 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the redevelopment commission establishes the credit adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 46 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2)

levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable on May 1 and November 1 of a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39 of this chapter, the special fund established under section 39 of this chapter for the allocation area for a program adopted under section 46 of this chapter may be used only to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) of this chapter.

(2) Reimburse the unit establishing the housing program for expenditures made by the unit in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39 of this chapter, the commission shall, relative to the special fund established under section 39 of this chapter for an allocation area for a program adopted under section 46 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the unit establishing the housing program for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

SECTION 10. IC 36-7-14-50 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 50. (a) The general assembly finds the following:**

(1) Federal law permits the sale of a multiple family housing project that is or has been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development without requiring the continuation of that project based assistance.

(2) Such a sale displaces the former residents of a multiple family housing project described in subdivision (1) and increases the shortage of safe and affordable housing for persons of low and moderate income within the county.

(3) The displacement of families and individuals from affordable housing requires increased expenditures of public funds for crime prevention, public health and safety, fire and accident prevention, and other public services and facilities.

(4) The establishment of a supplemental housing program under this section will do the following:

(A) Benefit the health, safety, morals, and welfare of the county and the state.

(B) Serve to protect and increase property values in the county and the state.

(C) Benefit persons of low and moderate income by making affordable housing available to them.

(5) The establishment of a supplemental housing program under this section and sections 46 through 49 of this chapter is:

(A) necessary in the public interest; and

(B) a public use and purpose for which public money may be spent and private property may be acquired.

(b) In addition to its other powers with respect to a housing program under sections 46 through 49 of this chapter, the commission may establish a supplemental housing program. Except as provided by this section, the commission has the same powers and duties with respect to the supplemental housing program that the commission has under sections 46 through 49 of this chapter with respect to the housing program.

(c) One (1) allocation area may be established for the supplemental housing program. The commission is not required to make the findings required under section 48(5) through 48(8) of this chapter with respect to the allocation area. However, the commission must find that the property contained within the boundaries of the allocation area consists solely of one (1) or more multiple family housing projects that are or have been covered, in whole or in part, by a contract for project based assistance from the United States Department of Housing and Urban Development or have been owned at one time by a public housing agency. The allocation area need not be contiguous. The definition of "base assessed value" set forth in section 49(a) of this chapter applies to the special fund established under section 39 of this chapter for the allocation area.

(d) The special fund established under section 39 of this chapter for the allocation area established under this section may be used only for the following purposes:

(1) Subject to subdivision (2), on January 1 and July 1 of each year the balance of the special fund shall be transferred to the housing trust fund established under subsection (e).

(2) The commission may provide each taxpayer in the allocation area a credit for property tax replacement in the manner provided by section 49(b)(7) of this chapter. Transfers made under subdivision (1) shall be reduced by the amount necessary to provide the credit.

(e) The commission shall, by resolution, establish a housing trust fund to be administered, subject to the terms of the resolution, by:

(1) the division or department of the unit establishing the housing program; or

(2) the department, division, or agency that has been designated to perform the public housing function by an ordinance adopted under IC 36-7-18-1.

(f) The housing trust fund consists of:

(1) amounts transferred to the fund under subsection (d);

(2) payments in lieu of taxes deposited in the fund under IC 36-1-8-14.2 or IC 36-2-6-22;

(3) gifts and grants to the fund;

(4) investment income earned on the fund's assets; and

(5) other funds from sources approved by the commission.

(g) The commission shall, by resolution, establish uses for the housing trust fund. However, the uses must be limited to:

(1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, to enable those individuals and families to

purchase or lease residential units within the county;
(2) paying expenses of administering the fund;
(3) making grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; and
(4) providing technical assistance to nonprofit developers of affordable housing.

(h) At least fifty percent (50%) of the dollars allocated for production, rehabilitation, or purchase of housing must be used for units to be occupied by individuals and families whose income is at or below fifty percent (50%) of the county's area median income for individuals and families, respectively.

(i) The low income housing trust fund advisory committee is established. The low income housing trust fund advisory committee consists of eleven (11) members to be appointed by the redevelopment commission. The members appointed by the commission must include representatives of:
(1) elected or appointed officials from the governmental entities governing the county and each municipality in which the supplemental housing program is located; and
(2) other members who are capable of representing the interests of the following:
(A) Banks and other financial institutions.
(B) Low income families.
(C) Owners of subsidized, multifamily housing communities.
(D) Neighborhood associations.
(E) Community based organizations.
(F) Social services agencies.
(G) Other agencies involved in homeless intervention and prevention.

Members of the low income housing trust fund advisory committee serve for a term of four (4) years and are eligible for reappointment. If a vacancy exists on the committee, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy. A committee member may be removed at any time by the appointing authority who appointed the committee member.

(j) The low income housing trust fund advisory committee shall make recommendations to the commission regarding:
(1) the development of policies and procedures for the uses of the low income housing trust fund; and
(2) long term sources of capital for the low income housing trust fund, including:
(A) revenue from:
(i) development ordinances;
(ii) fees; or
(iii) taxes;
(B) financial market based income;
(C) revenue derived from private sources; and
(D) revenue generated from grants, gifts, donations, or income in any other form from a:
(i) government program;
(ii) foundation; or
(iii) corporation.

(k) The treasurer of the unit establishing the commission 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.

(Reference is to HB 1588 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 24, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1595, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "A" and insert "**(a) Not more than two (2) days each month, a**".
Page 1, line 3, delete ":".
Page 1, line 4, delete "(1)".
Page 1, run in lines 3 through 4.
Page 1, line 4, after "of" insert "**not**".
Page 1, line 4, delete "three (3)" and insert "**twelve (12)**".
Page 1, line 7, delete "; and" and insert "**.**".
Page 1, line 8, delete "(2)" begin a new paragraph and insert:
"**(b) A bed and breakfast establishment**".

(Reference is to HB 1595 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 13, nays 0.

C. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1620, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, strike "to".
Page 1, line 4, strike "serve" and insert "**who serves**".

(Reference is to HB 1620 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 14, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1645, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 20, after "educational," insert "**educational housing,**".
Page 3, line 24, strike "However,".
Page 3, line 24, after "phase" insert "**Except as provided in subdivision (1),**".
Page 3, line 32, strike "July 1,".
Page 3, line 32, delete "2013." and insert "**ten (10) years after environmental remediation is completed under subsection (dd).**".
Page 9, line 20, after "(dd)" insert "**As provided in IC 4-20.5-7-5, the department shall conduct an environmental audit of the real property to be conveyed under this SECTION and remediate contamination found before conveying the interests required to be conveyed under this SECTION.**
(ee)".

(Reference is to HB 1645 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 25, nays 2.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1653, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 6. IC 28-13-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) **Except as provided in subsection (c),** every director must, during the director's whole term of service, be a citizen of the United States. A director must be at least eighteen (18) years of age. At least three-fifths (3/5) of the directors must reside in Indiana or within a distance of not to

exceed fifty (50) miles of any office of the corporation of which the director is a director.

(b) The articles of incorporation or bylaws may prescribe other qualifications for directors. A director need not be a shareholder of the corporation unless the articles of incorporation or bylaws so prescribe.

(c) The director of the department may waive the United States citizenship requirement set forth in subsection (a) for a particular corporation if the waiver would affect only a minority of the total number of directors of the corporation.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1653 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

BARDON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1654, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 11, nays 0.

BARDON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1682, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 5.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1689, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 12, nays 0.

SUMMERS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1701, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 9, after "devices." insert "**A member participating through the use of a telecommunications device is considered to be present at the meeting.**".

Page 9, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 16. P.L.95-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: SECTION 1. (a) As used in this SECTION, "commission" refers to the Indiana commission on mental health established by this SECTION.

(b) The Indiana commission on mental health is established.

(c) The commission consists of sixteen (16) members determined as follows:

(1) The speaker of the house of representatives and the president pro tempore of the senate shall each appoint two (2) legislative members, who may not be from the same political party, to serve on the commission.

(2) The governor shall appoint thirteen (13) lay members, not more than seven (7) of whom may be from the same political party, to serve on the commission as follows:

(A) Four (4) at-large members, not more than two (2) of whom may be from the same political party.

(B) Two (2) consumers of mental health services.

(C) Two (2) representatives of different advocacy groups for consumers of mental health services.

(D) Two (2) members of families of consumers of mental health services.

(E) Three (3) members who represent mental health providers. One (1) of the members appointed under this clause must be a representative of a for-profit psychiatric provider. One (1) of the members appointed under this clause must be a physician licensed under IC 25-22.5.

(d) Except for the members appointed under subsection (c)(2)(E), the members of the commission may not have a financial interest in the subject matter to be studied by the commission.

(e) The chairman of the legislative council shall designate a legislative member of the commission to serve as chairman of the commission.

(f) Each legislative member and each lay member of the commission is entitled to receive the same per diem, mileage, and travel allowances paid to individuals serving as legislative and lay members, respectively, on interim study committees established by the legislative council.

(g) The commission shall do the following:

(1) Study and evaluate the funding system for managed care providers of mental health services.

(2) Review and make specific recommendations regarding the provision of mental health services delivered by community managed care providers and state operated hospitals.

(3) Review and make recommendations regarding any unmet need for public supported mental health services in any specific geographic area or throughout Indiana. In formulating these recommendations, the commission shall consider the need, feasibility, and desirability of including additional organizations in the network of managed care providers.

(4) Review the results of the actuarial study which must be submitted by the division of mental health and addiction to the commission not later than thirty (30) days after completion of the actuarial study.

(5) Make recommendations regarding the application of the actuarial study by the division of mental health and addiction to the determination of service needs, eligibility criteria, payment, and prioritization of service.

(h) The commission shall:

(1) monitor the implementation of managed care programs for all populations of the mentally ill that are eligible for care that is paid for in part or in whole by the state; and

(2) make recommendations regarding the commission's findings under subdivision (1) to the appropriate division or department.

(i) This SECTION expires January 1, ~~2004.~~ **2006.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1701 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

C. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1720, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 10, strike "ninety (90)" and insert "**thirty (30)**".

(Reference is to HB 1720 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

LIGGETT, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was

referred House Bill 1734, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 23, delete "(i)".

Page 3, line 23, strike "The governing body shall affirm or reverse its position on".

Page 3, strike lines 24 through 25.

Page 3, line 26, reset in roman "(i)".

Page 3, line 26, delete "(j)".

(Reference is to HB 1734 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1736, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 12, nays 1.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1754, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 11 delete "A regularly conducted trade or business does not include a" and insert "**For purposes of subsection (b), a person is not regularly engaged in a trade or business when the person:**

(1) infrequently engages in hobby or leisure activities;

(2) makes sales of tangible personal property in the course of engaging in hobby or leisure activities;

(3) is not acting as a consignee; and

(4) receives a total of not more than one thousand two hundred dollars ($1,200) of gross retail income in a year from all of the person's hobby or leisure activities, including consignment sales.".

Page 1, delete lines 12 through 15.

(Reference is to HB 1754 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 28, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1769, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1786, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 10, delete "and wishes to enroll in a home" and insert "**for truancy.**".

Page 1, delete line 11.

Page 2, line 12, delete "The student may enroll in a home school program during the".

Page 2, delete lines 13 through 21 and insert "**Except as provided in subsection (d), the student may not withdraw from a school corporation while legal action for truancy is pending:**

(1) until the legal action is resolved; and

(2) the student demonstrates compliance with the terms and conditions of enrollment established by the school corporation.

(d) The student may withdraw from a school corporation while legal action for truancy is pending if:

(1) the school corporation, the court having juvenile jurisdiction or the designee of the court having juvenile jurisdiction, and the parent agree that withdrawal is in the best interest of the student; and

(2) a verifiable educational experience is provided that is acceptable to all parties.

The parent shall provide verification of an acceptable educational experience under subdivision (2) to the school, and when involved, to the court having juvenile jurisdiction or to the designee of the court having juvenile jurisdiction.".

Page 2, line 22, delete "(d)" and insert "**(e)**".

Page 2, line 25, reset in roman "or".

Page 2, line 26, delete "a student's parent fails to follow the terms and conditions".

Page 2, delete line 27.

Page 2, line 28, delete "(3)".

Page 2, run in lines 26 and 28.

Page 2, line 33, delete "(e)" and insert "**(f)**".

Page 2, line 33, after "(c)" delete "(d)" and insert "**(e)**".

Page 2, line 41, delete "(f)" and insert "**(g)**".

(Reference is to HB 1786 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1789, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert the following:

"SECTION 1. IC 4-4-30-8, AS ADDED BY P.L.159-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) The coal technology research fund is established to provide money for the center for coal technology research and for the director to carry out the duties specified under this chapter. The budget agency shall administer the fund.

(b) The fund consists of the following:

(1) Money appropriated **or otherwise designated** by the general assembly.

(2) Gifts, grants, and bequests.

(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 the treasurer may invest other public funds.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.".

Page 1, line 8, after "companies" insert "**to support access to technology for existing businesses**".

Page 2, line 5, delete "fifteen percent (15%)" and insert "**twenty-five percent (25%)**".

Page 2, between lines 12 and 13, begin a new paragraph and insert:

"**(f) Money deposited in the fund under subsection (c) shall be distributed as follows:**

(1) Fifty percent (50%) for grants under subsection (a)(1).

(2) Ten percent (10%) for grants under subsection (a)(2).

(3) Twenty percent (20%) for grants under subsection

(a)(3).

(4) Ten percent (10%) for grants under subsection (a)(4).

(5) Ten percent (10%) for grants under subsection (a)(5).

SECTION 2. IC 4-12-10-4, AS ADDED BY P.L.26-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The budget agency, after review by the budget committee, shall **enter into an agreement with the department of commerce to** do the following:

(1) Review, prioritize, and approve or disapprove proposals for centers.

(2) Create detailed application procedures and selection criteria for center proposals. These criteria may include the following:

(A) Geographical proximity to and partnership agreement with an Indiana public or private university.

(B) Proposed local contributions to the center.

(C) Minimum standards and features for the physical facilities of a center, including telecommunications infrastructure.

(D) The minimum support services, both technical and financial, that must be provided by the centers.

(E) Guidelines for selecting entities that may participate in the center.

(3) Develop performance measures and reporting requirements for the centers.

(4) Monitor the effectiveness of each center and report its findings to the governor, **the budget agency,** and the budget committee before October 1 of each even-numbered year.

~~(5) Contract with Purdue University for any staff support necessary for the budget agency to carry out this chapter.~~

~~(6)~~ **(5)** Approve a regional technology center only if the center agrees to do all of the following:

(A) Nurture the development and expansion of high technology ventures that have the potential to become high growth businesses.

(B) Increase high technology employment in Indiana.

(C) Stimulate the flow of new venture capital necessary to support the growth of high technology businesses in Indiana.

(D) Expand workforce education and training for highly skilled, high technology jobs.

(E) Affiliate with an Indiana public or private university and be located in close proximity to a university campus.

(F) Be a party to a written agreement among:

(i) the affiliated university;

(ii) the city or town in which the proposed center is located, or the county in which the proposed center is located if the center is not located in a city or town;

(iii) Purdue University, for technical and personnel training support; and

(iv) any other affiliated entities;

that outlines the responsibilities of each party.

(G) Establish a debt free physical structure designed to accommodate research and technology ventures.

(H) Provide support services, including business planning, management recruitment, legal services, securing of seed capital marketing, and mentor identification.

(I) Establish a commitment of local resources that is at least equal to the money provided from the fund for the physical facilities of the center.

(b) The ~~budget agency~~ **department of commerce** may not approve more than five (5) regional technology centers in any biennium.

(c) The budget agency shall contract with Purdue University:

(1) for any support staff necessary for the budget agency to provide grants under section 3(a)(3) and 3(a)(4) of this chapter; and

(2) to provide services under section 7 of this chapter.

SECTION 3. IC 4-12-10-6, AS ADDED BY P.L.26-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If a center is approved by the ~~budget agency,~~ **department of commerce,** the budget agency shall allocate from available appropriations the money authorized to:

(1) subsidize construction or rehabilitation of the physical facilities; and

(2) cover operating costs, not to exceed two hundred fifty thousand dollars ($250,000) each year, until the center is self-sustaining or has identified another source of operating money or the amount appropriated for this purpose is exhausted.

(b) Operating costs may not be supported by the fund for any center for more than four (4) years.".

Page 2, line 18, delete "The budget".

Page 2, line 19, delete "agency shall administer the account.".

Page 2, line 27, delete "collected from vending" and insert "**designated under IC 6-2.5-7.5-11**".

Page 2, line 28, delete "machine items under IC 6-2.5-7.5".

Page 2, line 36, delete "appropriated" and insert "**dedicated**".

Page 2, line 38, delete "Thirty-five percent (35%)" and insert "**Twenty-three percent (23%)**".

Page 2, line 40, delete "IC 22-4.1-7;" and insert "**IC 22-4.1-8.**".

Page 2, line 41, delete "Ten percent (10%)" and insert "**Nine percent (9%)**".

Page 2, line 42, delete ";" and insert "**.**".

Page 3, line 1, delete "Fifteen percent (15%)" and insert "**Twenty-five percent (25%)**".

Page 3, line 2, delete ";" and insert "**.**".

Page 3, line 3, delete "Ten percent (10%)" and insert "**Nine percent (9%)**".

Page 3, line 4, delete ";" and insert "**.**".

Page 3, line 5, delete "Fifteen percent (15%)" and insert "**Nine percent (9%)**".

Page 3, line 6, delete ";" and insert "**.**".

Page 3, line 8, delete "; and" and insert "**.**".

Page 3, line 10, delete "IC 20-10.1-25.4." and insert "**IC 22-4.1-9.**".

Page 3, between lines 10 and 11, begin a new line block indented and insert:

"**(8) Five percent (5%) to fund the scientific instrument project within the department of education.**

(9) Three percent (3%) to fund the clean manufacturing income tax credit under IC 6-3.1-28.

(10) Two percent (2%) to fund the coal technology research fund under IC 4-4-30-8.".

Page 3, delete lines 18 through 22, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) The owner of a vending machine shall place on the face of the machine an ~~identification~~ **identification** device ~~which~~ **that:**

(1) is at least two (2) inches by three (3) inches; and

(2) accurately reveals the **following information:**

(A) The owner's name and address. ~~and he~~

(B) The following information about the retail merchant who is liable for collecting state gross retail tax on the sale of tangible personal property through the vending machine:

(i) Name.

(ii) Address.

(iii) Telephone number.

(iv) All the retail merchant's certificate numbers.

(b) The owner shall include the **vending** machine in ~~his~~ **the owner's** annual personal property return.

~~(b)~~ **(c) If an owner intentionally fails to display an identification device on a vending machine under this section, the department of state revenue may do either or both of the following:**

(1) Seize and confiscate the vending machine.

(2) Impose a civil penalty of not less than one thousand dollars ($1,000) and not more than two thousand dollars ($2,000).

Each vending machine on which an owner intentionally fails to display an identification device constitutes a separate offense for purposes of this subsection.

(d) For purposes of this section, the term "vending machine"

~~means a machine which dispenses goods, wares, or merchandise when a coin is deposited in it and which by automatic action can physically deliver goods, wares, or merchandise to the depositor of the coin.~~ **has the meaning set forth in IC 6-2.5-7.5-4.**".

Page 3, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 5. IC 6-2.5-6-10, AS AMENDED BY P.L.192-2002(ss), SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the state gross retail tax and the state use tax, every retail merchant, except a retail merchant referred to in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5, **IC 6-2.5-7.5-7,** or ~~under~~ this chapter, if timely remitted, a retail merchant's collection allowance.

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

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

Page 3, line 37, delete "UPON PASSAGE]:" and insert "JULY 1, 2003]:".

Page 3, delete lines 40 through 42, begin a new paragraph and insert:

"**Sec. 1. This chapter applies only to retail transactions involving tangible personal property, other than:**

(1) cigarettes (as defined in IC 6-7-1-2); or

(2) cigars and other tobacco products (as defined in IC 6-7-2-5);

acquired for resale from a vending machine or sold from a vending machine.

Sec. 2. As used in this chapter, "gross receipts" means the product of:

(1) the net invoice price paid during a reporting period by a vending machine operator; multiplied by

(2) one hundred twenty percent (120%).

Sec. 3. As used in this chapter, "net invoice price" means the difference between:

(1) the cost, including freight, of tangible personal property acquired for resale from a vending machine or sold from a vending machine; minus

(2) any timely payment discount.

Sec. 4. As used in this chapter, "vending machine" means a mechanical or electronic device or a receptacle designed to:

(1) receive a coin or currency; and

(2) dispense tangible personal property in return for the insertion or deposit of the coin or currency.

Sec. 5. As used in this chapter, "vending machine operator" means a retail merchant who is liable for collecting state gross retail tax on the sale of tangible personal property through a vending machine.

Sec. 6. This chapter applies to taxable years beginning after December 31, 2003.

Sec. 7. A vending machine operator shall pay to the department the state gross retail tax collectible from retail transactions involving the sale of tangible personal property through a vending machine.

Sec. 8. The amount that a vending machine operator shall pay to the department for a particular reporting period is the amount equal to the product of:

(1) six percent (6%); multiplied by

(2) the gross receipts of the vending machine operator for the reporting period.

Sec. 9. The amount determined under section 8 of this chapter is a vending machine operator's state gross retail tax liability regardless of the amount of state gross retail tax the vending machine operator actually collects.

Sec. 10. No allowance for spoiled, damaged, or otherwise unsold tangible personal property shall be allowed against a vending machine operator's state gross retail tax liability, other than for returns by the vending machine operator to the distributor that are evidenced by an invoice credit or other written indication that the distributor has received the tangible personal property and credited or refunded the amount of the gross receipts paid or payable for the tangible personal property.

Sec. 11. The department shall account for all state gross retail taxes that are prepaid under this chapter as follows:

(1) The department shall designate an amount equal to the difference between:

(A) the amount paid during a reporting period under this chapter; minus

(B) the product of:

(i) the amount of taxes collected on retail transactions involving the sale of tangible personal property through a vending machine during the same reporting period in the calendar year beginning January 1, 2002, and ending December 31, 2002; multiplied by

(ii) the most current inflation adjustment factor, as determined by the Consumer Price Index for all Urban Consumers, as published by the United States Bureau of Labor Statistics;

to the state technology advancement and retention account under IC 4-12-11-1.

(2) The department shall deposit the remainder according to IC 6-2.5-10-1.

Sec. 12. A vending machine operator shall file a return for each reporting period and pay the state gross retail tax liability for that reporting period in the manner and on a form prescribed by the department.

Sec. 13. The department may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 6. IC 6-2.5-8-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) This section applies to a person that owns or operates a vending machine (as defined in IC 6-2.5-7.5-4).**

(b) Not later than August 15 of each year, each person shall submit the following information to the department on a form prescribed by the department:

(1) The person's name.

(2) The person's business address.

(3) The person's business telephone number.

(4) All Indiana addresses at which the person maintains business offices.

(5) If the person is a corporation or other business entity, the name of an officer or director on whom legal process may be served.

(6) An approximate number of the person's vending machines that are owned or operated in Indiana.

(7) The name of all retail merchants who are liable for collecting state gross retail tax on the sale of tangible personal property through the person's vending machines.

(8) Any other information the department determines is necessary.".

Delete page 4.

Page 5, delete lines 1 through 15.

Page 5, delete line 18 and insert "JULY 1, 2003]:".

Page 6, line 9, after "(a)" insert "**This chapter applies to taxable years beginning after December 31, 2003.**

(b)".

Page 6, line 17, delete "(b)" and insert "**(c)**".

Page 6, line 20, delete "(a)" and insert "**(b)**".

Page 6, line 22, delete "9(b)" and insert "**9(c)**".

Page 7, line 12, delete "ten percent (10%)" and insert "**nine percent (9%)**".

Page 7, line 24, delete "JANUARY 1, 2004]:" and insert "JULY 1, 2003]:".

Page 7, line 29, delete "IC 22-4.1-8-4." and insert "**IC 22-4.1-8-3.**".

Page 8, line 16, delete "two (2)" and insert "**three (3)**".

Page 9, line 24, delete "thirty-five" and insert "**twenty-three**".

Page 9, line 25, delete "(35%)" and insert "**(23%)**".

Page 9, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 8. IC 6-3.1-28 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 28. Clean Manufacturing Income Tax Credit

Sec. 1. As used in this chapter, "board" refers to the clean manufacturing income tax credit board established by section 13 of this chapter.

Sec. 2. As used in this chapter, "clean manufacturing" has the meaning set forth in IC 13-11-2-27.6.

Sec. 3. As used in this chapter, "clean manufacturing investment" means an expenditure for any of the following:

(1) Production process redesign (as defined in IC 13-27.5-3-2(2)(C)).

(2) Operational improvement (as defined in IC 13-27.5-3-2(2)(D)).

Sec. 4. As used in this chapter, "environmental waste" has the meaning set forth in IC 13-11-2-72.

Sec. 5. As used in this chapter, "institute" refers to the Indiana clean manufacturing technology and safe materials institute established under IC 13-27.5-2.

Sec. 6. As used in this chapter, "manufacturing facility" means a facility of a manufacturer (as defined in IC 13-11-2-126(b)).

Sec. 7. As used in this chapter, "material substitution" means:

(1) an input change (as defined in IC 13-27.5-3-2(2)(A)); or

(2) a product reformulation (as defined in IC 13-27.5-3-2(2)(B)).

Sec. 8. As used in this chapter, "pass through entity" means:

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

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 9. As used in this chapter, "SIC manual" has the meaning set forth in IC 6-3.1-10-2.5.

Sec. 10. As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income 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. 11. As used in this chapter, "taxpayer" means any individual, corporation, limited liability company, partnership, or other entity that:

(1) has any state tax liability; and

(2) operates at least one (1) manufacturing facility in Indiana under standard industrial classification codes 20 through 39 in the SIC manual.

Sec. 12. (a) As used in this chapter, "toxic material" has the meaning set forth in IC 13-11-2-233.

(b) For purposes of this chapter, the list of toxic materials may be updated periodically by the institute in consultation with the commissioner of the department of environmental management based on information provided by:

(1) the United States Environmental Protection Agency;

(2) a professional industrial hygiene association; or

(3) the United States Occupational Safety and Health Administration.

Sec. 13. (a) The clean manufacturing income tax credit board is established. The board consists of the following six (6) members:

(1) The director of the institute or the director's designee.

(2) The commissioner of the department of environmental management or the commissioner's designee.

(3) The director of the department of commerce or the director's designee.

(4) The director of the budget agency or the director's designee.

(5) The commissioner of the department of state revenue or the commissioner's designee.

(6) The chairperson of the clean manufacturing technology board or the chairperson's designee.

(b) The director of the department of commerce or the director's designee shall serve as chairperson of the board. Four (4) members of the board constitute a quorum to transact and vote on the business of the board. The board may take official action upon the affirmative vote of a majority of the members present and voting.

(c) The institute shall assist the board in carrying out the board's duties under this chapter.

(d) Each member of the board is entitled to reimbursement for traveling expenses as provided in 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.

Sec. 14. The board may make credit awards under this chapter to foster clean manufacturing at manufacturing facilities in Indiana.

Sec. 15. (a) Subject to the conditions set forth in this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in a taxable year beginning after December 31, 2003, if the taxpayer is awarded a credit by the board under this chapter for the taxable year in which the institute verifies either or both of the following:

(1) A qualified material substitution expense.

(2) A qualified clean manufacturing investment.

(b) Subject to sections 20(5) and 21(8) of this chapter, a credit awarded to a taxpayer under subsection (a) is limited to one (1) qualified material substitution expense and one (1) qualified clean manufacturing investment for each taxable year.

(c) The taxpayer must certify that a material substitution expense or a clean manufacturing investment for which a credit is awarded to a taxpayer under subsection (a) is:

(1) initiated voluntarily by the taxpayer; and

(2) not the result of an enforcement action, a negotiated settlement, or an order of a federal or state agency or court.

Sec. 16. (a) The maximum amount of the material substitution expense credit to which a taxpayer is entitled in a taxable year is equal to:

(1) the certified additional cost of purchasing a qualified material that is substituted for a toxic material; multiplied by

(2) thirty percent (30%).

(b) The maximum amount of the clean manufacturing investment credit to which a taxpayer is entitled in a taxable year is equal to the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the certified cost of the qualified clean manufacturing investment.

STEP TWO: Multiply the STEP ONE amount by thirty percent (30%).

STEP THREE: Multiply the STEP TWO result by one (1) of the following, as specified by the taxpayer:

(A) The certified percentage by which the use of a toxic material is reduced by means of the clean manufacturing investment.

(B) The certified percentage by which the generation of an environmental waste is reduced by means of the clean manufacturing investment.

The taxpayer is eligible for the credit in the taxable year in which the production process redesign or operational improvement that forms the basis of the clean manufacturing investment first produces verifiable reductions in the use of toxic materials or the generation of environmental waste.

Sec. 17. (a) Except as provided in subsection (b), a taxpayer is not entitled to carry forward, carry back, or a refund of an unused credit.

(b) If the amount of a clean manufacturing investment credit or a material substitution expense credit for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to not more than two (2) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this

chapter for a subsequent taxable year.

Sec. 18. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 19. To be entitled to a credit under this chapter, a taxpayer must do the following:

(1) Make an expenditure for a qualifying activity.

(2) Request that the board certify:

(A) the eligibility of the taxpayer for the credit;

(B) a description of the activity or expense that is eligible for the credit;

(C) the amount of the expenditure that is eligible for the credit; and

(D) for a clean manufacturing investment credit, the percentage of:

(i) environmental waste; or

(ii) a toxic material;

reduced by means of the clean manufacturing investment;

on forms and in the manner provided by this chapter.

(3) Claim the credit under section 22 of this chapter.

(4) Be allotted a share of the maximum statewide credit under section 24 of this chapter.

(5) Pay the institute an administrative fee established by the institute.

Sec. 20. The board shall certify that a taxpayer's expenditure is a qualified material substitution expense if the board determines that:

(1) before making the material substitution, the taxpayer obtained a verification from the institute that:

(A) the material substitution is nontoxic or less toxic than the toxic material;

(B) the expenditure will reduce the use of the toxic material based on a measurement of the toxicity and amount of the toxic material reduced per unit of production under IC 13-27.5-2-5(c)(4) and IC 13-27.5-2-7 and in conformity with the guidelines established by the institute; and

(C) estimates the additional cost the taxpayer will incur to use a substitute material for the toxic material;

(2) the taxpayer made expenditures for the material substitution;

(3) the expenditures directly result from the additional costs of substituting a material for a toxic material in a specific production process at a manufacturing facility;

(4) the taxpayer applies to the board for the credit certification on a form prescribed by the board in consultation with the institute;

(5) the taxpayer has not received a certification under this section for the same material substitution project;

(6) the taxpayer pays the institute the administrative fee specified under section 19 of this chapter; and

(7) the taxpayer provides all information that the board, in consultation with the institute, determines is necessary for:

(A) the calculation of the qualified material substitution expense credit provided by this chapter; and

(B) the determination of whether an expenditure is a qualified material substitution expense.

Sec. 21. The board shall certify that a taxpayer's expenditure is a qualified clean manufacturing investment if the board determines that:

(1) before the taxpayer implements a production process redesign or an operational improvement, the taxpayer obtains a verification from the institute that:

(A) the expenditure will reduce the use of a toxic material or reduce an environmental waste;

(B) estimates the percentage of reduction in the use of a toxic material or generation of environmental waste by means of clean manufacturing that will result; and

(C) estimates the cost the taxpayer will incur to implement production process redesign or operational improvement that will reduce:

(i) the use of a toxic material; or

(ii) the generation of an environmental waste.

based on a measurement of the toxicity and amount of toxic material or environmental waste reduced per unit of production under IC 13-27.5-2-5(c)(4) and IC 13-27.5-2-7 and in conformity with the guidelines set by the institute;

(2) the taxpayer makes expenditures for the clean manufacturing investment;

(3) the expenditures directly result from the production process redesign or operational improvement that:

(A) are directly used in a specific production process at a manufacturing facility; and

(B) reduce by means of a clean manufacturing investment:

(i) the use of a toxic material; or

(ii) the generation of an environmental waste;

as determined under the guidelines developed by the institute, which shall be based on a measurement of the toxicity and amount of toxic material or environmental waste reduced per unit of production under IC 13-27.5-2-5(c)(4) and IC 13-27.5-2-7;

(4) the taxpayer applies to the board for the credit certification on a form prescribed by the board in consultation with the institute after equipment related to the production process redesign or operational improvement at a manufacturing facility has become operational;

(5) the institute verifies the qualified percentage by which the use of a toxic material or by which the generation of an environmental waste has been reduced at an industrial facility by means of a clean manufacturing investment;

(6) the taxpayer pays the institute the administrative fee specified under section 19 of this chapter;

(7) the taxpayer provides all information that the board, in consultation with the institute, determines is necessary for:

(A) the calculation of the clean manufacturing investment credit expense provided by this chapter; and

(B) the determination of whether an expenditure is a qualified clean manufacturing investment; and

(8) the taxpayer has not received a certification under this section for the same clean manufacturing investment.

Sec. 22. A taxpayer claiming a credit under this chapter shall submit to the department of state revenue a copy of the certification of credit by the board under this chapter for the taxable year. However, failure to submit a copy of the certification does not invalidate a claim for credit.

Sec. 23. The board may audit any of the information required under this chapter to claim a credit.

Sec. 24. (a) The amount of tax credits allowed under this chapter may not exceed:

(1) six hundred thousand dollars ($600,000) in a state fiscal year; or

(2) twelve thousand dollars ($12,000) in a taxable year for a single taxpayer.

(b) The board shall record the time of filing of each application for allowance of a credit under this chapter and shall approve the applications, if the applications otherwise qualify for a tax credit under this chapter, in the chronological order in which the applications are filed in the state fiscal year.

(c) When the total credits approved under this section equal the maximum amount allowable in a state fiscal year, an application thereafter filed for that same fiscal year may not be approved. However, if an application is received by the board after the maximum allowable credits have been awarded for the state fiscal year, the board may review the application for credit in a subsequent state fiscal year up to the total maximum amount of the credit allowable. The review of applications for

credit in a subsequent state fiscal year shall be made in the order in which the applications are received by the institute.".

Page 9, line 37, after "IC 22-1-1-1" insert "**,**".

Page 9, line 40, delete "is" and insert "**are**".

Page 10, line 4, delete "fifteen percent (15%)" and insert "**nine percent (9%)**".

Page 10, delete lines 7 through 19.

Page 12, line 14, after "(a)" insert "**For purposes of this section, "minority student" means a student who is a member of one (1) or more of the following groups:**

(1) blacks;

(2) American Indians;

(3) Hispanics;

(4) Asian Americans; or

(5) other similar racial groups.

(b)".

Page 12, line 16, delete "for programs designed" and insert "**as follows:**

(1) Thirty-five percent (35%) for programs designed to enhance training in technology advancement for minority students.

(2) Sixty-five percent (65%) for generalized training programs for minority students.".

Page 12, delete lines 17 through 18.

Page 12, line 19, delete "(b)" and insert "**(c)**".

Page 12, delete lines 21 through 23, begin a new paragraph and insert:

"**(d) The total amount of grants awarded under this section in a state fiscal year may not exceed nine percent (9%) of the amount in the state technology advancement and retention account established by IC 4-12-11-1.**".

Page 12, delete line 35, begin a new paragraph and insert:

"**(c) The total amount of grants and contracts awarded under this section in a state fiscal year may not exceed**".

Page 14, delete lines 24 through 25.

Page 14, line 26, delete "3." and insert "**2.**".

Page 14, line 28, delete "4." and insert "**3.**".

Page 14, line 36, delete "5." and insert "**4.**".

Page 14, line 40, delete "6." and insert "**5.**".

Page 15, line 8, delete "7." and insert "**6.**".

Page 15, line 16, delete "6" and insert "**5**".

Page 15, line 18, delete "8." and insert "**7.**".

Page 15, line 36, delete "9." and insert "**8.**".

Page 15, line 38, delete "10 and 11" and insert "**9 and 10**".

Page 16, line 28, delete "10." and insert "**9.**".

Page 16, line 29, delete "9" and insert "**8**".

Page 17, line 11, delete "11." and insert "**10.**".

Page 17, line 13, delete "9" and insert "**8**".

Page 17, line 33, delete "12." and insert "**11.**".

Page 17, line 38, delete "13." and insert "**12.**".

Page 17, line 39, delete "9, 10, or 11" and insert "**8, 9, or 10**".

Page 18, line 4, delete "14." and insert "**13.**".

Page 18, line 6, delete "9, 10, or 11" and insert "**8, 9, or 10**".

Page 18, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 17. IC 22-4.1-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 9. Smart Partnership Grants

Sec. 1. The department shall establish guidelines for making grants to the Indiana schools smart partnership, which is established to create partnerships between schools and local businesses to make the curriculum of math and science relevant to the students.

Sec. 2. The total amount of grants awarded under this chapter in a state fiscal year may not exceed five percent (5%) of the amount in the state technology advancement and retention account established by IC 4-12-11-1.

Sec. 3. The department may make grants to coordinating organizations and participating schools.".

Page 18, line 13, delete "program;" and insert "**program administered by Ball State University;**".

Page 18, line 14, delete "program;" and insert "**program administered by the University of Southern Indiana;**".

Page 18, line 18, delete "JANUARY" and insert "JULY".

Page 18, line 19, delete "(RETROACTIVE)".

Run in lines 18 and 19.

Page 18, line 21, delete "2002." and insert "**2003.**".

Page 19, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 20. [EFFECTIVE JULY 1, 2003] **(a) The legislative council shall assign the clean manufacturing tax credit established under IC 6-3.1-28, as added by this act, for audit and evaluation under IC 2-5-21 during 2007.**

(b) This SECTION expires July 1, 2008.

SECTION 21. [EFFECTIVE JULY 1, 2003] **(a) The clean manufacturing income tax credit board established by IC 6-3.1-20-13, as added by this act, may not take action under IC 6-3.1-20, as added by this act, before January 1, 2004.**

(b) A taxpayer is entitled to a tax credit under IC 6-3.1-20, as added by this act, for either:

(1) a qualified material substitution expense; or

(2) a qualified clean manufacturing investment;

or both, only to the extent that the qualified material substitution expense is incurred after December 31, 2003, or the qualified clean manufacturing investment is made after December 31, 2003.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1789 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1791, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 13, delete "tobacco" and insert "**cigarettes**".

Page 1, line 14, delete "products".

Page 2, delete lines 37 through 42.

Page 3, delete lines 1 through 8, begin a new paragraph and insert:

"SECTION 3. IC 6-7-2-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 24. (a) As used in this section, "face to face sale" means a sale in which the consumer is in the physical presence of the seller at the time of the sale. The term does not include a transaction conducted:**

(1) through the mail;

(2) on the Internet;

(3) on the telephone; or

(4) by any other method;

in which the consumer is not in the physical presence of the seller at the time of the sale.

(b) Except as provided in subsection (c), a sale of tobacco products must be a face to face sale.

(c) A person may engage in a sale of tobacco products that is not a face to face sale if:

(1) all applicable taxes under this chapter have been paid; or

(2) the seller places a legible and conspicuous notice on the outside of the container in which the tobacco products are shipped. The notice shall be placed on the same side of the container as the address to which the container is shipped and shall state the following:

"If these tobacco products have been shipped to you from a seller located outside the state in which you reside, the seller has reported under federal law information about the sale of these tobacco products, including your name and address, to your state tax collection agency. You are legally responsible for all

applicable unpaid state taxes on these tobacco products.".

(d) The department may bring suit to enforce this section. If a court enters a judgment for a violation of this section, the court shall impose, in addition to any other remedies, a civil penalty as follows:

(1) If a defendant has one (1) judgment for a violation of this section committed during a five (5) year period, a civil penalty of at least one thousand dollars ($1,000) and not more than two thousand dollars ($2,000).

(2) If a defendant has two (2) unrelated judgments for violations of this section committed during a five (5) year period, a civil penalty of at least two thousand five hundred dollars ($2,500) and not more than three thousand five hundred dollars ($3,500).

(3) If a defendant has three (3) unrelated judgments for violations of this section committed during a five (5) year period, a civil penalty of at least four thousand dollars ($4,000) and not more than five thousand dollars ($5,000).

(4) If a defendant has four (4) unrelated judgments for violations of this section committed during a five (5) year period, a civil penalty of at least five thousand five hundred dollars ($5,500) and not more than six thousand five hundred dollars ($6,500).

(5) If a defendant has five (5) or more unrelated judgments for violations of this section committed during a five (5) year period, a civil penalty of ten thousand dollars ($10,000).".

Renumber all SECTIONS consecutively.

(Reference is to HB 1791 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

HASLER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1796, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1797, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 12, nays 1.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1808, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 13, nays 0.

MOSES, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1834, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 7. IC 28-6.1-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. **Subject to any limitations imposed by the department through policy, a** ~~A~~ savings bank may do any of the following:

(1) Invest the money deposited in the savings bank in the shares of the capital stock, bonds, debentures, notes, or other obligations of a federal home loan bank of the United States.

(2) Become a member of the federal home loan bank of this or an adjoining district.

(3) Borrow money from:

(A) a bank described in subdivision (2);

(B) the Federal Deposit Insurance Corporation; or

(C) any other corporation.

(4) Transfer, assign to, and pledge with a bank described in subdivision (2), the Federal Deposit Insurance Corporation, or other corporation, any of the bonds, notes, contracts, mortgages, securities, or other property of the savings bank held or acquired, as security for the payment of loans entered into under subdivision (3).

(5) Exercise all rights, powers, and privileges conferred upon, and to do all things and perform all acts required of, members or shareholders of a federal home loan bank by the Federal Home Loan Bank Act (12 U.S.C. 1421 through 1449).".

Page 14, line 27, delete "public".

Page 15, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 19. IC 28-11-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. If the department enters into a consent to a final order under section 7 of this chapter with a financial institution, director, ~~or~~ officer, **or employee,** the director is not required to issue and serve a notice of charges upon the financial institution, director, or officer under section 2 or 3 of this chapter. A consent agreement may be negotiated and entered into before or after the issuance of a notice of charges.

SECTION 20. IC 28-11-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If the department determines that an alleged practice, a violation, or an act specified in a notice served under this chapter is likely to:

(1) cause insolvency of the financial institution;

(2) cause substantial dissipation of assets or earnings of the financial institution; or

(3) otherwise seriously prejudice the interests of the depositors of the financial institution;

the department may issue a temporary order without a hearing.

(b) A temporary order may

~~(1)~~ require the financial institution to cease and desist from the practice or violation. ~~or~~

~~(2) temporarily remove a director or an officer of the financial institution.~~

(c) A temporary order is effective upon service and remains effective and enforceable until the earliest of the following:

(1) The issuance of an injunction by a court under subsection (d).

(2) The dismissal of the charges by the department.

(3) The effective date of a final order under section 7 of this chapter.

(d) A financial institution ~~a director, or an officer~~ served with a temporary order under this section may apply to a court having jurisdiction for an injunction to stay, modify, or vacate the order.".

Page 16, line 15, after "cause shown." insert "**A final order issued under this chapter may be made public by the department.**".

Page 17, line 16, delete "company" and insert "**company, savings bank, or savings association**".

Page 17, line 18, delete "company or savings bank." and insert "**company, savings bank, or savings association.**".

Page 17, line 19, delete "company" and insert "**company, savings bank, or savings association**".

Page 17, line 20, after "protection of" insert "**the depositors of**".

Page 17, line 21, strike "company's depositors," and insert "**company, savings bank, or savings association,**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1834 as introduced.)
and when so amended that said bill do pass.
Committee Vote: yeas 11, nays 0.

BARDON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1902, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 8, after ";" insert "**and**".
Page 1, delete lines 9 through 11.
Page 1, line 12, delete "(C)" and insert "**(B)**".
Page 1, line 13, delete ":" and insert "**the district.**".
Page 1, delete lines 14 through 17.
Page 2, delete lines 1 through 6, begin a new paragraph and insert:
"SECTION 2. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11.5. "Historic resort hotel" means a structure originally built as a hotel that:**
(1) contained at least three hundred (300) sleeping rooms on or before January 1, 1930;
(2) is listed in, or is seeking listing in, the National Register of Historic Places; and
(3) was regionally recognized for the mineral springs located on the property that were thought to have significant health benefits for the hotel's guests.".
Page 2, line 28, reset in roman "excursion".
Page 4, line 19, delete "county having a" and insert "**historic district described in IC 4-33-1-1(3).**".
Page 4, delete lines 20 through 21.
Page 9, line 35, reset in roman "(2) a county".
Page 9, line 35, after "Lake;" insert "**containing a historic district described in IC 4-33-1-1(3);**".
Page 10, delete lines 26 through 42.
Page 11, delete lines 1 through 25.
Page 12, line 22, delete ":".
Page 12, line 23, delete "(A)".
Page 12, line 23, delete "and" and insert "**or**".
Page 12, run in lines 22 through 23.
Page 12, delete lines 24 through 28.
Page 12, line 29, delete "(7)" and insert "**(6)**".
Page 15, delete lines 22 through 42.
Page 16, delete lines 1 through 12.
Page 24, between lines 6 and 7, begin a new paragraph and insert:
"SECTION 23. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. Money paid by the treasurer of state under section 6(c)(10) and 6(c)(11) of this chapter must be used only for the advertising and tourism promotion activities of the respective tourism commissions.**".
Page 28, between lines 26 and 27, begin a new paragraph and insert:
"**(c) Money paid by the treasurer of state under section 5(b)(10) and 5(b)(11) of this chapter must be used only for the advertising and tourism promotion activities of the respective tourism commissions.**".
Page 29, line 39, delete "the" and insert "**a town that satisfies the following criteria:**
(1) The town contains a historic resort hotel.
(2) The town is adjacent to another town containing a historic resort hotel.
(3) The town either:
(A) contains a historic resort hotel that has an atrium that was considered the world's largest clear span dome until 1967; or
(B) is adjacent to a town containing a historic resort hotel described in clause (A).".
Page 29, delete lines 40 through 42.
Page 30, delete lines 1 through 5.
Page 30, line 13, delete "described in subsection (a)." and insert "**in which the towns described in subsection (a) are located.**".
Page 30, line 15, delete "described in subsection (a)." and insert "**in which the towns described in subsection (a) are located.**".
Page 30, line 17, delete "described in subsection (a)(1)." and insert "**meeting the criteria set forth in subsection (a)(3)(A).**".
Page 30, line 19, delete "described in subsection (a)(2)." and insert "**meeting the criteria set forth in subsection (a)(3)(B).**".
Page 30, line 23, delete "described in subsection (a)(1)" and insert "**meeting the criteria set forth in subsection (a)(3)(A)**".
Page 30, line 25, delete "described in subsection (a)(2)" and insert "**meeting the criteria set forth in subsection (a)(3)(B)**".
Page 30, between lines 25 and 26, begin a new line block indented and insert:
"**(8) An ex officio, nonvoting member appointed by the governor.**".
Page 31, line 20, delete "shall be paid a monthly" and insert "**is entitled to receive the following:**
(1) A salary per diem of one hundred dollars ($100) for each day the member attends a meeting of the commission.
(2) Reimbursement for traveling 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.".
Page 31, delete line 21.
Page 34, delete lines 40 through 42.
Page 35, delete lines 1 through 2, begin a new paragraph and insert:
"**(b) The historic preservation commission shall allocate money in the fund as follows:**
(1) Forty-five percent (45%) for the purposes described in subsection (a)(1).
(2) Forty-five percent (45%) for the purposes described in subsection (a)(2).
(3) Ten percent (10%) to be allocated at the commission's discretion for any purpose described in subsection (a).".
Page 35, after line 6, begin a new paragraph and insert:
"SECTION 32. [EFFECTIVE JULY 1, 2003] **(a) If any provision of this act, as now enacted or later amended, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.**
(b) Each part and application of every statute set forth in this act is severable. If any provision or application of any part of the act is held invalid, the invalidity does not affect the remainder of the act unless:
(1) the remainder is so essentially and inseparably connected with, and so dependent upon, the invalid provision or application that it cannot be presumed that the remainder would have been enacted without the invalid provision or application; or
(2) the remainder is incomplete and incapable of being executed in accordance with the legislative intent without the invalid provision or application.
SECTION 33. [EFFECTIVE JULY 1, 2003] **The general assembly makes the following finding with reference to the provisions of this act that reassign the eleventh and final riverboat license from Patoka Lake to a historic district to be created in Orange County. The district will embrace historically and architecturally significant structures defined in the legislation as "historic resort hotels". The two (2) structures described in this act are the West Baden Springs Hotel and the French Lick Springs Hotel that are located less than one (1) mile from each other. The West Baden Springs Hotel is listed in the National Register of Historic Places. The French Lick Springs Hotel has applied for that designation. The West Baden Sprints Hotel features a six (6) story domed atrium designed by renowned architect, Harrison Albright. Until 1967, the atrium was considered the largest clear span dome in the world. A significant part of Orange County's history and past economic**

success is tied to tourism. The area's tourism industry is centered around the two (2) grand hotels. The hotels once served as health and leisure resorts. Rich mineral springs thought to possess curative powers attracted many guests to the hotels. Today, one (1) of the most significant impediments to redeveloping the tourism industry in Orange County is competition for convention and tourism dollars from other parts of Indiana that have benefitted from riverboat gaming. Without riverboat gaming in the proposed historic district to attract additional tourist dollars, the hotels will not be viable over the long term, given the substantial resources necessary to sustain them. The required resources do not exist in Orange County, where poverty and unemployment are among the highest in Indiana. In this era of limited resources, the state cannot afford to support the hotels with direct subsidies.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1902 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 1.

LYTLE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1982, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 12 through 19.

Page 3, line 20, delete "(h)" and insert "**(g)**".

Page 5, delete lines 41 through 42.

Page 6, delete lines 1 through 6.

Page 6, line 7, delete "10." and insert "**9.**".

(Reference is to HB 1982 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

LIGGETT, Chair

Report adopted.

HOUSE BILLS ON SECOND READING

House Bill 1169

Representative Herrell called down House Bill 1169 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1353

Representative Moses called down House Bill 1353 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1573

Representative Kromkowski called down House Bill 1573 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1393

Representative Bischoff called down House Bill 1393 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1161

Representative Dobis called down House Bill 1161 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1161–1)

Mr. Speaker: I move that House Bill 1161 be amended to read as follows:

Page 5, line 8, delete "set a" and insert "**publish notice in accordance with IC 5-3-1 of the**".

Page 5, line 10, delete "public" and insert "**last date the**".

Page 5, line 10, after "notice" insert "**is published**".

Page 17, line 8, after "under" strike "IC".

Page 20, after line 41, begin a new paragraph and insert:

"SECTION 18. IC 36-10-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 23. (a) This section applies only to:

(1) the acquisition of real property; or

(2) a work of improvement;

that will be financed by the issuance of bonds.

(b) If the board decides to:

(1) acquire land for any of the purposes prescribed in this chapter, either by purchase or by appropriation, and in conjunction with the acquisition to proceed with a work of improvement authorized by this chapter;

(2) acquire real property without proceeding at the time with a work of improvement; or

(3) proceed with a work of improvement where the real property has been already secured;

it shall adopt a resolution stating the purpose, describing the land to be acquired, the manner of acquisition, and, in the case of an appropriation, the other land that may be injuriously affected, or describing the lands already acquired and intended to be used in connection with the proposed work of improvement.

(c) If a work of improvement is provided for in the resolution, the board shall have preliminary plans and specifications and an estimate of the cost of the proposed work prepared by the engineer selected to do the work. The resolution must be open to inspection by all persons interested in or affected by the appropriation of land or the construction of the work. The board shall have notice of the resolution and its contents published in accordance with IC 5-3-1. The notice must state a date on which the board will receive or hear remonstrances from persons interested in or affected by the proceedings and on which it will determine the public utility and benefit.

(d) Notice shall be sent by certified mail to each owner of land to be appropriated under the resolution, using the owner's address as shown on the tax duplicates. In addition, notice of the land to be appropriated shall be published in accordance with IC 5-3-1. All persons affected in any manner by the proceedings, including all taxpayers in the district, are considered notified of the pendency of the proceedings and of all subsequent acts, hearings, adjournments, and orders of the board by the original notice by publication.

(e) In the resolution and notice, separate descriptions of each piece or parcel of land are not required, but it is a sufficient description of the property purchased, to be purchased, or to be appropriated or damaged to give a description of the entire tract by a platted description or by metes and bounds, whether the land is composed of one (1) or more lots or parcels and whether it is owned by one (1) or more persons. If the land or a part of it is to be acquired by purchase, the resolution must also state the maximum proposed cost.

(f) The board may, at any time before the adoption of the resolution:

(1) obtain from the owner or owners of the land an option for its purchase; or

(2) enter into a contract for its purchase upon the terms and conditions that the board considers best.

The option or contract is subject to the final action of the board confirming, modifying, or rescinding the resolution and to the condition that the land may be paid for only out of the special fund resulting from the sale of bonds as provided by this chapter.

(g) If the board decides to acquire any lots or parcels of land by purchase, the board shall appoint ~~three (3)~~ **two (2)** qualified appraisers to appraise ~~its value~~ **the fair market value of the land. Each appraiser must be professionally engaged in making appraisals or be trained as an appraiser and licensed as a broker under IC 25-34.1.** The appraisers may not be interested directly or indirectly in any land that is to be acquired under the resolution or that may be injured or incur local benefits. The appraisers shall take an oath that they have no interest in the matter and that they will honestly and impartially make the valuation. ~~They shall then view the land, determine the true market value of it at that time, and report the appraisal in writing.~~ **The appraisers shall return the appraisers'**

separate appraisals to the board not more than thirty (30) days after the date of their appointment. The ~~report~~ **appraisals** shall be filed with and ~~becomes~~ **become** a part of the record of the proceeding.

(h) The board may not take an option on the land or enter into a contract to purchase it at a ~~higher~~ price ~~than the value named in the report.~~ **greater than the average of the two (2) appraisals received under subsection (g).** The title to land to be acquired under the resolution, whether by purchase or appropriation, does not vest until the land is paid for out of the special fund established by the sale of bonds as provided in this chapter. Any indebtedness or obligation of any kind incurred by the board due to the acquisition of land or to construction work shall be paid out of the funds under the control of the board and ~~are~~ **is** not an indebtedness or obligation of the unit.

(i) At the time fixed for the hearing, or at any time before the hearing, an owner of land to be appropriated under the resolution or injuriously affected or a person owning real or personal property located in the district may file a written remonstrance with the secretary of the board.

(j) At the hearing, which may be adjourned from time to time, the board shall hear all persons interested in the proceedings and all remonstrances that have been filed. After considering the evidence, the board shall take final action determining the public utility and benefit of the proposed project by confirming, modifying, or rescinding the resolution. The final action shall be recorded and is final and conclusive upon all persons.".

(Reference is to HB 1161 as printed February 11, 2003.)

DOBIS

Motion prevailed. The bill was ordered engrossed.

House Bill 1623

Representative Bischoff called down House Bill 1623 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1647

Representative Pflum called down House Bill 1647 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1660

Representative Day called down House Bill 1660 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1708

Representative Klinker called down House Bill 1708 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1731

Representative Aguilera called down House Bill 1731 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Representative Saunders, who had been excused, was present.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Bill 1056

Representative Goodin called down Engrossed House Bill 1056 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning general provisions.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 100: yeas 89, nays 2. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Nugent, Sipes, R. Meeks, and M. Young.

Engrossed House Bill 1059

Representative Cheney called down Engrossed House Bill 1059 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 101: yeas 80, nays 12. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Wyss and Antich.

Engrossed House Bill 1088

Representative Austin called down Engrossed House Bill 1088 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 102: yeas 73, nays 22. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Kenley.

Representative Summers, who had been excused, was present.

Engrossed House Bill 1122

Representative Porter called down Engrossed House Bill 1122 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 103: yeas 65, nays 31. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Kenley and Howard.

Engrossed House Bill 1141

Representative C. Brown called down Engrossed House Bill 1141 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 104: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller, Nugent, and Breaux.

Engrossed House Bill 1219

Representative Kuzman called down Engrossed House Bill 1219 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 105: yeas 96, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act?

There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Landske, Lanane, and Rogers.

Engrossed House Bill 1397

Representative Summers called down Engrossed House Bill 1397 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 106: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Merritt and Breaux.

Engrossed House Bill 1417

Representative Budak called down Engrossed House Bill 1417 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 107: yeas 77, nays 15. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators C. Lawson, Clark, and Antich.

Engrossed House Bill 1437

Representative Welch called down Engrossed House Bill 1437 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 108: yeas 90, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Riegsecker and Breaux.

Engrossed House Bill 1464

Representative L. Lawson called down Engrossed House Bill 1464 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 109: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Mrvan and Landske.

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Dobis.

Engrossed House Bill 1474

Representative Kersey called down Engrossed House Bill 1474 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 110: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Hershman and Skinner.

Engrossed House Bill 1479

Representative Kersey called down Engrossed House Bill 1479 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 111: yeas 51, nays 44. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsor: Senator Lanane.

Engrossed House Bill 1510

Representative Welch called down Engrossed House Bill 1510 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 112: yeas 87, nays 9. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Simpson and Dillon.

Engrossed House Bill 1511

Representative Welch called down Engrossed House Bill 1511 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 113: yeas 91, nays 2. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators R. Meeks and Hume.

Representative Becker, who had been excused, was present.

Engrossed House Bill 1529

Representative Stilwell called down Engrossed House Bill 1529 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 114: yeas 62, nays 36. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Server, Merritt, and Lanane.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 21

Representatives Bauer, Behning, Buck, Frizzell, Noe, and Duncan introduced House Concurrent Resolution 21:

A CONCURRENT RESOLUTION honoring Louisiana Representative Donald Ray Kennard on his installation as the 2003 American Legislative Exchange Council (ALEC) National Chairman.

Whereas, Representative Donald Ray Kennard was first elected to the Louisiana House District 65 in 1976;

Whereas, In addition to his legislative duties, Representative Kennard was a member of the Louisiana State University athletic staff for thirty-eight years;

Whereas, Representative Kennard first became affiliated with ALEC in 1992, was State Chairman for Louisiana in 1994, was the first national officer from Louisiana, and served on ALEC's Board of Directors for the last two years;

Whereas, In 1996, Representative Kennard authored and passed "Truth In Sentencing" legislation, ALEC model legislation which mandates that a person convicted of a violent crime must serve eighty-five percent of the sentence;

Whereas, Representative Kennard has received numerous awards and honors including Crime Fighter of the Year by Victims Against Crime and the Law Enforcement Association of America's National Award;

Whereas, Representative Kennard currently serves on the following Louisiana House District committees: Education; Transportation, Highways and Public Works; House Committee on Enrollment as Chairman; and the Joint Legislative Committee on Capital Outlay;

Whereas, Representative Kennard was elected National Secretary of the American Legislative Exchange Council (ALEC) for 1999 at the organization's State and Nation Policy Summit in Washington, D.C.;

Whereas, Duane Parde, CEO and Executive Director of ALEC stated that Representative Kennard, a longstanding ALEC member and a recent member of the National Board of Directors, has been crucial to the development and passage of legislation;

Whereas, Representative Kennard is an outstanding team leader in his home state of Louisiana and will serve ALEC well as National Chairman, stated outgoing 2002 National Chairman Jim Dunlap;

Whereas, It is a tremendous honor to have a leader with such impeccable credentials serving at the helm of ALEC for 2003: 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 General Assembly honors Representative Donald Ray Kennard upon his appointment as 2003 American Legislative Exchange Council (ALEC) National Chairman.

SECTION 2. The Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to Representative Donald Ray Kennard and the American Legislative Exchange Council (ALEC).

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 sponsors: Senators Clark, Riegsecker, Mrvan, Hershman, and C. Meeks.

The Speaker Pro Tempore yielded the gavel to the Speaker.

ENGROSSED HOUSE BILLS ON THIRD READING

Engrossed House Bill 1553

Representative Liggett called down Engrossed House Bill 1553 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 115: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Weatherwax and Hume.

Engrossed House Bill 1596

Representative Duncan called down Engrossed House Bill 1596 for third reading:

A BILL FOR AN ACT concerning Medicaid.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 116: yeas 94, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Gard and Craycraft.

Engrossed House Bill 1622

Representative Bischoff called down Engrossed House Bill 1622 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 117: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Weatherwax and Lewis.

Engrossed House Bill 1632

Representative Welch called down Engrossed House Bill 1632 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 118: yeas 95, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators C. Lawson and Simpson.

Engrossed House Bill 1657

Representative Wolkins called down Engrossed House Bill 1657 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 119: yeas 90, nays 5. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Gard and Hume.

Engrossed House Bill 1700

Representative Murphy called down Engrossed House Bill 1700 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning civil rights.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 120: yeas 96, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller and Lewis.

Engrossed House Bill 1713

Representative Klinker called down Engrossed House Bill 1713

for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 121: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller, Riegsecker, Antich, and Bowser.

Engrossed House Bill 1715

Representative Klinker called down Engrossed House Bill 1715 for third reading:

A BILL FOR AN ACT concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 122: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Miller, Riegsecker, Antich, and Bowser.

Engrossed House Bill 1748

Representative Fry called down Engrossed House Bill 1748 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 123: yeas 97, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators R. Meeks and Broden.

Engrossed House Bill 1774

Representative Pelath called down Engrossed House Bill 1774 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 124: yeas 78, nays 19. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Paul and Bowser.

Representative Orentlicher was excused for the rest of the day.

Engrossed House Bill 1798

Representative Bottorff called down Engrossed House Bill 1798 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 125: yeas 82, nays 11. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Gard and Lewis.

Engrossed House Bill 1933

Representative Ayres called down Engrossed House Bill 1933 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning state police, civil defense and military affairs.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 126: yeas 96, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill. Senate sponsors: Senators Skillman and Dembowski.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT TO AMEND THE INDIANA CODE 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, 2003]

(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, 2003, and ending June 30, 2005. Appropriations appearing in the biennial column for construction or other permanent improvements may be allotted as provided in IC 4-13-2-19.
(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2002-2003 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 repayment on 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) "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".
(7) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.
(8) "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, disability and retirement fund contributions.
(9) "SSBG" means the Social Services Block Grant. This was formerly referred to as "Title XX".
(10) "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.

(11) "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. However derived, 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, 2003]

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, 2003]

GENERAL GOVERNMENT

A. LEGISLATIVE

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE GENERAL ASSEMBLY			
LEGISLATORS' SALARIES - HOUSE			
Total Operating Expense	3,550,728	5,512,333	
HOUSE EXPENSES			
Total Operating Expense	7,188,733	7,799,322	
LEGISLATORS' SALARIES - SENATE			
Total Operating Expense	1,071,285	1,071,285	
SENATE EXPENSES			
Total Operating Expense	7,186,750	7,186,750	

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 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, either 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

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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.

LEGISLATORS' SUBSISTENCE		
LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**1,775,765**	**2,015,396**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**922,272**	**922,272**

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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, $6,500; assistant president pro tempore, $2,500; majority floor leader, $5,000; assistant majority floor leader, $1,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; finance committee chair, $5,000; budget subcommittee chair, $4,000; majority whip, $3,500; assistant majority whip, $1,000; minority floor leader, $5,500; minority caucus chair, $4,500; minority assistant floor leader, $4,500; finance committee ranking minority member, $3,500; minority whip, $2,500; assistant minority whip, $500; and assistant minority caucus chair, $500.

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; 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 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.

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY		
Total Operating Expense	**7,887,000**	**8,122,000**
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	**560,000**	**570,000**

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 2003-2005 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 19 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

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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.

LEGISLATIVE COUNCIL CONTINGENCY FUND		
Total Operating Expense		**200,000**

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	**550,000**	**580,000**

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 113th general assembly, the supplements to the Indiana Code for fiscal years 2003-2004 and 2004-2005, 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	**133,000**	**138,000**
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES		
Other Operating Expense	**153,000**	**159,000**
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**218,285**	**218,285**
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND		
LEGISLATORS' RETIREMENT FUND		
Total Operating Expense	**205,540**	**205,540**

B. JUDICIAL

FOR THE SUPREME COURT		
Personal Services	**5,709,622**	**5,619,266**
Other Operating Expense	**1,459,198**	**1,531,450**

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-13-12-9.

LOCAL JUDGES' SALARIES		
Personal Services	**41,247,705**	**41,247,273**
Other Operating Expense	**11,100**	**11,100**
COUNTY PROSECUTORS' SALARIES		
Personal Services	**17,256,096**	**17,256,096**
Other Operating Expense	**6,400**	**6,400**

The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-14-7-5 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 113th general assembly.

TRIAL COURT OPERATIONS		
Total Operating Expense	**353,500**	**353,500**
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY		
Total Operating Expense	**625,000**	**625,000**

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-2.1-12-7.

PUBLIC DEFENDER COMMISSION		
Public Defense Fund		
Total Operating Expense	**4,600,000**	**4,600,000**
Augmentation allowed.		

The above appropriation is made in addition to the distribution authorized by IC 33-19-7-5(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 fund. The administrative costs may come from the fund.

GUARDIAN AD LITEM		
Total Operating Expense	**800,000**	**800,000**

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. However, the court may not use more than $75,000 per state fiscal year for administration of the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 and 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	**1,000,000**	**1,000,000**

The above funds are appropriated to the division of state court administration in compliance with the provisions of

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
IC 33-2.1-11-7.			
SPECIAL JUDGES - COUNTY COURTS			
Personal Services	3,000	3,000	
Other Operating Expense	120,000	120,000	

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	260,996	260,996	
FOR THE CLERK OF THE SUPREME AND APPELLATE COURTS			
Personal Services	707,885	707,885	
Other Operating Expense	186,205	186,205	
FOR THE COURT OF APPEALS			
Personal Services	7,788,244	7,521,971	
Other Operating Expense	1,148,220	1,152,220	

The above appropriations for the court of appeals personal services includes the subsistence allowance provided by IC 33-13-12-9.

FOR THE TAX COURT			
Personal Services	475,879	465,420	
Other Operating Expense	111,146	123,350	
FOR THE JUDICIAL CENTER			
Personal Services	1,233,026	1,214,495	
Other Operating Expense	694,744	736,924	

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 33-19-7-5 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.

FOR THE PUBLIC DEFENDER			
Personal Services	5,110,515	5,092,572	
Other Operating Expense	952,820	985,133	
FOR THE PUBLIC DEFENDER COUNCIL			
Personal Services	840,096	840,096	
Other Operating Expense	228,458	228,458	
FOR THE PROSECUTING ATTORNEYS' COUNCIL			
Personal Services	859,204	859,204	
Other Operating Expense	164,489	164,489	
DRUG PROSECUTION			
Drug Prosecution Fund (IC 33-14-8-5)			
Total Operating Expense	103,436	103,436	
Augmentation allowed.			
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			
JUDGES' RETIREMENT FUND			
Other Operating Expense	9,584,871	10,159,964	
PROSECUTORS' RETIREMENT FUND			
Other Operating Expense	933,000	961,000	

C. EXECUTIVE

FOR THE GOVERNOR'S OFFICE			
Personal Services	2,069,306	2,069,306	
Other Operating Expense	124,352	124,352	
GOVERNOR'S RESIDENCE			
Total Operating Expense	166,337	166,337	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			163,488

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

MISCELLANEOUS EXPENSES			
Total Operating Expense	9,822	9,822	
GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	154,906	154,906	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	195,037	195,037	
FOR THE LIEUTENANT GOVERNOR			
Personal Services	735,673	735,673	
Other Operating Expense	26,833	26,833	
CONTINGENCY FUND			
Total Operating Expense			38,000

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	367,569	367,569	
Other Operating Expense	33,415	33,415	
BUSINESS SERVICES			
Personal Services	797,251	797,251	
Other Operating Expense	177,700	177,700	
SECURITIES DIVISION			
Personal Services	854,140	854,140	
Other Operating Expense	67,545	67,545	
FOR THE ATTORNEY GENERAL			
ATTORNEY GENERAL			
From the General Fund	12,103,579	12,103,579	
From the Telephone Solicitation Fund	17,260	17,260	
Augmentation allowed.			
From the Motor Vehicle Odometer Fund (IC 9-29-1-5)	701,744	701,744	
Augmentation allowed.			
From the Medicaid Fraud Control Unit Fund	579,371	579,371	
Augmentation allowed.			
From the Abandoned Property Fund (IC 32-9-1.5-33)	167,583	167,583	
Augmentation allowed.			

The amounts specified from the General Fund, Motor Vehicle Odometer Fund, Medicaid Fraud Control Unit Fund, and Abandoned Property Fund are for the following purposes:

Personal Services	12,410,304	12,410,304	
Other Operating Expense	1,159,233	1,159,233	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
MEDICAID FRAUD UNIT			
Total Operating Expense	846,806	846,806	

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.

VICTIMS' ASSISTANCE ADDRESS CONFIDENTIALITY			
Total Operating Expense	13,059	13,059	
UNCLAIMED PROPERTY			
Abandoned Property Fund (IC 32-9-1.5-33)			
Personal Services	972,055	972,055	
Other Operating Expense	961,100	961,100	

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE			
Personal Services	4,034,532	4,034,532	
Other Operating Expense	1,318,420	1,318,420	
GOVERNOR'S AND GOVERNOR'S SURVIVING SPOUSES' PENSIONS			
Total Operating Expense	146,900	146,900	

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	16,919,115	16,919,115	
Other Operating Expense	1,325,387	1,325,387	
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 STATE BUDGET AGENCY			
Personal Services	2,367,509	2,367,509	
Other Operating Expense	393,882	393,882	
BUILD INDIANA FUND ADMINISTRATION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense	66,014	66,014	
Augmentation allowed.			
DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND			
Total Operating Expense			9,600,000

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. With the approval of the governor and budget agency, the expenses of conducting an audit of a state agency for the following purposes may be paid from the departmental and institutional emergency contingency fund:
(1) To determine whether the state agency is managing and using its resources (including personnel, property, and office space) economically and efficiently.
(2) To determine whether there are any inefficiencies or uneconomical practices in the state agency's operations, and, if so, their causes.
(3) To determine whether the state agency has complied with laws and rules concerning matters of economy and efficiency.

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 above appropriation includes funds for an employee leave conversion program if money remains in the fund after salary increases have been given.

The foregoing personal services/fringe benefits contingency fund appropriation may only be used for salary increases and for an employee leave conversion program for state employees in the 2003-2005 biennium 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 benefit contingency fund.

LIBRARY TECHNOLOGY - LIBRARIES (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			6,000,000
FOR THE TREASURER OF STATE			
Personal Services	810,652	810,652	
Other Operating Expense	60,500	60,500	

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		
Personal Services	38,667,713	38,667,713
Other Operating Expense	12,876,571	12,876,571

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

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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	2,923,440	2,923,440

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	624,082	624,082
Other Operating Expense	3,160,143	3,160,143

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION		
Motor Vehicle Highway Account (IC 8-14-1)		
Personal Services	6,020,546	6,020,546
Other Operating Expense	767,283	767,283

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.

FOR THE INDIANA GAMING COMMISSION		
State Gaming Fund (IC 4-33-13-3)		
Personal Services	2,111,179	2,111,179
Other Operating Expense	715,830	715,830
INVESTIGATION		
State Gaming Fund (IC 4-33-13-3)		
Personal Services	925,000	925,000
Other Operating Expense	458,030	458,030

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.

The commission may employ or contract for inspectors and agents required under IC 4-33-4-3.5. The licensed owners shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents who are required to be present during the time gambling operations are conducted on a riverboat.

FOR THE INDIANA HORSE RACING COMMISSION		
Indiana Horse Racing Commission Operating Fund (IC 4-31-10)		
Personal Services	1,781,448	1,781,448
Other Operating Expense	726,896	726,896

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.
Augmentation allowed.

STANDARDBRED BOARD OF REGULATION		
Indiana Horse Racing Commission Operating Fund (IC 4-31-10)		
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.
Augmentation allowed.

FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE		
Personal Services	3,783,049	3,783,049
Other Operating Expense	588,154	588,154

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.

FOR THE INDIANA BOARD OF TAX REVIEW		
Personal Services	1,255,075	1,255,075
Other Operating Expense	120,033	120,033

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION		
Personal Services	11,750,289	11,750,289
Other Operating Expense	8,814,825	8,814,825
DIVISION OF INFORMATION TECHNOLOGY		
Pay Phone Fund		
Total Operating Expense	2,180,000	2,180,000

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 division of information technology (DOIT) of the department of administration. Money in the fund may be spent by the division 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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE STATE PERSONNEL DEPARTMENT			
Personal Services	3,704,290	3,704,290	
Other Operating Expense	520,100	520,100	
STATE EMPLOYEES' APPEALS COMMISSION			
Personal Services	142,482	142,482	
Other Operating Expense	6,800	6,800	
FOR THE INFORMATION TECHNOLOGY OVERSIGHT COMMISSION			
Personal Services	553,778	553,778	
Other Operating Expense	109,625	109,625	
FOR THE COMMISSION ON PUBLIC RECORDS			
Personal Services	1,273,099	1,273,099	
Other Operating Expense	176,905	176,905	
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR			
Personal Services	139,524	139,524	
Other Operating Expense	12,689	12,689	

G. OTHER

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE COMMISSION ON UNIFORM STATE LAWS			
Total Operating Expense	45,400	45,400	
FOR THE STATE ETHICS COMMISSION			
Personal Services	224,680	224,680	
Other Operating Expense	30,869	30,869	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	538,951	538,951	
Other Operating Expense	255,620	186,620	
NATIONAL VOTER REGISTRATION PROGRAM			
Personal Services	89,208	89,208	
Other Operating Expense	227,400	32,400	

SECTION 4. [EFFECTIVE JULY 1, 2003]

PUBLIC SAFETY

A. CORRECTION

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	8,832,661	8,832,661	
Other Operating Expense	2,371,304	2,371,304	
ESCAPEE COUNSEL AND TRIAL EXPENSE			
Other Operating Expense	200,000	200,000	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	4,281,101	4,281,101	
ADULT CONTRACT BEDS			
Total Operating Expense	10,339,126	10,339,126	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	960,160	960,160	
Other Operating Expense	452,912	452,912	
PAROLE DIVISION			
Personal Services	5,345,193	5,345,193	
Other Operating Expense	787,873	787,873	
PAROLE BOARD			
Personal Services	498,489	498,489	
Other Operating Expense	38,850	38,850	
INFORMATION MANAGEMENT SERVICES			
Personal Services	1,960,917	1,960,917	
Other Operating Expense	1,942,040	1,942,040	
JUVENILE TRANSITION			
Personal Services	879,168	879,168	
Other Operating Expense	12,491,264	7,227,964	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense			50,650,000

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
DRUG PREVENTION AND OFFENDER TRANSITION			
Total Operating Expense	1,050,000	1,050,000	

The above appropriation shall be used for minimum security release programs, transition programs, mentoring programs and supervision and assistance to adult and juvenile offenders to assure the successful integration of the offender into the community without incidents of recidivism.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
CENTRAL EMERGENCY RESPONSE			
Personal Services	1,062,944	1,062,944	
Other Operating Expense	460,286	460,286	
MEDICAL SERVICES			
Other Operating Expense	27,257,311	27,257,311	
DRUG ABUSE PREVENTION			
Drug Abuse Fund (IC 11-8-2-11)			
Personal Services	36,762	36,762	
Other Operating Expense	72,000	72,000	
Augmentation allowed.			
FOR THE STATE BUDGET AGENCY			
COUNTY JAIL MAINTENANCE CONTINGENCY FUND			
Other Operating Expense	17,455,600	17,455,600	

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 any expenses incurred in providing 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 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
MEDICAL SERVICE PAYMENTS			
Total Operating Expense	25,000,000	25,000,000	

These appropriations for medical service payments are made to pay for medical services 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, the school for the blind, the school for the deaf, or the division of disability, aging and rehabilitative services if the services are provided outside these institutions. These appropriations may not be used for payments for medical

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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, the school for the blind, the school for the deaf, the division of disability, aging and rehabilitative services, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations to the budget agency 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.

FOR THE DEPARTMENT OF ADMINISTRATION		
DEPARTMENT OF CORRECTION		
OMBUDSMAN BUREAU		
Personal Services	100,000	100,000
Other Operating Expense	50,000	50,000
FOR THE DEPARTMENT OF CORRECTION		
INDIANA STATE PRISON		
Personal Services	26,516,485	26,516,485
Other Operating Expense	6,908,959	6,908,959
VOCATIONAL TRAINING PROGRAM		
Total Operating Expense	368,977	368,977
PENDLETON CORRECTIONAL FACILITY		
Personal Services	25,497,504	25,497,504
Other Operating Expense	6,979,555	6,979,555
CORRECTIONAL INDUSTRIAL FACILITY		
Personal Services	19,481,051	19,481,051
Other Operating Expense	3,318,158	3,318,158
INDIANA WOMEN'S PRISON		
Personal Services	10,618,287	10,618,287
Other Operating Expense	1,877,182	1,877,182
PUTNAMVILLE CORRECTIONAL FACILITY		
Personal Services	26,078,379	26,078,379
Other Operating Expense	5,450,472	5,450,472
WABASH VALLEY CORRECTIONAL FACILITY		
Personal Services	33,429,851	33,429,851
Other Operating Expense	7,919,277	7,919,277
PLAINFIELD JUVENILE CORRECTIONAL FACILITY		
Personal Services	12,568,959	12,568,959
Other Operating Expense	1,850,413	1,850,413
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY		
Personal Services	8,750,541	14,703,305
Other Operating Expense	2,185,998	1,727,923
BRANCHVILLE CORRECTIONAL FACILITY		
Personal Services	16,335,725	16,335,725
Other Operating Expense	2,974,213	2,974,213
WESTVILLE CORRECTIONAL FACILITY		
Personal Services	40,052,652	40,052,652
Other Operating Expense	8,486,632	8,486,632
WESTVILLE MAXIMUM CONTROL FACILITY		
Personal Services	5,210,507	5,210,507
Other Operating Expense	598,139	598,139
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN		
Personal Services	13,568,859	15,490,111
Other Operating Expense	2,669,163	2,669,163
PLAINFIELD CORRECTIONAL FACILITY		
Personal Services	23,243,871	23,243,871
Other Operating Expense	5,518,732	5,518,732
RECEPTION AND DIAGNOSTIC CENTER		
Personal Services	10,004,252	10,004,252
Other Operating Expense	1,189,697	1,189,697
MIAMI CORRECTIONAL FACILITY		
Personal Services	22,374,116	22,374,116
Other Operating Expense	4,261,736	4,261,736

The foregoing appropriations for the Miami Correctional Facility do not include money to increase bed capacity beyond what was in use on June 30, 2003.

NEW CASTLE CORRECTIONAL FACILITY		
Personal Services	9,494,160	9,494,160
Other Operating Expense	2,677,840	2,677,840

The foregoing appropriations for the New Castle Correctional Facility do not include money to increase bed capacity beyond what was in use on June 30, 2003.

SOCIAL SERVICES BLOCK GRANT		
General Fund		
Total Operating Expense	7,345,005	7,345,005
Title XX - Department of Correction Fund (IC 11-10-8-6.5)		
Total Operating Expense	1,905,450	1,905,450
Augmentation allowed from Work Release Subsistence Fund and Social Services Block Grant.		
HENRYVILLE CORRECTIONAL FACILITY		
Personal Services	1,841,762	1,841,762
Other Operating Expense	363,061	363,061
CHAIN O' LAKES CORRECTIONAL FACILITY		
Personal Services	1,452,400	1,452,400
Other Operating Expense	353,500	353,500
MEDARYVILLE CORRECTIONAL FACILITY		
Personal Services	1,651,486	1,651,486
Other Operating Expense	321,007	321,007
ATTERBURY CORRECTIONAL FACILITY		
Personal Services	1,869,441	1,869,441
Other Operating Expense	353,839	353,839
MADISON CORRECTIONAL FACILITY		
Personal Services	2,892,197	2,892,197
Other Operating Expense	472,663	472,663
EDINBURGH CORRECTIONAL FACILITY		
Personal Services	2,548,527	2,548,527
Other Operating Expense	367,264	367,264
LAKESIDE CORRECTIONAL FACILITY		
Personal Services	4,605,091	4,605,091
Other Operating Expense	739,800	739,800
FORT WAYNE JUVENILE CORRECTIONAL FACILITY		
Personal Services	1,315,048	1,315,048
Other Operating Expense	440,588	440,588
SOUTH BEND JUVENILE CORRECTIONAL FACILITY		
Personal Services	3,854,512	3,854,512
Other Operating Expense	2,703,437	2,703,437
LOGANSPORT INTAKE/DIAGNOSTIC FACILITY		
Personal Services	2,555,804	2,555,804
Other Operating Expense	642,009	642,009
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY		
Personal Services	7,340,632	7,340,632
Other Operating Expense	1,329,548	1,329,548
CAMP SUMMIT		
Personal Services	2,125,444	2,125,444
Other Operating Expense	365,606	365,606
PENDLETON JUVENILE CORRECTIONAL FACILITY		
Personal Services	13,225,534	13,225,534
Other Operating Expense	2,555,224	2,555,224

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-1-8-2)			
Total Operating Expense	**279,000**	**279,000**	
Augmentation allowed.			

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION			
From the General Fund	**19,724,078**	**19,724,078**	
From the Motor Vehicle Highway Account (IC 8-14-1)	**54,724,078**	**54,724,078**	
From the Motor Carrier Regulation Fund (IC 8-2.1-23)	**6,247,573**	**6,247,573**	
From the State Highway Fund (IC 8-23-9-54)	**35,000,000**	**35,000,000**	
Augmentation allowed from general fund, motor vehicle highway account, and motor carrier regulation fund.			

The amounts specified from the General Fund, the Motor Vehicle Highway Account, the Motor Carrier Regulation Fund, and the State Highway Fund are for the following purposes:

Personal Services	**101,006,406**	**101,006,406**
Other Operating Expense	**14,689,323**	**14,689,323**

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program. In addition to any funds that may be expended for accident reporting from the "accident report account" under IC 9-29-11-1, there are included in the appropriations for Indiana state police and motor carrier inspection such additional funds as necessary for administering accident reporting as required under IC 9-26-3.

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, any amount expended to provide security for the Indiana state fair board may be reimbursed by the Indiana state fair board to such fund from which the expenditure was made, in accordance with reimbursement schedules recommended by the budget committee.
Augmentation allowed.

ENFORCEMENT AID FUND			
General Fund			
Total Operating Expense	**81,375**	**81,375**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**81,375**	**81,375**	
Augmentation allowed.			

The above appropriations to the enforcement aid fund 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 certificate.

PENSION FUND			
General Fund			
Total Operating Expense	**3,771,806**	**3,771,806**	
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**3,771,806**	**3,771,806**	

The above appropriations shall be paid into the state police pension fund provided for in IC 10-1-2 in twelve (12) equal installments on or before July 30 and on or before the 30th of each succeeding month thereafter.

BENEFIT FUND			
General Fund			
Total Operating Expense	**1,472,717**	**1,472,717**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,472,717**	**1,472,717**	
Augmentation allowed.			

All benefits that accrue 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 10-1-2.

SUPPLEMENTAL PENSION			
General Fund			
Total Operating Expense	**1,650,000**	**1,650,000**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,650,000**	**1,650,000**	
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 10-1-2.6, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-1-2.6 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.

ACCIDENT REPORTING			
Accident Report Account (IC 9-29-11-1)			
Other Operating Expense	**93,000**	**93,000**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Personal Services	**7,295,411**	**7,295,411**	
Other Operating Expense	**3,212,394**	**3,212,394**	
NAVAL FORCES			
Personal Services	**152,029**	**152,029**	
Other Operating Expense	**62,763**	**62,763**	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	**16,167**	**16,740**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**720,000**

The above appropriations for the adjutant general governor's civil and military contingency fund are made under IC 10-2-7-1.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMINISTRATIVE MATCH			
Total Operating Expense	**449,455**	**449,455**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**660,609**	**660,609**	
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	**603,196**	**603,196**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**527,100**	**527,100**	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	**511,325**	**511,325**	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	**3,749,500**	**3,749,500**	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	**400,500**	**400,500**	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $3,400,000 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	**2,857,791**	**2,857,791**	
Other Operating Expense	**8,323,460**	**8,323,460**	
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	**200,000**	**200,000**	
VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**98,365**	**98,365**	
Other Operating Expense	**2,361,673**	**2,361,673**	
Augmentation allowed.			
FOR THE CORONERS' TRAINING BOARD			
Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)			
Personal Services	**200,168**	**200,168**	
Other Operating Expense	**325,780**	**325,780**	
Augmentation allowed.			

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH			
Total Operating Expense	**300,000**	**300,000**	
FOR THE LAW ENFORCEMENT TRAINING ACADEMY			
From the General Fund	**1,595,111**	**1,595,111**	
From the Law Enforcement Academy Training (IC 5-2-1-13)	**2,691,261**	**2,691,261**	
Augmentation allowed from Law Enforcement Academy Training.			

The amounts specified from the General Fund and the Law Enforcement Academy Training Fund are for the following purposes:

Personal Services	**2,881,221**	**2,881,221**	
Other Operating Expense	**1,405,151**	**1,405,151**	
C. REGULATORY AND LICENSING			
FOR THE BUREAU OF MOTOR VEHICLES			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**17,497,609**	**17,497,609**	
Other Operating Expense	**20,458,559**	**20,458,559**	
Augmentation allowed.			
LICENSE PLATES			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**5,500,000**	**5,500,000**	
Augmentation allowed.			
DEALER INVESTIGATOR EXPENSES			
Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	**268,600**	**268,600**	
Augmentation allowed.			
FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION			
Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)			
Total Operating Expense	**9,047,369**	**9,047,369**	
Augmentation allowed.			
ABANDONED VEHICLES			
Abandoned Vehicle Fund (IC 9-22-1-28)			
Total Operating Expense	**37,000**	**37,000**	
Augmentation allowed.			
STATE MOTOR VEHICLE TECHNOLOGY			
State Motor Vehicle Technology Fund (IC 9-29-16)			
Total Operating Expense	**5,203,029**	**5,203,029**	
Augmentation allowed.			
FOR THE DEPARTMENT OF LABOR			
Personal Services	**962,734**	**962,734**	
Other Operating Expense	**90,400**	**90,400**	
INDUSTRIAL HYGIENE			
Personal Services	**1,214,231**	**1,214,231**	
Other Operating Expense	**131,400**	**131,400**	
BUREAU OF MINES AND MINING			
Personal Services	**116,646**	**116,646**	
Other Operating Expense	**19,500**	**19,500**	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	**231,950**	**231,950**	
Other Operating Expense	**19,450**	**19,450**	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

The above funds are appropriated to occupational safety and health, industrial hygiene, and to 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 fifty percent (50%) 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.

OCCUPATIONAL SAFETY AND HEALTH		
Personal Services	2,243,377	2,243,377
Other Operating Expense	247,296	247,296
EMPLOYMENT OF YOUTH		
Special Fund for Employment of Youth (IC 20-8.1-4-31)		
Total Operating Expense	74,400	74,400
Augmentation allowed.		
BUREAU OF SAFETY EDUCATION AND TRAINING		
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)		
Personal Services	809,908	809,908
Other Operating Expense	211,500	211,500
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.

FOR THE INSURANCE DEPARTMENT		
From the General Fund	3,378,116	3,378,116
From the Department of Insurance Fund (IC 27-1-3-28)	2,400,484	2,400,484
Augmentation allowed from the Department of Insurance Fund.		

The amounts specified from the General Fund and the Department of Insurance Fund are for the following purposes:

Personal Services	4,622,885	4,622,885
Other Operating Expense	1,155,715	1,155,715
BAIL BOND DIVISION		
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)		
Personal Services	106,634	106,634
Other Operating Expense	25,425	25,425
Augmentation allowed.		
PATIENTS' COMPENSATION AUTHORITY		
Patients' Compensation Fund (IC 34-18-6-1)		
Personal Services	817,882	817,882
Other Operating Expense	84,012	84,012
Augmentation allowed.		
POLITICAL SUBDIVISION RISK MANAGEMENT		
Political Subdivision Risk Management Fund (IC 27-1-29-10)		
Personal Services	224,030	224,030
Other Operating Expense	858,611	858,611
Augmentation allowed.		
MINE SUBSIDENCE INSURANCE		
Mine Subsidence Insurance Fund (IC 27-7-9-7)		
Personal Services	136,980	136,980
Other Operating Expense	211,353	211,353
Augmentation allowed.		

FOR THE ALCOHOL AND TOBACCO COMMISSION		
From the Enforcement and Administration Fund (IC 7.1-4-10-1)		
Personal Services	4,725,529	4,720,236
Other Operating Expense	994,935	1,000,635
Augmentation allowed.		
EXCISE OFFICER TRAINING FUND (IC 5-2-8-8)		
Total Operating Expense	7,000	7,000
Augmentation allowed from the Excise Officer Training Fund.		
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS		
Financial Institutions Fund (IC 28-11-2-9)		
Personal Services	5,301,521	5,301,521
Other Operating Expense	1,201,155	1,261,155
Augmentation allowed.		
FOR THE INDIANA LICENSING AGENCY		
Personal Services	3,466,214	3,466,214
Other Operating Expense	1,493,457	1,493,457
Augmentation allowed in amounts not to exceed additional revenue from fee increases enacted after January 1, 2001.		
EMBALMERS AND FUNERAL DIRECTORS EDUCATION FUND (IC 25-15-9-13)		
Total Operating Expense	5,000	5,000
Augmentation allowed.		
FOR THE DEPARTMENT OF FIRE AND BUILDING SERVICES		
Fire and Building Services Fund (IC 22-12-6-1)		
Personal Services	7,899,059	7,899,059
Other Operating Expense	1,697,527	1,697,527
Augmentation allowed.		
FOR THE PUBLIC SAFETY TRAINING INSTITUTE		
Fire and Building Services Fund (IC 22-12-6-1)		
Personal Services	910,510	910,510
Other Operating Expense	465,195	465,195
Augmentation allowed.		
FOR THE CIVIL RIGHTS COMMISSION		
Personal Services	2,093,676	2,093,676
Other Operating Expense	225,482	225,482

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 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE UTILITY CONSUMER COUNSELOR			
Public Utility Fund (IC 8-1-6-1)			
Personal Services	3,480,922	3,478,335	
Other Operating Expense	518,079	518,079	
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	4,889,510	4,889,510	
Other Operating Expense	1,827,094	1,827,094	
Augmentation allowed.			
FOR THE WORKERS' COMPENSATION BOARD			
Personal Services	1,695,469	1,695,469	
Other Operating Expense	128,141	128,141	
FOR THE STATE BOARD OF ANIMAL HEALTH			
Personal Services	3,388,942	3,388,942	
Other Operating Expense	684,468	684,468	
INDEMNITY FUND			
Total Operating Expense			49,430
Augmentation allowed.			
MEAT & POULTRY INSPECTION			
Total Operating Expense	1,690,926	1,690,926	
FOR THE EMERGENCY MANAGEMENT AGENCY			
Personal Services	1,348,773	1,348,773	
Other Operating Expense	321,521	321,521	
EMERGENCY MANAGEMENT AGENCY CONTINGENCY FUND			
Total Operating Expense	250,000	250,000	
DIRECTION CONTROL AND WARNING			
Total Operating Expense	31,750	31,750	
HAZARD MITIGATION ASSISTANCE PROGRAM			
Total Operating Expense	1	1	
Augmentation allowed.			
INDIVIDUAL AND FAMILY ASSISTANCE			
Total Operating Expense	1	1	
Augmentation allowed.			
PUBLIC ASSISTANCE			
Total Operating Expense	1	1	
Augmentation allowed.			

The above appropriations for the emergency management agency represent the total program cost for civil defense and for emergency medical services for each fiscal year. It is the intent of the general assembly that the emergency management agency apply to the Federal Emergency Management Agency for all federal reimbursement funds for which Indiana is eligible. All funds received shall be deposited into the state general fund.

The above appropriations for the emergency management agency contingency fund are made to the contingency fund under IC 10-4-1-22. The above appropriations shall be in addition to any unexpended balances in the fund as of June 30, 2003.

SECTION 5. [EFFECTIVE JULY 1, 2003]

CONSERVATION AND ENVIRONMENT

A. NATURAL RESOURCES

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION			
Personal Services	4,456,981	4,456,981	
Other Operating Expense	834,145	834,145	
LEGISLATORS' TREES			
Total Operating Expense			31,332
ENTOMOLOGY AND PLANT PATHOLOGY DIVISION			
Personal Services	675,182	675,182	
Other Operating Expense	182,947	182,947	
ENTOMOLOGY AND PLANT PATHOLOGY FUND (IC 14-24-10-3)			
Total Operating Expense			5,760
Augmentation allowed.			
ENGINEERING DIVISION			
Personal Services	1,611,070	1,611,070	
Other Operating Expense	71,351	71,351	
STATE MUSEUM			
Personal Services	4,453,135	4,453,135	
Other Operating Expense	2,981,338	2,981,338	
HISTORIC PRESERVATION DIVISION			
Personal Services	883,344	883,344	
Other Operating Expense	41,125	41,125	
STATE HISTORIC SITES			
Personal Services	2,042,542	2,042,542	
Other Operating Expense	425,515	425,515	

From the above appropriations, $75,000 in each state fiscal year shall be used for the Grissom Museum.

OUTDOOR RECREATION DIVISION			
Personal Services	706,124	706,124	
Other Operating Expense	52,400	52,400	
NATURE PRESERVES DIVISION			
Personal Services	786,478	786,478	
Other Operating Expense	52,064	52,064	
DEPARTMENT OF NATURAL RESOURCES FINANCIAL MANAGEMENT			
Personal Services	118,256	118,256	
Other Operating Expense	48,168	48,168	
WATER DIVISION			
Personal Services	4,601,271	4,601,271	
Other Operating Expense	677,484	677,484	

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	174,000	174,000	
Augmentation allowed.			
OIL AND GAS DIVISION			
From the General Fund	592,283	592,283	
From the Oil and Gas Fund (IC 6-8-1-27)	614,189	614,189	
Augmentation allowed from Oil and Gas Fund.			

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

The amounts specified from the General Fund and the Oil and Gas Fund are for the following purposes:

Personal Services	919,422	919,422
Other Operating Expense	287,050	287,050

STATE PARKS DIVISION

From the General Fund	3,845,734	3,845,734
From the State Parks Special Revenue Fund (IC 14-19-4-2)	14,422,934	14,422,934

Augmentation allowed from State Parks Special Revenue Fund.

The amounts specified from the General Fund and the State Parks Special Revenue Fund are for the following purposes:

Personal Services	13,860,926	13,860,926
Other Operating Expense	4,407,742	4,407,742

SNOWMOBILE/OFFROAD VEHICLE LICENSING FUND

Snowmobile/Offroad Licensing Fund (IC 14-16-2-8)		
Total Operating Expense	139,908	139,908

Augmentation allowed.

LAW ENFORCEMENT DIVISION

From the General Fund	9,259,433	9,351,852
From the Fish and Wildlife Fund (IC 14-22-3-2)	10,765,810	10,889,931

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	16,433,728	16,420,482
Other Operating Expense	3,591,515	3,821,301

FISH AND WILDLIFE DIVISION

Fish and Wildlife Fund (IC 14-22-3-2)		
Personal Services	11,696,166	11,696,166
Other Operating Expense	4,056,937	4,056,937

Augmentation allowed.

FORESTRY DIVISION

From the General Fund	482,925	482,925
From the Division of Forestry Fund (IC 14-23-3-2)	8,890,840	8,890,840

Augmentation allowed from the Division of Forestry Fund.

The amounts specified from the General Fund and the Division of Forestry Fund are for the following purposes:

Personal Services	7,757,173	7,757,173
Other Operating Expense	1,616,592	1,616,592

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

RESERVOIR MANAGEMENT DIVISION

From the General Fund	2,208,808	2,208,808
From the Reservoir Special Revenue Fund (IC 14-19-5-2)	6,121,343	6,121,343

Augmentation allowed from the Reservoir Special Revenue Fund.

The amounts specified from the General Fund and the Reservoir Special Revenue Fund are for the following purposes:

Personal Services	6,583,687	6,583,687
Other Operating Expense	1,746,464	1,746,464

RECLAMATION DIVISION

From the General Fund	34,992	34,992
From the Natural Resources Reclamation Fund (IC 14-34-14-2)	4,930,523	4,930,523

Augmentation allowed from the Natural Resources Reclamation Fund.

The amounts specified from the General Fund and the Natural Resources Reclamation Fund are for the following purposes:

Personal Services	4,284,896	4,284,896
Other Operating Expense	680,619	680,619

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.

SOIL CONSERVATION DIVISION - T BY 2000

Cigarette Tax Fund (IC 6-7-1-29.1)		
Personal Services	3,652,092	3,652,092
Other Operating Expense	2,043,828	2,043,828

Augmentation allowed.

LAKE AND RIVER ENHANCEMENT

Lake and River Enhancement Fund (IC 6-6-11-12.5)		
Total Operating Expense		2,200,000

Augmentation allowed.

B. OTHER NATURAL RESOURCES

FOR THE WORLD WAR MEMORIAL COMMISSION

Personal Services	677,754	677,754
Other Operating Expense	174,327	174,327

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.

FOR THE WHITE RIVER PARK COMMISSION

Total Operating Expense	1,336,699	1,336,699

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE ST. JOSEPH RIVER BASIN COMMISSION			
Total Operating Expense	**70,029**	**70,029**	
C. ENVIRONMENTAL MANAGEMENT			
FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT ADMINISTRATION			
From the General Fund	**4,350,539**	**4,350,539**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**197,971**	**197,971**	
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	**700,306**	**700,306**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**951,633**	**951,633**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**140,553**	**140,553**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**351,937**	**351,937**	
From the Asbestos Trust Fund (IC 13-17-6-3)	**48,579**	**48,579**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**73,591**	**73,591**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**1,396,584**	**1,396,584**	

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating Permit 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 the Underground Petroleum Storage Tank Excess Liability Fund.

The amounts specified from the General Fund, the State Solid Waste Management Fund, the Title V Operating Permit Trust Fund, the Environmental Management Permit Operation Fund, Environmental Management Special Fund, the Hazardous Substances Response Trust Fund, the Asbestos Trust Fund, the Underground Petroleum Storage Tank Trust Fund, and the Underground Petroleum Storage Tank Excess Liability Fund are for the following purposes:

Personal Services	**5,652,772**	**5,652,772**
Other Operating Expense	**2,558,921**	**2,558,921**

LABORATORY CONTRACTS			
General Fund			
Total Operating Expense	**830,670**	**830,670**	
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**445,211**	**445,211**	
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**1,317,996**	**1,317,996**	

Augmentation allowed from the Environmental Management Special Fund and the Hazardous Substances Response Trust Fund.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
NORTHWEST REGIONAL OFFICE			
From the General Fund	**479,911**	**479,911**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**3,471**	**3,471**	
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	**416,713**	**416,713**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**167,931**	**167,931**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**36,840**	**36,840**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**9,369**	**9,369**	
From the Asbestos Trust Fund (IC 13-17-6-3)	**54,257**	**54,257**	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**7,498**	**7,498**	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**22,450**	**22,450**	

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,060,531**	**1,060,531**
Other Operating Expense	**137,909**	**137,909**

NORTHERN REGIONAL OFFICE			
From the General Fund	**332,772**	**332,772**	
From the State Solid Waste Management Fund (IC 13-20-22-2)	**60,474**	**60,474**	
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	**321,340**	**321,340**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**164,656**	**164,656**	
From the Environmental Management Special Fund (IC 13-14-12-1)	**10,054**	**10,054**	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**18,622**	**18,622**	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
From the Asbestos Trust Fund (IC 13-17-6-3)	2,095	2,095	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	1,929	1,929	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	44,361	44,361	

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	781,844	781,844
Other Operating Expense	174,459	174,459

SOUTHWEST REGIONAL OFFICE

From the General Fund	348,205	348,205
From the State Solid Waste Management Fund (IC 13-20-22-2)	102,876	102,876
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	138,058	138,058
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	173,892	173,892
From the Environmental Management Special Fund (IC 13-14-12-1)	33,991	33,991
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	18,731	18,731
From the Asbestos Trust Fund (IC 13-17-6-3)	5,439	5,439
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	2,297	2,297
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	44,759	44,759

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	682,287	682,287
Other Operating Expense	185,961	185,961

LEGAL AFFAIRS

From the General Fund	780,753	780,753
From the State Solid Waste Management Fund (IC 13-20-22-2)	3,078	3,078
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	381,854	381,854
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	450,629	450,629
From the Environmental Management Special Fund (IC 13-14-12-1)	27,476	27,476
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	16,159	16,159
From the Asbestos Trust Fund (IC 13-17-6-3)	59,392	59,392
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	12,664	12,664
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	10,249	10,249

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	1,585,645	1,585,645
Other Operating Expense	156,609	156,609

ENFORCEMENT

From the General Fund	1,012,614	1,012,614

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
From the State Solid Waste Management Fund (IC 13-20-22-2)	3,541	3,541	
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	336,995	336,995	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	416,176	416,176	
From the Environmental Management Special Fund (IC 13-14-12-1)	31,435	31,435	
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	18,657	18,657	
From the Asbestos Trust Fund (IC 13-17-6-3)	67,946	67,946	
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	14,489	14,489	
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	11,729	11,729	

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	1,825,380	1,825,380
Other Operating Expense	88,202	88,202

INVESTIGATIONS

From the General Fund	216,829	216,829
From the State Solid Waste Management Fund (IC 13-20-22-2)	1,168	1,168
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	110,936	110,936
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	137,006	137,006
From the Environmental Management Special Fund (IC 13-14-12-1)	10,346	10,346
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	6,141	6,141
From the Asbestos Trust Fund (IC 13-17-6-3)	22,367	22,367
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	4,771	4,771
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	3,863	3,863

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	326,041	326,041
Other Operating Expense	187,386	187,386

PLANNING AND ASSESSMENT

From the General Fund	492,280	492,280
From the State Solid Waste Management Fund (IC 13-20-22-2)	20,840	20,840
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	64,913	64,913
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	80,865	80,865
From the Environmental Management Special Fund (IC 13-14-12-1)	13,212	13,212
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	34,756	34,756
From the Asbestos Trust Fund (IC 13-17-6-3)	4,503	4,503
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	7,223	7,223
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	137,077	137,077

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**834,169**	**834,169**
Other Operating Expense	**21,500**	**21,500**

MEDIA AND COMMUNICATIONS

From the General Fund	**317,515**	**317,515**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**17,833**	**17,833**
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	**55,547**	**55,547**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**69,197**	**69,197**
From the Environmental Management Special Fund (IC 13-14-12-1)	**11,305**	**11,305**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**29,741**	**29,741**
From the Asbestos Trust Fund (IC 13-17-6-3)	**3,853**	**3,853**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**6,181**	**6,181**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**117,299**	**117,299**

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Title V Operating 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 the Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**576,171**	**576,171**
Other Operating Expense	**52,300**	**52,300**

PUBLIC POLICY AND PLANNING

From the General Fund	**205,267**	**205,267**
From the State Solid Waste Management Fund (IC 13-20-22-2)	**16,536**	**16,536**
From the Title V Operating Permit Trust Fund (IC 13-17-8-1)	**51,508**	**51,508**
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	**64,166**	**64,166**
From the Environmental Management Special Fund (IC 13-14-12-1)	**10,484**	**10,484**
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	**27,579**	**27,579**
From the Asbestos Trust Fund (IC 13-17-6-3)	**3,573**	**3,573**
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	**5,731**	**5,731**
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	**108,771**	**108,771**

Augmentation allowed from the State Solid Waste Management Fund, Title V Operating Permit 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 the Underground Petroleum Storage Tank Excess Liability Fund.

The amounts specified from the General Fund, the State Solid Waste Management Fund, the Title V Operating Permit Trust Fund, the Environmental Management Permit Operation Fund, Environmental Management Special Fund, the Hazardous Substances Response Trust Fund, the Asbestos Trust Fund, the Underground Petroleum Storage Tank Trust Fund, and the Underground Petroleum Storage Tank Excess Liability Fund are for the following purposes:

Personal Services	**444,400**	**444,400**
Other Operating Expense	**49,215**	**49,215**

OHIO RIVER VALLEY WATER SANITATION COMMISSION

Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**242,900**	**242,900**

Augmentation allowed.

OFFICE OF ENVIRONMENTAL RESPONSE

Personal Services	**1,986,571**	**1,986,571**
Other Operating Expense	**619,069**	**619,069**

POLLUTION PREVENTION AND TECHNICAL ASSISTANCE

Personal Services	**1,056,692**	**1,056,692**
Other Operating Expense	**298,826**	**298,826**

PCB INSPECTIONS

Environmental Management Permit Operation Fund (IC 13-15-11-1)		
Total Operating Expense	**40,000**	**40,000**

Augmentation allowed.

U.S. GEOLOGICAL SURVEY CONTRACTS

Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	**62,890**	**62,890**

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
STATE SOLID WASTE GRANTS MANAGEMENT			
State Solid Waste Management Fund (IC 13-20-22-2)			
Personal Services	236,987	236,987	
Other Operating Expense	1,372,630	1,372,630	
Augmentation allowed.			
VOLUNTARY CLEAN-UP PROGRAM			
Voluntary Remediation Fund (IC 13-25-5-21)			
Personal Services	636,512	636,512	
Other Operating Expense	551,500	551,500	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Trust Fund (IC 13-17-8-1)			
Personal Services	5,537,684	5,537,684	
Other Operating Expense	3,592,609	3,174,989	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund	1,854,641	1,854,641	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	3,950,000	3,950,000	
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	4,856,814	4,856,814
Other Operating Expense	947,827	947,827

SOLID WASTE MANAGEMENT PERMITTING		
From the General Fund	1,990,625	1,990,625
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	2,967,769	2,967,769
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	4,556,623	4,556,623
Other Operating Expense	401,771	401,771

HAZARDOUS WASTE MANAGEMENT PERMITTING		
From the General Fund	2,469,511	2,469,511
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	2,844,043	2,844,043
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	4,172,589	4,172,589
Other Operating Expense	1,140,965	1,140,965

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
WATERSHED MANAGEMENT			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	24,038	24,038	
Augmentation allowed.			
CLEAN VESSEL PUMPOUT			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	58,300	58,300	
Augmentation allowed.			
GROUNDWATER PROGRAM			
Total Operating Expense	274,902	274,902	
UNDERGROUND STORAGE TANK PROGRAM			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Total Operating Expense	291,037	291,037	
Augmentation allowed.			
AIR MANAGEMENT OPERATING			
From the General Fund	923,961	891,310	
From the Environmental Management Special Fund (IC 13-14-12-1)	1,626,039	1,658,690	
Augmentation allowed from the Environmental Management Special Fund.			

The amounts specified from the General Fund and the Environmental Management Special Fund are for the following purposes:

Personal Services	1,678,608	1,678,608
Other Operating Expense	871,392	871,392

WATER MANAGEMENT NON-PERMITTING		
Personal Services	3,023,737	3,023,737
Other Operating Expense	574,209	574,209
GREAT LAKES INITIATIVE		
Environmental Management Special Fund (IC 13-14-12-1)		
Total Operating Expense	94,958	94,958
Augmentation allowed.		
OPERATOR TRAINING		
Total Operating Expense	42,301	42,301
SAFE DRINKING WATER		
From the General Fund	541,286	541,286
From the Environmental Management Special Fund (IC 13-14-12-1)	44,926	44,926
Augmentation allowed from the Environmental Management Special Fund.		

The amounts specified from the General Fund and the Environmental Management Special Fund are for the following purposes:

Personal Services	434,183	434,183
Other Operating Expense	152,029	152,029

LEAKING UNDERGROUND STORAGE TANKS		
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
Personal Services	117,257	117,257
Other Operating Expense	44,109	44,109
Augmentation allowed.		

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
CORE SUPERFUND			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	136,122	136,122	
Augmentation allowed.			
AUTO EMISSIONS TESTING PROGRAM			
Personal Services	238,571	238,571	
Other Operating Expense	7,710,705	7,743,356	
HAZARDOUS WASTE SITE - STATE CLEAN-UP			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	893,093	893,093	
Other Operating Expense	1,323,811	1,323,811	
Augmentation allowed.			
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	118,367	118,367	
Other Operating Expense	680,991	680,991	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	354,985	354,985	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	39,693	39,693	
Other Operating Expense	443,816	443,816	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the governor and the budget agency, the above appropriations for water management permitting, hazardous waste management permitting, wetlands protection, watershed management, groundwater program, underground storage tank program, air management operating, lead-based paint activities program, water management non-permitting, coastal management (pollution prevention incentives), and safe drinking water 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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	523,723	523,723	
Other Operating Expense	150,384	150,384	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	161,161	161,161	
Other Operating Expense	48,026,000	48,026,000	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	100,000	100,000	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	202,929	202,929	
Other Operating Expense	217,737	217,737	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	1,100,000	1,100,000	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	60,000	60,000	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	50,709	50,709	
Augmentation allowed.			
PETROLEUM TRUST - OPERATING			
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	226,961	226,961	
Other Operating Expense	462,885	462,885	
Augmentation allowed.			
LEAD BASED PAINT ACTIVITIES PROGRAM			
Lead Trust Fund (IC 13-17-14-6)			
Total Operating Expense	23,500	23,500	
Augmentation allowed.			
FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION			
Personal Services	205,722	205,722	
Other Operating Expense	100,723	100,723	
FOR THE CLEAN MANUFACTURING TECHNOLOGY BOARD			
Total Operating Expense	475,000	475,000	

SECTION 6. [EFFECTIVE JULY 1, 2003]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE LIEUTENANT GOVERNOR OFFICE OF THE COMMISSIONER OF AGRICULTURE			
Personal Services	1,359,749	1,359,749	
Other Operating Expense	251,202	251,202	
VALUE ADDED RESEARCH FUND			
Total Operating Expense	257,957	257,957	
FARM COUNSELING PROGRAM			
Total Operating Expense	279,000	279,000	
LAND RESOURCES COUNCIL			
Total Operating Expense			301,266

B. COMMERCE

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE DEPARTMENT OF COMMERCE ADMINISTRATIVE AND FINANCIAL SERVICES			
From the General Fund	4,224,726	4,224,726	
From the Skills 2016 Fund	142,073	142,073	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
From the Industrial Development Grant Fund	48,124	48,124	

The amounts specified from the General Fund, Skills 2016, and Industrial Development Grant Fund are for the following purposes:

Personal Services	2,852,663	2,852,663	
Other Operating Expense	1,562,260	1,562,260	
COMMUNITY ECONOMIC DEVELOPMENT			
Personal Services	4,770,872	4,770,872	
Other Operating Expense	1,301,531	1,301,531	
INTERNATIONAL TRADE			
Total Operating Expense	1,394,676	1,394,676	
RECYCLING OPERATING			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Personal Services	48,124	48,124	
Other Operating Expense	183,358	183,358	
Augmentation allowed.			
ENTERPRISE ZONE PROGRAM			
Indiana Enterprise Zone Fund (IC 4-4-6.1-2.3)			
Total Operating Expense	339,118	339,118	
Augmentation allowed.			
STATE ENERGY PROGRAM			
Total Operating Expense	96,794	96,794	
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	1,800,000	1,800,000	

The department 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 and children 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.).

LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			1,900,000
SKILLS 2016			
Total Operating Expense			23,137,450
BUSINESS AND TOURISM PROMOTION FUND			
Total Operating Expense			9,747,290
RECYCLING PROMOTION AND ASSISTANCE PROGRAM			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Total Operating Expense	1,500,000	1,500,000	
Augmentation allowed.			
TRADE PROMOTION FUND			
Total Operating Expense	200,000	200,000	
ECONOMIC DEVELOPMENT FUND			
Total Operating Expense			1,200,000
INDUSTRIAL DEVELOPMENT GRANT FUND			
Total Operating Expense			6,500,000
ECONOMIC DEVELOPMENT COUNCIL			
Total Operating Expense	309,225	309,225	
INDIANA DEVELOPMENT FINANCE AUTHORITY (IDFA)			
CAPITAL ACCESS PROGRAM			
Total Operating Expense			2,642,500
ENVIRONMENTAL REMEDIATION REVOLVING LOAN FUND			
Total Operating Expense			5,000,000
PROJECT GUARANTY FUND			
Total Operating Expense			2,750,000
BUSINESS DEVELOPMENT LOAN FUND			
Total Operating Expense			2,000,000

C. COMMUNITY SERVICES

FOR THE GOVERNOR'S COMMISSION ON COMMUNITY SERVICE AND VOLUNTEERISM			
Personal Services	237,396	237,396	
Other Operating Expense	89,517	89,517	

D. EMPLOYMENT SERVICES

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT ADMINISTRATION			
Total Operating Expense	1,144,950	1,144,950	
STATE WORKFORCE DEVELOPMENT FUND			
Total Operating Expense	2,547,770	2,547,770	
WOMEN'S COMMISSION			
Personal Services	104,616	104,616	
Other Operating Expense	7,724	7,724	

SECTION 7. [EFFECTIVE JULY 1, 2003]

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.

PLANNING AND ADMINISTRATION			
From the State Highway Fund (IC 8-23-9-54)	516,673	516,673	
From the Public Mass Transportation Fund (IC 8-23-3-8)	202,176	202,176	
From the Industrial Rail Fund (IC 8-3-1.7-2)	29,952	29,952	

Augmentation allowed from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund.

The amounts specified from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund are for the following purposes:

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
Personal Services	571,981	571,981	
Other Operating Expense	176,820	176,820	

The above appropriations may be used to match federal funds available for planning and administration of transportation in Indiana.

INTERMODAL OPERATING

From the State Highway Fund (IC 8-23-9-54)	491,613	491,613	
From the Public Mass Transportation Fund (IC 8-23-3-8)	339,656	339,656	
From the Industrial Rail Fund (IC 8-3-1.7-2)	339,656	339,656	

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	979,022	979,022	
Other Operating Expense	191,903	191,903	

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

Total Operating Expense	465,000	465,000	

PUBLIC MASS TRANSPORTATION

Public Mass Transportation Fund (IC 8-23-3-8)			
Matching Funds	29,555,438	30,320,229	

Augmentation allowed.

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

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
State Highway Fund (IC 8-23-9-54)			
Personal Services	206,601,190	206,601,190	
Other Operating Expense	42,446,379	42,446,379	

HIGHWAY BUILDINGS AND GROUNDS

State Highway Fund (IC 8-23-9-54)			
Total Operating Expense			27,287,344

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.

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT

State Highway Fund (IC 8-23-9-54)			
Other Operating Expense	19,500,000	19,500,000	

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	70,420,000	70,420,000	

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	11,340,000	11,660,000	
Formal Contracts Expense	97,011,379	92,949,840	
Consulting Service Expense	28,000,000	30,000,000	
Institutional Road Construction	4,000,000	4,000,000	

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,

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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 foregoing appropriations for highway operating, highway vehicles 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 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 by the general assembly.

If funds from sources set out above for the department exceed appropriations from those sources to the department, the excess amount is hereby appropriated to be used at the discretion of the department with approval of the governor and the budget agency for the conduct and operation of the department.

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.

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	3,250,000	3,250,000
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM		
Highway Construction Improvement Fund (IC 8-14-10-5)		
Formal Contracts Expense	31,900,000	28,400,000
Lease Rental Payments Expense	34,400,000	39,000,000
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 may be used for:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, grade separations;
(3) relocation and modernization of existing roads;
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects; and
(5) payment of rentals and leases relating to projects under IC 8-14.5.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Lease Rental Payments Expense	36,800,000	37,200,000
Augmentation allowed.		
FEDERAL APPORTIONMENT		
Right-of-Way Expense	45,360,000	46,640,000
Formal Contracts Expense	309,240,000	314,960,000
Consulting Engineers Expense	47,000,000	45,000,000
Highway Planning and Research	13,000,000	13,000,000
Local Government Revolving Acct.	158,332,000	160,000,000

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 2003-2005 biennium that obligate not more than one-third (1/3) of the amount of state funds 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, 2003]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

FOR THE STATE BUDGET AGENCY

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FSSA/DEPARTMENT OF HEALTH INSTITUTIONAL CONTINGENCY FUND			
Total Operating Expense			2,000,000

The above institutional contingency fund shall be allotted upon the recommendation of the budget agency with approval of the governor. This appropriation may be used to supplement individual hospital, state developmental center, and special institutions budgets.

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FAMILY AND SOCIAL SERVICES ADMINISTRATION			
Total Operating Expense	13,812,028	13,812,028	
COMMISSION FOR THE STATUS OF BLACK MALES			
Total Operating Expense	126,101	126,101	
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION			
Total Operating Expense	4,124,812	4,124,812	
MEDICAID ADMINISTRATION			
Total Operating Expense	49,500,000	49,500,000	
MEDICAID - CURRENT OBLIGATIONS			
General Fund			
Total Operating Expense	1,286,700,000	1,395,500,000	
Hospital Care for the Indigent Fund (IC 12-16-14-6)			
Total Operating Expense	55,200,000	56,900,000	
Augmentation allowed.			

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 this 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 state general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
MEDICAID DISABILITY ELIGIBILITY EXAMS			
Total Operating Expense	3,195,000	3,195,000	
DIVISION OF MENTAL HEALTH ADMINISTRATION			
Personal Services	2,308,149	2,308,149	
Other Operating Expense	172,416	172,416	
SERIOUSLY EMOTIONALLY DISTURBED			
Total Operating Expense	16,485,578	16,485,578	
SERIOUSLY MENTALLY ILL			
General Fund			
Total Operating Expense	93,894,784	93,894,784	
Mental Health Centers Fund (IC 6-7-1)			
Total Operating Expense	4,445,000	4,445,000	
Augmentation allowed.			

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 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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
GAMBLER'S ASSISTANCE FUND (IC 4-33-12-6(f))			
Total Operating Expense	1,182,056	1,182,056	
SUBSTANCE ABUSE TREATMENT			
General Fund			
Total Operating Expense	5,006,000	5,006,000	
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	4,946,936	4,946,936	
Augmentation allowed.			

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
QUALITY ASSURANCE/RESEARCH			
General Fund			
Total Operating Expense	882,976	882,976	
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	92,812	92,812	
PREVENTION SERVICES			
Gamblers' Assistance Fund (IC 4-33-12-6)			
Total Operating Expense	975,132	975,132	
MENTAL HEALTH INSTITUTIONS			
General Fund			
Total Operating Expense			243,892,654
Mental Health Fund (IC 12-24-14-4)			
Total Operating Expense			41,357,678
Augmentation allowed.			

The foregoing appropriations for the mental health institutions are for the operations of Evansville Psychiatric Treatment Center for Children, Evansville State Hospital, Larue D. Carter Memorial Hospital, Logansport State Hospital, Madison State Hospital, Richmond State Hospital.

Sixty-six percent (66%) of the revenue accruing to the state mental health institutions under IC 12-15 shall be deposited in the mental health fund established by IC 12-24-14, and thirty-four percent (34%) of the revenue accruing to the institutions, under IC 12-15, shall be deposited in the state 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 before July 1 of each year beginning July 1, 2003.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
DIVISION OF FAMILY AND CHILDREN SERVICES ADMINISTRATION			
Personal Services	3,889,302	3,889,302	
Other Operating Expense	1,498,168	1,498,168	
TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)			
Total Operating Expense	3,938,171	3,938,171	

The foregoing appropriations for the division of family and children Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 12-17-2-31.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
STATE WELFARE - COUNTY ADMINISTRATION			
Total Operating Expense	98,281,302	98,281,302	
EDUCATION AND TRAINING			
Total Operating Expense	8,309,088	8,309,088	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)			
Total Operating Expense	31,357,943	31,357,943	
INFORMATION SYSTEMS/TECHNOLOGY			
Total Operating Expense	12,931,228	12,931,228	
CHILD CARE SERVICES			
Total Operating Expense	33,670,756	33,670,756	

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 and children 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 and children for the respective purposes for which such money was allocated and paid to this state.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
TITLE IV-B CHILD WELFARE ADMINISTRATION			
Total Operating Expense	569,401	569,401	
ADOPTION ASSISTANCE			
Total Operating Expense	7,302,930	7,302,930	

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
DOMESTIC VIOLENCE PREVENTION AND TREATMENT PROGRAM			
General Fund			
Total Operating Expense	1,000,000	1,000,000	
Domestic Violence Prevention and Treatment Fund (IC 12-18-4)			
Total Operating Expense	1,000,000	1,000,000	
Augmentation allowed.			
STEP AHEAD			
Total Operating Expense	1,784,493	1,784,493	
FOOD ASSISTANCE PROGRAM			
Total Operating Expense	146,000	146,000	
YOUTH SERVICE BUREAU			
Total Operating Expense	1,250,000	1,250,000	

The executive director of the division of family and children shall establish standards for youth service bureaus. Any youth service bureau that is not an agency of a unit of local government or is not registered with the Indiana secretary of state as a nonprofit corporation shall not be funded. The division of family and children shall fund all youth service bureaus that meet the standards as established June 30, 1983. However, a grant may not be made without approval by the budget agency after review by the budget committee.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
EARLY CHILDHOOD INTERVENTION SERVICES/PROJECT SAFEPLACE			
Total Operating Expense	6,583,433	6,583,433	
SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	16,534,000	16,534,000	

The above appropriated funds are allocated in the following manner during the biennium:

Division of Disability, Aging, and Rehabilitative Services	1,615,017	1,615,017
Division of Family and Children, Child Welfare	12,404,090	12,404,090
Division of Family and Children, Family Protection Services	1,475,214	1,475,214
Department of Health	228,376	228,376
Department of Correction	811,303	811,303

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION			
AGING AND DISABILITY SERVICES			
Total Operating Expense	**16,941,480**	**16,941,480**	
DIVISION OF DISABILITY, AGING, AND REHABILITATIVE SERVICES ADMINISTRATION			
Total Operating Expense	**3,080**	**3,080**	

The above appropriations for the division of disability, aging, and rehabilitative services administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the state general fund.

C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	**48,673,544**	**48,673,544**	

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. In addition to the Medicaid aged and disabled waivers provided under intragovernmental transfers, an additional $3,000,000 may be used each year for Medicaid aged and disabled waivers.

If the appropriations for C.H.O.I.C.E./In-Home Services are insufficient to provide services to all eligible persons, the division of disability, aging, and rehabilitative services may give priority for services to persons who are unable to perform three (3) or more activities of daily living (as defined in IC 12-10-10-1.5). The division of disability, aging, and rehabilitative services may discontinue conducting assessments for individuals applying for services under the C.H.O.I.C.E/ In-Home Services program if a waiting list for such services exists.

The division of disability, aging, and rehabilitative services 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.

VOCATIONAL REHABILITATION SERVICES			
Personal Services	**3,555,739**	**3,555,739**	
Other Operating Expense	**11,952,631**	**11,952,631**	
AID TO INDEPENDENT LIVING			
Total Operating Expense	**22,222**	**22,222**	
ATTAIN PROJECT			
Total Operating Expense	**355,500**	**355,500**	
OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	**278,202**	**278,202**	
Other Operating Expense	**219,519**	**219,519**	
BLIND VENDING OPERATIONS			
Total Operating Expense	**130,137**	**130,137**	
DEVELOPMENTALLY DISABLED CLIENT SERVICES			
General Fund			
Total Operating Expense			**151,038,450**

With the approval of the governor and the budget agency, an amount up to $1,250,000 for each year of the biennium may be transferred from the above appropriation for client services to early childhood intervention services.

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, aging, 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.

STATE DEVELOPMENTAL CENTERS	
From the General Fund	
Total Operating Expense	**90,541,100**
From the Mental Health Fund (IC 12-24-14-4)	
Total Operating Expense	**82,181,216**
From the MSDC Vocational	
Total Operating Expense	**17,920**
Augmentation allowed.	

The foregoing appropriations for the state developmental centers are for the operations of the Fort Wayne state developmental center and the Muscatatuck state developmental center.

Sixty-six percent (66%) of the revenue accruing to the above named state developmental centers under IC 12-15 shall be deposited in the mental health fund established under IC 12-24-14, and thirty-four percent (34%) of the revenue accruing to the above named institutions under IC 12-15 shall be deposited in the state 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, of the amount in which actual net collections exceed an amount specified in writing by the division of disability, aging, and rehabilitative services before July 1 of each year beginning July 1, 2003.

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH			
Personal Services	**18,694,664**	**18,694,664**	
Other Operating Expense	**7,054,223**	**7,054,223**	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund.

CANCER REGISTRY		
Total Operating Expense	237,224	237,224
MINORITY HEALTH INITIATIVE		
Total Operating Expense	2,092,500	2,092,500
SICKLE CELL		
Total Operating Expense	232,500	232,500
AID TO COUNTY TUBERCULOSIS HOSPITALS		
Other Operating Expense	107,397	107,397

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	4,429,886	4,429,886

Personal services augmentation allowed in amounts not to exceed additional revenue from health facilities license fee increases or from health care providers (as defined in IC 16-18-2-163) fee increases enacted after January 1, 2003 or adopted by the Executive Board of the Indiana State Department of Health pursuant to IC 16-19-3-35.

AIDS EDUCATION		
Personal Services	315,208	315,208
Other Operating Expense	359,594	359,594
HIV/AIDS SERVICES		
Total Operating Expense	2,325,004	2,325,004
TEST FOR DRUG AFFLICTED BABIES		
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 continue to evaluate the program established under subdivisions (1) through (7). The state department of health shall report the results of the evaluation to the general assembly not later than January 30, 2002, and January 30, 2003. The general assembly shall use the results of the evaluation to determine whether to continue the testing program established under subdivisions (1) through (7).
(9) 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.
(10) 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		
Personal Services	91,741	91,741
Other Operating Expense	444,775	444,775

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		
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.

MATERNAL AND CHILD HEALTH SUPPLEMENT		
Total Operating Expense	176,700	176,700
CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
Total Operating Expense	93,000	93,000
ADOPTION HISTORY		
Adoption History Fund (IC 31-19-18)		
Total Operating Expense	172,170	172,170

Augmentation allowed.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
CHILDREN WITH SPECIAL HEALTH CARE NEEDS			
Total Operating Expense	5,848,119	5,848,119	
LOCAL HEALTH MAINTENANCE FUND			
Total Operating Expense	2,400,000	2,400,000	

The above appropriations for the local health maintenance fund include the appropriation provided for this purpose in IC 6-7-1-30.5.

NEWBORN SCREENING PROGRAM			
Newborn Screening Fund (IC 16-41-17)			
Personal Services	117,823	117,823	
Other Operating Expense	1,093,914	1,093,914	
Augmentation allowed.			
INDIANA HEALTH CARE PROFESSIONAL RECRUITMENT AND RETENTION			
Indiana Medical and Nursing Grant Fund (IC 16-46-5)			
Total Operating Expense	40,000	40,000	
Augmentation allowed.			
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	15,000	15,000	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4)			
Personal Services	29,976	29,976	
Other Operating Expense	10,661	10,661	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	80,313	80,313	
Augmentation allowed.			
PROJECT RESPECT			
Total Operating Expense	597,787	597,787	
DONATED DENTAL SERVICES			
Total Operating Expense	46,500	46,500	

The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

OFFICE OF WOMEN'S HEALTH			
Total Operating Expense	162,749	162,749	
SILVERCREST CHILDREN'S DEVELOPMENT CENTER			
Personal Services	6,774,075	6,774,075	
Other Operating Expense	660,595	660,595	
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Personal Services	8,854,535	8,854,535	
Other Operating Expense	1,152,667	1,152,667	
INDIANA VETERANS' HOME			
From the General Fund	12,515,923	12,736,091	
From the Comfort - Welfare Fund	9,292,152	9,292,152	

The amounts specified from the General Fund and the Comfort-Welfare Fund are for the following purposes:

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
Personal Services	17,530,659	17,555,659	
Other Operating Expense	4,277,416	4,472,584	

Subject to approval of the budget agency, any revenue accruing to the Silvercrest Children's Development Center and Soldiers' and Sailors' Children's Home from the receipt of Medicaid reimbursement may be used to augment the above appropriations. Any revenues not used for augmentation shall be deposited in the state general fund.

FOR THE INDIANA SCHOOL FOR THE BLIND			
Personal Services	9,635,103	9,635,103	
Other Operating Expense	728,554	728,554	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	15,748,129	15,748,129	
Other Operating Expense	1,439,925	1,439,925	
FOR THE STATE BUDGET AGENCY			
TOBACCO-RELATED HEALTH PROGRAMS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	84,100,000	80,200,000	
Augmentation allowed.			

The foregoing appropriations for tobacco-related health programs are available for allocation by the legislature to the following programs: childrens' health insurance program, tobacco use prevention and cessation, prescription drug program, community health centers, local health maintenance, local health departments, tobacco farmers and rural community impact, regional health facilities construction, newborn screening, department of health, and the division of disability, aging, and rehabilitative services. The foregoing appropriations for tobacco-related health programs are made notwithstanding IC 4-12-1-14.3.

C. VETERANS' AFFAIRS

FOR THE DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	620,693	620,693	
Other Operating Expense	216,564	216,564	

The foregoing appropriations for the department of veterans' affairs include operating funds for the veterans' cemetery. Notwithstanding IC 10-5-1-8, staff employed for the operation and maintenance of the veterans' cemetery shall be selected as are all other state employees.

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

SECTION 9. [EFFECTIVE JULY 1, 2003]

EDUCATION

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
A. HIGHER EDUCATION			
FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	**192,267,551**	**194,743,361**	
Fee Replacement	**16,146,719**	**16,303,973**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**7,454,316**	**7,661,864**	
Fee Replacement	**1,804,606**	**1,812,830**	
KOKOMO			
Total Operating Expense	**10,124,012**	**10,273,219**	
Fee Replacement	**2,022,724**	**2,031,944**	
NORTHWEST			
Total Operating Expense	**17,450,303**	**17,565,295**	
Fee Replacement	**3,557,707**	**3,573,923**	
SOUTH BEND			
Total Operating Expense	**22,400,342**	**22,875,137**	
Fee Replacement	**5,427,781**	**5,452,521**	
SOUTHEAST			
Total Operating Expense	**18,918,665**	**19,385,121**	
Fee Replacement	**4,924,139**	**4,946,583**	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	**94,084,595**	**95,578,437**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	**88,574,003**	**90,032,173**	
Fee Replacement	**3,462,881**	**3,482,543**	
FOR INDIANA UNIVERSITY - REGIONAL MEDICAL CENTERS			
EVANSVILLE REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,495,601**	**1,520,223**	
FORT WAYNE REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,375,858**	**1,398,508**	
NORTHWEST REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,954,595**	**1,986,773**	
LAFAYETTE REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,744,752**	**1,773,475**	
MUNCIE REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,568,815**	**1,594,642**	
SOUTH BEND REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,454,889**	**1,478,841**	
TERRE HAUTE REGIONAL MEDICAL CENTER			
Total Operating Expense	**1,734,542**	**1,763,097**	

The Indiana University school of medicine 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 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
GENERAL ACADEMIC DIVISIONS			
Total Operating Expense	**86,048,114**	**87,777,172**	
Fee Replacement	**16,208,181**	**16,300,205**	
TOTAL APPROPRIATIONS - IUPUI	**205,622,231**	**209,107,652**	

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 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR INDIANA UNIVERSITY			
ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	**879,034**	**887,824**	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Total Operating Expense	**509,630**	**514,726**	
DIVISION OF LABOR STUDIES IN CONTINUING EDUCATION			
Total Operating Expense	**385,342**	**389,195**	
OPTOMETRY BOARD EDUCATION FUND			
Total Operating Expense	**29,000**	**1,500**	
CHEMICAL TEST TRAINING			
Total Operating Expense	**692,535**	**699,460**	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	**2,615,617**	**2,641,773**	
GEOLOGICAL SURVEY			
Total Operating Expense	**3,275,268**	**3,308,021**	
INDUSTRIAL RESEARCH LIAISON PROGRAM			
Total Operating Expense	**268,779**	**271,467**	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	**59,697**	**60,294**	
FOR PURDUE UNIVERSITY			
WEST LAFAYETTE			
Total Operating Expense	**234,094,073**	**238,401,532**	
Fee Replacement	**21,271,920**	**17,632,498**	
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES			
CALUMET			
Total Operating Expense	**26,827,677**	**27,088,798**	
Fee Replacement	**1,935,321**	**1,935,778**	
NORTH CENTRAL			
Total Operating Expense	**10,137,594**	**10,371,166**	
Fee Replacement	**1,468,004**	**0**	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES	**40,368,596**	**39,395,742**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT FORT WAYNE (IUPUFW)			
Total Operating Expense	**32,362,263**	**33,351,138**	
Fee Replacement	**3,683,717**	**3,331,188**	

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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR PURDUE UNIVERSITY			
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**3,353,629**	**3,387,165**	

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

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	5,880,601	5,939,407
COUNTY AGRICULTURAL EXTENSION EDUCATORS		
Total Operating Expense	7,638,115	7,714,496
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS		
Total Operating Expense	7,642,714	7,719,141
CENTER FOR PARALYSIS RESEARCH		
Total Operating Expense	508,005	513,085
UNIVERSITY-BASED BUSINESS ASSISTANCE		
Total Operating Expense	1,183,565	1,195,401
NORTH CENTRAL - VALPO NURSING PARTNERSHIP		
Total Operating Expense	106,088	107,149
FOR INDIANA STATE UNIVERSITY		
Total Operating Expense	78,601,709	79,419,001
Fee Replacement	6,549,325	6,549,470
FOR UNIVERSITY OF SOUTHERN INDIANA		
Total Operating Expense	32,131,848	33,528,295
Fee Replacement	5,862,166	5,859,415
HISTORIC NEW HARMONY		
Total Operating Expense	383,028	386,858
YOUNG ABE LINCOLN		
Total Operating Expense	256,518	259,083
FOR BALL STATE UNIVERSITY		
Total Operating Expense	123,036,616	125,399,847
Fee Replacement	8,093,255	8,094,555
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES		
Total Operating Expense	4,512,210	4,557,332
FOR VINCENNES UNIVERSITY		
Total Operating Expense	33,370,364	34,516,906
Fee Replacement	2,666,455	2,669,550
FOR IVY TECH STATE COLLEGE		
Total Operating Expense	118,145,111	125,807,936
Fee Replacement	8,997,210	10,262,578

Of the above appropriations for IVY TECH total operating expense, $135,000 each year shall be used for the Community Learning Center in Portage.

FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)		
Total Operating Expense	7,963,022	8,034,652

The sums herein appropriated to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech State 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. Of the above appropriation, $800,000 per year is for the Web Academy.

All such income and all such fees, earnings, and receipts on hand June 30, 2003, 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' 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 and allocations for fee replacement are for replacement of student fees deducted during the 2003-2005 biennium to cover bond or lease-purchase principal, interest, and other obligations of debt costs of facility construction and acquisition for those projects authorized by the general assembly. These fee replacement appropriations and allocations shall be allotted by the budget agency after receipt of verification of payment of such debt cost expense.

The foregoing appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech State 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 State 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, and Ivy Tech State College on

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the basis of vouchers stating the total amount claimed against each fund and/or account, 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 State 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.

FOR THE MEDICAL EDUCATION BOARD
FAMILY PRACTICE RESIDENCY FUND
Total Operating Expense 2,419,130 2,443,321

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.

MEDICAL EDUCATION - INTERN
RESIDENCY PROGRAM
Total Operating Expense 1 1

FOR THE COMMISSION FOR HIGHER EDUCATION
Total Operating Expense 1,478,533 1,478,533
INDIANA CAREER AND POSTSECONDARY
ADVANCEMENT CENTER
Total Operating Expense 866,094 866,094

FOR THE DEPARTMENT OF ADMINISTRATION
ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL
Total Operating Expense 1,045,975 1,044,934

FOR THE STATE BUDGET AGENCY
GIGAPOP PROJECT
Total Operating Expense 782,406 790,230
SOUTH CENTRAL EDUCATIONAL ALLIANCE
BEDFORD SERVICE AREA
Total Operating Expense 301,839 304,857
SOUTHEAST INDIANA EDUCATION SERVICES
Total Operating Expense 798,353 806,337

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 and the budget committee.

DEGREE LINK
Total Operating Expense 538,038 543,418

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech State 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 900,000 909,000

The distribution of total university operating and line item appropriations for the 2003-2004 fiscal year to Indiana University, Purdue University, Indiana State University, Ball State University, the University of Southern Indiana, Vincennes University, Ivy Tech State College, the Indiana Higher Education Telecommunications System (IHETS), the Indiana commission for higher education (ICHE), and the budget agency includes one-twelfth (1/12) of the calculated amounts appropriated for fiscal year 2002-2003 by P.L. 291-2001, as adjusted by P.L. 178-2002 and budget agency implementation of the deficit management plan, and eleven-twelfths (11/12) of the appropriations for fiscal year 2003-04.

The distribution of total university operating and line item appropriations for the 2004-2005 fiscal year to Indiana University, Purdue University, Indiana State University, Ball State University, the University of Southern Indiana, Vincennes University, Ivy Tech State College, IHETS, ICHE, and the budget agency includes one- twelfth (1/12) of the amount appropriated for fiscal year 2003-2004 and eleven- twelfths (11/12) of the amount appropriated for fiscal year 2004-2005.

FOR THE STATE STUDENT
ASSISTANCE COMMISSION
Total Operating Expense 1,266,044 1,266,044
FREEDOM OF CHOICE GRANTS
Total Operating Expense 30,977,000 32,477,000
HIGHER EDUCATION AWARD PROGRAM
Total Operating Expense 83,902,536 94,780,027
NURSING SCHOLARSHIP PROGRAM
Total Operating Expense 402,142 402,142
HOOSIER SCHOLAR PROGRAM
Total Operating Expense 400,000 400,000

For the higher education awards and freedom of choice grants made for the 2003-2005 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.

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(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: 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).

For the Hoosier scholar program for the 2003-2005 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	13,859,865	16,741,402
PART-TIME GRANT PROGRAM		
Total Operating Expense	5,250,000	5,250,000

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 2002-2003 school 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.

The Family and social services administration, division of family and children 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	603,407	603,407
MINORITY TEACHER SCHOLARSHIP FUND		
Total Operating Expense	399,768	399,768
COLLEGE WORK STUDY PROGRAM		
Total Operating Expense	805,189	805,189
21ST CENTURY ADMINISTRATION		
Total Operating Expense	2,586,443	5,086,443
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	15,996,500	18,402,449

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 Part 265.

Family and social services, division of family and children 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	2,714,478	3,033,730

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2003, shall be the total allowable state expenditure for the program in the 2003-2005 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall develop a plan to insure that the total dollar amount does not exceed the above appropriations and any program reserves.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION

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 20-1-20.5-3; 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	678,154	678,154
Other Operating Expense	1,518,002	1,518,002
PUBLIC TELEVISION DISTRIBUTION		
Total Operating Expense	2,357,563	2,357,563

These appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc. shall submit a distribution plan for the 9 Indiana public education television stations that shall be approved by the budget agency and reviewed by the budget committee. The above appropriation includes the costs of transmission for the "GED-on-TV" program. Of the above appropriations, $100,000 each year shall be distributed equally among the eight radio stations.

RESEARCH AND DEVELOPMENT PROGRAMS		
Personal Services	88,499	88,499
Other Operating Expense	275,615	275,615

Of the foregoing appropriations for Research and Development Programs, $100,000 each year shall be used for the Indiana University Education Policy Center.

DEPUTY SUPERINTENDENT'S OFFICE		
Personal Services	415,649	415,649
Other Operating Expense	145,716	145,716
RILEY HOSPITAL		
Total Operating Expense	27,900	27,900
ADMINISTRATION AND FINANCIAL MANAGEMENT		
Personal Services	2,132,994	2,132,994
Other Operating Expense	313,816	313,816

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MOTORCYCLE OPERATOR SAFETY EDUCATION FUND			
Safety Education Fund (IC 20-10.1-7-14)			
Personal Services	**119,353**	**119,353**	
Other Operating Expense	**901,708**	**901,708**	

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-10.1-7-14.

SCHOOL TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**216,678**	**216,678**	
Other Operating Expense	**42,311**	**42,311**	
Augmentation allowed.			
CENTER FOR SCHOOL ASSESSMENT			
Personal Services	**295,106**	**295,106**	
Other Operating Expense	**759,136**	**759,136**	
ACCREDITATION SYSTEM			
Personal Services	**461,992**	**461,992**	
Other Operating Expense	**512,010**	**512,010**	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	**30,000,000**	**30,000,000**	

The foregoing appropriations for special education are made under IC 20-1-6-19.

CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS			
Personal Services	**258,099**	**258,099**	
Other Operating Expense	**61,805**	**61,805**	
SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-1-6-10)			
Personal Services	**330,332**	**330,332**	
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.

VOCATIONAL EDUCATION			
Personal Services	**1,303,194**	**1,303,194**	
Other Operating Expense	**78,783**	**78,783**	
ADVANCED PLACEMENT PROGRAM			
Other Operating Expense	**930,000**	**930,000**	

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	**744,000**	**744,000**	

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	**1,728,746**	**1,728,746**	
Other Operating Expense	**992,586**	**992,586**	
PRINCIPAL LEADERSHIP ACADEMY			
Personal Services	**326,637**	**326,637**	
Other Operating Expense	**151,224**	**151,224**	
EDUCATION SERVICE CENTERS			
Total Operating Expense	**1,721,287**	**1,721,287**	

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 2003-2004 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2002, and at least three dollars ($3) per student for fiscal year 2004-2005, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2003. 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	**199,950**	**199,950**	

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-8.1-6.1-6 and IC 20-8.1-6.1-5.

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 vocational 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	**2,006,826,280**	**2,088,092,946**	
Property Tax Replacement Fund (IC 6-1.1-21)			
Total Operating Expense	**1,555,023,720**	**1,536,057,054**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**100,000,000**	**100,000,000**	

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, vocational education programs, at-risk programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2003 session of the general assembly. The above appropriations from the Tobacco Master Settlement Fund are made notwithstanding IC 4-12-1-14.3.

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If the above appropriations for distribution for tuition support are more than are required under this SECTION, one-half (1/2) of any excess shall revert to the state general fund and one-half (1/2) of any excess shall revert to the property tax replacement 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.

DISTRIBUTION FOR TRANSPORTATION			
Total Operating Expense	**11,997,909**	**0**	

The distributions for transportation shall be made to each local school corporation in accordance with IC 21-3-3.1 and any pertinent rules.

ADA FLAT GRANT DISTRIBUTION			
Total Operating Expense	**17,927,299**	**0**	

Distribution to local school corporations shall be based on average daily attendance. The foregoing appropriations for the ADA flat grant distribution account include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

DISTRIBUTION FOR SUMMER SCHOOL			
Other Operating Expense	**18,360,000**	**18,360,000**	

It is the intent of the 2003 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			
Personal Services	**13,000**	**13,000**	
Other Operating Expense	**3,707,000**	**3,707,000**	

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.

READING DIAGNOSTIC ASSESSMENT			
Total Operating Expense	**1,000,000**	**1,000,000**	

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 non-public 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 2003 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	**5,168,289**	**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 state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT			
Total Operating Expense	**19,900,000**	**19,900,000**	

Before a school corporation or an accredited non-public school may receive a distribution under the textbook reimbursement program, the school corporation or accredited non-public school shall provide to the department the requirements established in IC 20-8.1-9-2. 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 Part 265. Family and social services, division of family and children, 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.)

TRANSPORTATION FOR SPECIAL AND VOCATIONAL EDUCATION			
Total Operating Expense	**4,450,050**	**0**	

The distribution of these appropriations shall be made in accordance with IC 21-3-3.1.

FULL DAY KINDERGARTEN			
Total Operating Expense	**8,500,000**	**8,500,000**	

The above appropriations for full-day kindergarten are available to a school corporation that applies to the department of education for funding of full day kindergarten. The amount available to a school corporation equals the amount appropriated divided by the statewide total ADM (as defined in IC 21-3-1.6-1.1) for the current year, and then multiplied by school corporation's ADM (as defined in IC 21-3-1.6-1.1) for the current year. A school corporation 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.

TESTING/REMEDIATION			
Other Operating Expense	**31,410,450**	**31,410,450**	

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. With the

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approval of the governor and the budget agency, the above appropriations for school assessment testing/remediation may be augmented from revenues accruing to the secondary market sale fund established by IC 20-12-21.2-10.

The above appropriation for Testing/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.

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. With the approval of the governor and the budget agency, the above appropriations for school assessment testing/remediation may be augmented from revenues accruing to the secondary market sale fund established by IC 20-12-21.2-10.

SPECIAL EDUCATION PRESCHOOL		
Total Operating Expense	27,173,300	27,173,300

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 a $0.01 per $100 assessed valuation tax rate for this purpose. It is the intent of the 2003 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	700,000	700,000

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 seventy-five dollars ($75) per pupil. It is the intent of the 2003 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	180,906	180,906
Other Operating Expense	5,649,354	5,649,354
DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION		
Total Operating Expense	250,000	250,000

The distribution for adult vocational education programs shall be made in accordance with the state plan for vocational education.

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PRIMETIME			
Personal Services	169,291	169,291	
Other Operating Expense	34,467	34,467	
DRUG FREE SCHOOLS			
Personal Services	51,137	51,137	
Other Operating Expense	20,093	20,093	
PROFESSIONAL DEVELOPMENT DISTRIBUTION			
Other Operating Expense	13,812,500	13,812,500	
ALTERNATIVE SCHOOLS			
Total Operating Expense	6,375,000	6,375,000	

The board is to submit recommendations to the budget committee for review before May 1, 2004, for implementation in state fiscal year 2004-2005.

EDUCATIONAL TECHNOLOGY PROGRAM AND FUND (INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)		
Total Operating Expense	1,100,000	1,100,000

In making grants under the educational technology program, the department shall give consideration to a variety of educational technologies and to enhancing educational productivity. Of the foregoing appropriations, an amount shall be allocated for the development of community networks and information networks and the operation of the office of the special assistant to the superintendent of public instruction for technology. Expenditures from this fund shall be made only with the approval of the governor and the superintendent of public instruction.

FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND		
POSTRETIREMENT PENSION INCREASES		
Other Operating Expense	39,229,000	36,532,000

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 21-6.1-6 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION		
General Fund		
Other Operating Expense	266,300,000	310,300,000
Augmentation allowed.		

If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefit payments is greater than the above appropriations for pension fund contributions, after notice to the governor and the budget agency of the deficiency, the above appropriations shall be augmented from the state general fund. If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefit payments for a year is less than the above appropriations for pension fund contributions for the year, the excess shall be transferred to the pension stabilization fund established by IC 21-6.1-2-8.

The board of the teachers' retirement fund shall transfer $190,000,000 in each of fiscal year 2003-2004 and fiscal year 2004-2005 from the pension stabilization fund (IC 21-6.1-2) to the teachers' retirement fund (IC 21-6.1-2).

FOR THE PROFESSIONAL STANDARDS BOARD - ADMINISTRATION		
Personal Services	2,172,556	2,168,448
Other Operating Expense	4,633,968	4,638,076

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Each mentor teacher is entitled to a maximum annual stipend of $600 to be paid from the foregoing appropriations.

There is created the professional standards board licensing fund to be administered by the professional standards board. The fund shall consist of fee revenues collected under the provisions of IC 20-1-1.4-7. Money in the fund does not revert at the end of the state fiscal year. Money in the fund is continuously appropriated for use by the board for administrative expenses in relation to carrying out its duties under the provisions of IC 20-1-1.4-7.

The above appropriations for professional standards board administration are in addition to the appropriation made to the professional standards licensing fund established in this SECTION.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD		
Personal Services	682,944	682,944
Other Operating Expense	41,838	41,838
PUBLIC EMPLOYEE RELATIONS BOARD		
Total Operating Expense	32,550	32,550
FOR THE STATE LIBRARY		
Personal Services	2,690,045	2,690,045
Other Operating Expense	752,550	752,550
DISTRIBUTION TO PUBLIC LIBRARIES		
Other Operating Expense	607,936	607,936

The foregoing appropriations for distribution to public libraries shall be distributed among the public libraries of the state of Indiana under IC 4-23-7.1. However, a public library district that does not provide for the issuance of library cards free of charge or for a fee to all individuals who reside in the county in which that public library district is located shall not be considered an eligible public library district in determining the amounts to be distributed under IC 4-23-7.1 and is not entitled to a distribution under IC 4-23-7.1.

INDIANA COOPERATIVE LIBRARY SERVICES AUTHORITY		
Total Operating Expense	2,408,848	2,408,848
ACADEMY OF SCIENCE		
Total Operating Expense	8,811	8,811
FOR THE ARTS COMMISSION		
Personal Services	320,866	320,866
Other Operating Expense	3,296,471	3,296,471
FOR THE HISTORICAL BUREAU		
Personal Services	364,618	364,618
Other Operating Expense	16,902	16,902
HISTORICAL MARKER PROGRAM		
Total Operating Expense	17,500	17,500
FOR THE COMMISSION ON PROPRIETARY EDUCATION		
Personal Services	389,349	389,349
Other Operating Expense	37,175	37,175

SECTION 10. [EFFECTIVE JULY 1, 2003]

DISTRIBUTIONS

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
FOR THE PROPERTY TAX REPLACEMENT FUND BOARD			
Property Tax Replacement Fund (IC 6-1.1-21)			
Total Operating Expense	1,928,549,699	2,029,734,638	

Adjustments may be made to this appropriation under IC 6-1.1-21-4.

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION		
WELFARE TAX LEVY REPLACEMENT FUND		
From the General Fund		
Total Operating Expense	27,522,204	27,522,204
From Excise and Financial Institution Taxes		
Total Operating Expense	6,063,529	6,063,529
Augmentation allowed.		
From Child Support Collections		
Total Operating Expense	2,000,000	2,000,000
Augmentation allowed.		

SECTION 11. [EFFECTIVE JULY 1, 2003]

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:

ADMINISTRATION	494,923	494,923
STATE PROGRAMS AND LEADERSHIP	2,664,322	2,664,322
SECONDARY VOCATIONAL PROGRAMS	14,931,111	14,931,111
POSTSECONDARY VOCATIONAL PROGRAMS	8,552,863	8,552,863
TECHNOLOGY - PREPARATION EDUCATION	2,499,812	2,499,812
CAREER RESOURCE NETWORK STATE GRANTS	150,963	150,963

SECTION 12. [EFFECTIVE JULY 1, 2003]

(a) There is allocated out of 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, one hundred sixty million dollars ($160,000,000) to the department of workforce development for 10 years.
(b) Money allocated under this SECTION is subject to the requirement if IC 22-4-37-1.
(c) Money allocated under this SECTION may be used for the following purposes:
(1) The administration of the unemployment insurance (UI) program and the Wagner Peyser public employment office program.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

(2) Acquiring land and erecting buildings for the use of the deparment of workforce development.
(3) Improvements, facilities, paving, landscaping, and fixing equipment as may be required by the department of workforce development.
(d) In accordance with the requirement of paragraphs (a) through (c), the department of workforce development is authorized to allocate up to the following amounts from the amount described in subsection (a) for the following purposes:
(1) Fifty million dollars ($50,000,000) to be used for the modernization of the Unemployment Insurance (UI) system.
(2) Fifty million dollars ($50,000,000) for the JOBS proposal to meet the workforce needs of Hoosier employers in high wage, high skill, high demand occupations.
(3) Sixty million dollars ($60,000,000) to provide Hoosier workers with thirteen (13) additional weeks of state funded UI benefits in order to combat the adverse nature of long-term unemployment, resructure the base period requirements to allow earlier qualification for UI benefits, and to increase the percentage of wage credits used to calculate UI benefits.

SECTION 13. [EFFECTIVE JULY 1, 2003]

In accordance with IC 20-1-18.3, 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 14. [EFFECTIVE JULY 1, 2003]

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 15. [EFFECTIVE JULY 1, 2003]

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 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 16. [EFFECTIVE JULY 1, 2003]

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 17. [EFFECTIVE JULY 1, 2003]

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 18. [EFFECTIVE JULY 1, 2003]

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 19. [EFFECTIVE JULY 1, 2003]

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

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

replaced, any funds received from the settlement of a claim shall be deposited into the state general fund.

SECTION 20. [EFFECTIVE JULY 1, 2003]

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 21. [EFFECTIVE JULY 1, 2003]

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 22. [EFFECTIVE JULY 1, 2003]

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 construction or maintenance of roads and bridges, to the acquisition of rights-of-way for roads or bridges, or to the state universities supported in whole or in part by state funds.

SECTION 23. [EFFECTIVE JULY 1, 2003]

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 24. [EFFECTIVE JULY 1, 2003]

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 assignment and transfer is made, and the same shall be available for the objects and purposes for which appropriated originally.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

SECTION 25. [EFFECTIVE JULY 1, 2003]

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 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 26. [EFFECTIVE JULY 1, 2003]

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 27. [EFFECTIVE JULY 1, 2003]

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 28. [EFFECTIVE JULY 1, 2003]

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).

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.

SECTION 29. [EFFECTIVE JULY 1, 2003]

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. Each demand for payment submitted by the agency or department to the auditor of state by claim voucher under such contracts or agreements shall be accompanied by a copy of the budget agency approval, or approval of any agency to whom the budget agency delegated signature authority, and no payment shall be made by the auditor of state without such approval. This SECTION does not apply to any contract entered into by an agency or department of state government that is the result of a public works project contract under IC 4-13.6.

SECTION 30. [EFFECTIVE JULY 1, 2003]

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 31. [EFFECTIVE JULY 1, 2003]

Subject to SECTION 30 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 2003-2005 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 32. [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]

The following appropriation is made for FY 2002-2003 in addition to those found in P.L. 291-2001:
(a) From the General Fund
Distribution for Tuition Support $16,700,000

SECTION 33. [EFFECTIVE JULY 1, 2003]

CONSTRUCTION

For the 2003-2005 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.

State General Fund - Lease Rentals	243,281,368
State General Fund - Construction	149,088,890
State Police Building Commission Fund (IC 9-1-2-1.5)	3,000,000
Law Enforcement Academy Building Fund (IC 5-2-1-13)	841,000
Cigarette Tax Fund (IC 6-7-1-29.1)	3,700,000
Soldiers' and Sailors' Children's Home Construction Fund (IC 16-33-4-10)	1,000,000
Indiana Heritage Trust Fund (IC 14-12-2-25)	5,000,000
Veterans' Home Construction Fund (IC 10-6-1-9)	4,382,331
Post War Construction Fund (IC 7.1-4-8-1)	38,100,341
Industry and Farm Products Revolving Fund (IC 11-10-6-6)	3,252,207
TOTAL	451,646,137

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	
FOR THE STATE BUDGET AGENCY	
Health and Safety Contingency Fund	1,600,000
Qualitech Lease Payment	7,675,516
Heartland Steel Lease Payment	3,238,181
DEPARTMENT OF ADMINISTRATION - PROJECTS	
Preventive Maintenance	4,811,020
Repair and Rehabilitation	4,000,000
DEPARTMENT OF ADMINISTRATION - LEASES	
IDOA Parking Facilities Capital Lease	13,222,641
Indiana Government Center North	32,486,999
Indiana Government Center South	33,882,357
Indiana State Museum	12,566,639
Wabash Valley Correctional Facility	28,251,175
Rockville Correctional Facility	8,665,153
Miami Correctional Facility	30,434,507
Pendleton Juvenile Correctional Facility	9,416,207
New Castle Correctional Facility	18,466,230
B. PUBLIC SAFETY	
(1) LAW ENFORCEMENT	
INDIANA STATE POLICE	
State Police Building Commission Fund (IC 9-1-2-1.5)	
Preventive Maintenance	1,080,050
Repair and Rehabilitation	1,919,950
LAW ENFORCEMENT TRAINING BOARD	
Law Enforcement Academy Building Fund (IC 5-2-1-13)	
Preventive Maintenance	353,000
Repair and Rehabilitation	488,000
ADJUTANT GENERAL	
Preventive Maintenance	250,000
Repair and Rehabilitation	1,637,900
(2) CORRECTIONS	
DEPARTMENT OF CORRECTION - PROJECTS	
Repair and Rehabilitation	516,735
Post War Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	1,350,000
CORRECTIONAL UNITS	
Preventive Maintenance	420,000
Post War Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	10,526,935
STATE PRISON	
Preventive Maintenance	1,161,322
Post War Construction Fund (IC 7.1-4-8-1)	
Repair and Rehabilitation	5,008,595

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			996,396
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			2,710,103
WOMEN'S PRISON			
Preventive Maintenance			273,000
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			3,375,000
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			660,660
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			843,022
Repair and Rehabilitation			295,713
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			1,896,230
PLAINFIELD JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			543,947
Repair and Rehabilitation			5,136,800
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			979,788
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			325,146
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			1,544,500
BRANCHVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			344,870
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			394,650
WESTVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			1,191,891
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			2,878,365
ROCKVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			344,870
PLAINFIELD CORRECTIONAL FACILITY			
Preventive Maintenance			575,751
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			2,321,800
RECEPTION-DIAGNOSTIC CENTER			
Preventive Maintenance			216,472
Post War Construction Fund (IC 7.1-4-8-1)			
Preventive Maintenance			814,280
PEN PRODUCTS			
Industry and Farm Products Revolving Fund (IC 11-10-6-6)			
Preventive Maintenance			110,292
Modification of CIF Food Processing Plt.			3,141,915
CORRECTIONAL INDUSTRIAL FACILITY			
Preventive Maintenance			520,023
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			1,057,700
WORK RELEASE CENTERS			
Preventive Maintenance			100,732
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			70,480
WABASH VALLEY CORRECTIONAL FACILITY			
Preventive Maintenance			833,560
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			3,171,915
MIAMI CORRECTIONAL FACILITY			
Preventive Maintenance			521,400
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Preventive Maintenance			364,000

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
C. CONSERVATION AND ENVIRONMENT			
DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION			
Repair and Rehabilitation			1,000,000
FISH AND WILDLIFE			
Preventive Maintenance			1,810,863
Repair and Rehabilitation			3,372,000
FORESTRY			
Preventive Maintenance			1,884,200
Repair and Rehabilitation			5,119,650
HISTORIC SITES			
Preventive Maintenance			331,586
Repair and Rehabilitation			2,000,000
NATURE PRESERVES			
Preventive Maintenance			109,200
Repair and Rehabilitation			1,093,000
OUTDOOR RECREATION			
Preventive Maintenance			33,306
Repair and Rehabilitation			575,000
STATE PARKS AND RESERVOIR MANAGEMENT			
Preventive Maintenance			1,562,774
Repair and Rehabilitation			31,800,000
Cigarette Tax Fund (IC 6-7-1-29.1)			
Preventive Maintenance			3,700,000
Indiana Heritage Trust Fund (IC 14-12-2-25)			
Repair and Rehabilitation			5,000,000
DIVISION OF WATER			
Preventive Maintenance			315,000
Repair and Rehabilitation			925,000
ENFORCEMENT			
Preventive Maintenance			207,480
Repair and Rehabilitation			500,000
STATE MUSEUM			
Preventive Maintenance			600,000
OIL AND GAS			
Oil&Gas - Partnership Programs			200,000
ENTOMOLOGY			
Repair and Rehabilitation			200,000
MAUMEE RIVER BASIN COMMISSION			
PHASE II FLOOD CONTROL MASTER PLAN			75,000
WAR MEMORIALS COMMISSION			
Preventive Maintenance			1,421,494
Repair and Rehabilitation			2,754,503
D. ECONOMIC DEVELOPMENT			
DEPARTMENT OF COMMERCE			
Airport Facilities Lease			40,513,245
Aviation Technology			1,971,330
E. TRANSPORTATION			
AIRPORT DEVELOPMENT			
Airport Development			1,000,000

The foregoing allocation for the Indiana department of transportation is 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.

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
F. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS			
(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION			
FSSA CONSTRUCTION			
Repair and Rehabilitation			**4,904,468**
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER			
Preventive Maintenance			**45,632**
Repair and Rehabilitation			**50,000**
EVANSVILLE STATE HOSPITAL			
Preventive Maintenance			**756,756**
Repair and Rehabilitation			**1,629,450**
MADISON STATE HOSPITAL			
Preventive Maintenance			**971,409**
Repair and Rehabilitation			**1,049,110**
LOGANSPORT STATE HOSPITAL			
Preventive Maintenance			**963,144**
Repair and Rehabilitation			**4,697,361**
RICHMOND STATE HOSPITAL			
Preventive Maintenance			**1,210,724**
Repair and Rehabilitation			**1,050,400**
LARUE CARTER MEMORIAL HOSPITAL			
Preventive Maintenance			**1,484,134**
Repair and Rehabilitation			**1,500,000**
FORT WAYNE STATE DEVELOPMENTAL CENTER			
Preventive Maintenance			**1,424,803**
Repair and Rehabilitation			**3,000,000**
MUSCATATUCK STATE DEVELOPMENTAL CENTER			
Preventive Maintenance			**1,257,449**
Repair and Rehabilitation			**1,000,000**
(2) PUBLIC HEALTH			
DEPARTMENT OF HEALTH			
Preventive Maintenance			**130,000**
SILVERCREST CHILDREN'S DEVELOPMENT CENTER			
Preventive Maintenance			**161,140**
SCHOOL FOR THE BLIND			
Preventive Maintenance			**565,714**
Repair and Rehabilitation			**2,750,000**
SCHOOL FOR THE DEAF			
Preventive Maintenance			**553,120**
Repair and Rehabilitation			**2,881,907**
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Preventive Maintenance			**350,446**
Repair and Rehabilitation			**1,730,000**
Soldiers' and Sailors' Children's Home Construction Fund (IC 16-33-4-10)			
Repair and Rehabilitation			**1,000,000**
(3) VETERANS' AFFAIRS			
INDIANA VETERANS' HOME			
Veterans' Home Construction Fund (IC 10-6-1-9)			
Preventive Maintenance			**697,331**
Repair and Rehabilitation			**3,685,000**

	FY 2003-04 Appro.	FY 2004-05 Appro.	Biennial Appro.
G. EDUCATION			
HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**10,466,860**
PURDUE UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**8,305,775**
INDIANA STATE UNIVERSITY			
General Repair and Rehab			**2,061,338**
UNIVERSITY OF SOUTHERN INDIANA			
General Repair and Rehab			**400,414**
BALL STATE UNIVERSITY			
General Repair and Rehab			**2,621,019**
VINCENNES UNIVERSITY			
General Repair and Rehab			**1,004,205**
IVY TECH STATE COLLEGE			
General Repair and Rehab			**736,826**

SECTION 34. [EFFECTIVE UPON PASSAGE]

Notwithstanding the provisions of P.L. 291 - 2001, any part of the appropriations for the 2001-2003 biennium for the personal services/fringe benefits contingency fund or the employee recruitment and retention fund in excess of $30,000,000 that remains on June 30, 2003 does not revert to the state general fund, but remains available for expenditure.

SECTION 35. [EFFECTIVE JULY 1, 2003]

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 designated in this act.

SECTION 36. [EFFECTIVE JULY 1, 2003]

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 37. [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 appropriations for state developmental centers in any subsequent year.

SECTION 38. [EFFECTIVE JULY 1, 2003]

If the budget director makes a determination at any time during either fiscal year of the biennium that the executive branch of state government cannot meet its statutory obligations due to insufficient funds in the state 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 state general fund an amount necessary to maintain a positive balance in the state general fund.

SECTION 39. IC 4-15-1.8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The department shall do the following:

(1) Develop personnel policies, methods, procedures, and standards for all state agencies.

(2) Formulate, establish, and administer position classification plans and salary and wage schedules, all subject to final approval by the governor.

(3) Allocate positions in the state agencies to their proper classifications.

(4) Approve employees for transfer, demotion, promotion, suspension, layoff, and dismissal.

(5) Rate employees' service.

(6) Arrange with state agency heads for employee training.

(7) Investigate the need for positions in the state agencies.

(8) Promulgate and enforce personnel rules.

(9) Make and administer examinations for employment and for promotions.

(10) Maintain personnel records and a roster of the personnel of all state agencies.

(11) Render personnel services to the political subdivisions of Indiana.

(12) Investigate the operation of personnel policies in all state agencies.

(13) Assist state agencies in the improvement of their personnel procedures.

(14) Conduct a vigorous program of recruitment of qualified and able persons for the state agencies.

(15) Advise the governor and the general assembly of legislation needed to improve the personnel system of this state.

(16) Furnish any information and counsel requested by the governor or the general assembly.

(17) Establish and administer an employee training and career advancement program.

(18) Administer the state personnel law, IC 4-15-2.

(19) Institute an employee awards system designed to encourage all state employees to submit suggestions that will reduce the costs or improve the quality of state agencies.

(20) Survey the administrative organization and procedures, including personnel procedures, of all state agencies, and submit to the governor measures to secure greater efficiency and economy, to minimize the duplication of activities, and to effect better organization and procedures among state agencies.

(b) Salary and wage schedules established by the department under subsection (a) must provide for the establishment of overtime policies, which must include the following:

(1) Definition of overtime.

(2) Determination of employees or classes eligible for overtime pay.

(3) Procedures for authorization.

(4) Methods of computation.

(5) Procedures for payment.

(6) A provision that there shall be no mandatory adjustments to an employee's established work schedule in order to avoid the payment of overtime.

(c) The state personnel advisory board shall advise the director and cooperate in the improvement of all the personnel policies of the state.

(d) By January 1, 1984, the department shall establish programs of temporary appointment for employees of state agencies. A program established under this subsection must contain at least the following provisions:

(1) A temporary appointment may not exceed one hundred eighty (180) working days in any twelve (12) month period.

(2) The department may allow exceptions to the prohibition in subdivision (1) with the approval of the state budget agency.

(3) A temporary appointment in an agency covered by IC 4-15-2 is governed by the procedures of that chapter.

(4) A temporary appointment does not constitute creditable service for purposes of the public employees' retirement program under IC 5-10.2 and IC 5-10.3. However, an employee who served in an intermittent form of temporary employment after June 30, 1986, and before July 1, 2002, shall receive creditable service for the period of temporary employment.

SECTION 40. IC 4-15-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **Except as provided in IC 4-15-1.8-7(d),** all persons covered on January 1, 1966, by this chapter or coming under the provisions of this chapter after January 1, 1966, shall be eligible for, shall participate in, and shall receive the benefits of the public employees retirement program as provided by IC 5-10.2 and IC 5-10.3.

SECTION 41. IC 4-30-2-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 3.5. "Keno" means a game in which a player selects from one (1) to twenty (20) numbers between one (1) and eighty (80). A winner is picked by a computer program that randomly chooses twenty (20) numbers.**

SECTION 42. IC 4-30-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. "Retailer" means a person who:

(1) sells lottery tickets; **or**

(2) offers keno on the person's premises;

on behalf of the commission under a contract.

SECTION 43. IC 4-30-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission shall adopt rules under IC 4-22-2 governing the establishment, implementation, and operation of the lottery, including the following:

(1) The type of lottery games to be conducted, except that:

(A) the name of an elected official may not appear on a ticket or play slip of a lottery game, on a prize, or on an instrument used for the payment of prizes, unless the prize is in the form of a state warrant; and

(B) coins or currency may not be dispensed from an electronic computer terminal or device used in a lottery game.

(2) The sales price of tickets.

(3) The number and size of prizes.

(4) The method of selecting winning tickets. However, if a lottery game involves a drawing, the drawing must be public and witnessed by an independent certified public accountant. The equipment used in the drawing shall be inspected before and after the drawing.

(5) The manner of payment of prizes to holders of winning tickets.

(6) The frequency of drawings of winning tickets.

(7) The number and type of locations at which tickets may be purchased.

(8) The method to be used in selling tickets.

(9) The manner and amount of compensation of retailers.

(10) The feasibility of using for a lottery game a terminal or device that may be operated solely by the player without the assistance of a retailer.

(11) A system of internal audits.

(12) The establishment of a code of ethics for officers and employees of the commission.

(13) Any other matters necessary or desirable for the efficient or economical operation of the lottery or for the convenience of the public.

(14) The implementation of keno.

SECTION 44. IC 4-30-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. The commission may enter into contracts for the purchase, lease, or lease-purchase of goods and services necessary for the operation and promotion of the lottery, including assistance provided by a governmental agency. The commission may require separate bids or proposals for each of the following supplies or services, if the supplies or services are provided under contract with the commission under this section or under IC 4-30-8:

(1) Management consultation services.

(2) Instant lottery ticket services and supplies.

(3) On-line services and supplies.

(4) Keno services and supplies.

SECTION 45. IC 4-30-3-20 IS ADDED TO THE INDIANA

CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 20. As soon as practicable after June 30, 2003, the commission shall offer keno on the premises of retailers. The provisions of this article applying to the proceeds of lottery ticket sales apply to the proceeds of keno.**

SECTION 46. IC 4-30-16-3, AS AMENDED BY P.L.273-1999, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), **before July 1, 2005, seven million five hundred thousand dollars ($7,500,000) and after June 30, 2005,** an amount equal to the lesser of:

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

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

After June 30, 2003, and before July 1, 2005, the amount deposited in a state fiscal year under this subdivision in the Indiana state teachers' retirement fund (IC 21-6.1-2) shall be used by the board to reduce the employer contribution rate that school corporations would otherwise pay after June 30, 2003, and before July 1, 2005, to the Indiana state teachers' retirement fund (IC 21-6.1-2), as computed under IC 5-10.2-2 and certified under IC 21-6.1-7-12, for teachers covered by the 1996 account, including a proportionate share of administration expenses for the 1996 account. Before July 1, 2005, the remainder of the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. On or before June 15, **2005, and June 15** of each year **thereafter,** the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund. Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), **after June 30, 2005,** the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

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

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

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

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

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

SECTION 47. IC 4-33-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Notwithstanding any other law, upon written request from a person, the commission shall provide the following information to the person:

(1) The information provided under section 1 of this chapter concerning a licensee or an applicant.

(2) The amount of the wagering tax and admission tax, **including any supplemental admission tax imposed under IC 4-33-12.5,** paid daily to the state by a licensed owner.

(3) A copy of a letter providing the reasons for the denial of an owner's license.

(4) A copy of a letter providing the reasons for the commission's refusal to allow an applicant to withdraw the applicant's application.

SECTION 48. IC 4-33-12-6, AS AMENDED BY P.L.192-2002(ss), SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: 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~~ **subsections** (k) **and (l),** 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 that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar ($1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar ($1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(3) The resource conservation and development program that:

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

(B) serves the Patoka Lake area;

shall receive forty cents ($0.40) of the admissions tax collected for each person embarking on a gambling excursion during the quarter or admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(4) The state general fund shall receive fifty cents ($0.50) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(5) The division of mental health and addiction shall receive ten cents ($0.10) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

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.

(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 gambling excursion during the quarter; or

(B) admitted to a 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~~ **subsections** (k) **and (l),** 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), 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), (c)(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) ~~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:
(1) beginning after June 30, 2003, and ending before July 1, 2005, may not, except as provided in subsection (l), exceed fifty percent (50%) of the entity's base year revenue, as determined under subsections (h) and (i); and
(2) after June 30, 2005, may not exceed **one hundred percent (100%) of** 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 **percentage of the** entity's base year revenue **to which the entity is entitled under subdivision (1) or (2), as applicable,** the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(f).

(k) For state fiscal years beginning after June 30, ~~2002,~~ **2003,** the treasurer of state shall pay that part of the riverboat admissions taxes that:
(1) ~~exceed~~ **exceeds the percentage of** a particular entity's base year revenue **to which the entity is entitled under subsection (j)**; and
(2) would otherwise be due to the entity under this section;
to the property tax replacement fund instead of to the entity.

(l) Not more than a total of seventeen million dollars ($17,000,000) shall be paid to the Indiana horse racing commission in any state fiscal year under subsections (b)(6) and (d)(7).

SECTION 49. IC 4-33-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 12.5. Supplemental Admission Tax

Sec. 1. This chapter applies to the following:
(1) A city receiving riverboat admission taxes under IC 4-33-12-6(b)(1).
(2) A city receiving riverboat admission taxes under IC 4-33-12-6(d)(1).
(3) A county receiving riverboat admission taxes under IC 4-33-12-6(b)(1) and IC 4-33-12-6(b)(2).
(4) A county receiving riverboat admission taxes under IC 4-33-12-6(b)(2).
(5) A county receiving riverboat admission taxes under IC 4-33-12-6(d)(2).
(6) An entity receiving riverboat admission taxes under IC 4-33-12-6(b)(3).
(7) An entity receiving riverboat admission taxes under IC 4-33-12-6(d)(3).
(8) An entity receiving riverboat admission taxes under IC 4-33-12-6(d)(4).

Sec. 2. As used in this chapter, "base year revenue" means the amount determined as base year revenue for a city, county, or other entity under IC 4-33-12-6.

Sec. 3. As used in this chapter, "city" refers to a city described in section 1 of this chapter.

Sec. 4. As used in this chapter, "county" refers to a county described in section 1 of this chapter.

Sec. 5. As used in this chapter, "maximum allowable supplemental admission tax rate" is the tax rate determined for a state fiscal year under section 7 of this chapter.

Sec. 6. As used in this chapter, "other entity" refers to the following:
(1) An entity described in IC 4-33-12-6(b)(3).
(2) An entity described in IC 4-33-12-6(d)(3).
(3) An entity described in IC 4-33-12-6(d)(4).

Sec. 7. (a) Not later than June 1 in each year, the commission shall notify the department and each county, city, and riverboat of the maximum allowable supplemental admission tax rate determined under this section for the period beginning after June 30 of that year.

(b) For the period beginning July 1, 2003, and ending June 30, 2004, the maximum allowable supplemental admission tax rate for a city or county is equal to the result determined under STEP TWO of the following formula:
STEP ONE: Determine the greater of:
(1) zero (0); or
(2) the lesser of:
(A) the difference between the base year revenue for the city or county and the total of the immediately preceding four (4) quarterly payments to the city or county of admission tax revenue; or
(B) fifty percent (50%) of the base year revenue for the city or county.
STEP TWO: Divide the STEP ONE result by the number of admissions to the riverboat on which the distributed riverboat paid admission tax was earned.

(c) For the period beginning July 1, 2004, and ending June 30, 2005, the maximum allowable supplemental admission tax rate

for a city or county is equal to the result determined under STEP TWO of the following formula:

STEP ONE: Determine the greater of:

(1) zero (0); or

(2) the lesser of:

(A) the difference between the base year revenue for the city or county and the total of the immediately preceding four (4) quarterly payments to the city or county of admission tax revenue; or

(B) fifty percent (50%) of the base year revenue for the city or county.

STEP TWO: Divide the STEP ONE result by the number of admissions to the riverboat on which the distributed riverboat paid admission tax was earned.

(d) If there is more than one (1) riverboat that pays admission that is distributed to a city or county, the maximum allowable supplemental admission tax rate must be based on the total admissions for all of these riverboats.

(e) The commission shall make a separate calculation of maximum allowable supplemental admission tax rate for each of the other entities in the manner provided by this section for cities and counties for each of the other entities. The county in which the other entities are located, each of the other entities, and each riverboat that pays admission taxes that are distributed to the other entities shall be notified of the maximum allowable supplemental admission tax rate computed under this subsection. The maximum allowable supplemental admission tax rate for the county in which an other entity is located is equal to the sum of that part of the maximum allowable supplemental admission tax rate for the county, excluding the part related to the other entities, plus that part of the maximum allowable supplemental admission tax rate for the other entities located in the county.

Sec. 8. The fiscal body of a city or county may adopt an ordinance to impose a supplemental admission tax rate on each person admitted to a riverboat that pays admission tax that is distributed to the city or county.

Sec. 9. A fiscal body that adopts an ordinance to impose a supplemental admission tax rate must specify the following:

(1) The effective date of the ordinance.

(2) The supplemental admission tax rate imposed by the ordinance.

Sec. 10. The effective date of the ordinance may not be earlier than the later of the following:

(1) July 1, 2003.

(2) Five (5) days after the riverboat receives notice of the ordinance.

Sec. 11. The supplemental admission tax rate imposed by the ordinance may not exceed the maximum allowable supplemental admission tax rate determined by the commission for the city or county. If the rate set in the ordinance is greater than the maximum allowable supplemental admission tax rate for any period, the rate is reduced to the maximum allowable supplemental admission tax rate. If the ordinance specifies that the rate is the maximum allowable supplemental admission tax rate and, when recalculated under section 7 of this chapter, the maximum allowable supplemental admission tax rate changes for any period, the tax rate imposed under the ordinance shall be treated as changing to the new rate on the date it becomes effective.

Sec. 12. If a fiscal body adopts or amends an ordinance under this chapter, the fiscal body must immediately send a certified copy of the ordinance to the following:

(1) Each riverboat that is subject to the tax.

(2) The commissioner of the department.

(3) The executive director of the commission.

Sec. 13. (a) A licensed owner shall pay a supplemental admission tax in the same manner and at the same time as an admission tax is paid under IC 4-33-12.

Sec. 14. A tax-free pass issued under IC 4-33-12-3 for an admission tax shall be treated as a tax-free pass for a supplemental admission tax.

Sec. 15. The commission may suspend or revoke the license of a licensed owner that does not submit a supplemental admission tax payment or a required supplemental admission tax return form within the required time.

Sec. 16. (a) The department shall place in the state general fund in a special account the supplemental admission tax revenue collected under this chapter for a city or county.

(b) The treasurer of state shall quarterly pay the amount of supplemental admission taxes collected in the preceding quarter from a licensed owner for each city or county imposing the tax to the appropriate city or county.

(c) This subsection applies to a county that imposes a tax under this chapter, does not have a riverboat that is located in a city, and has an other entity described in IC 4-33-12-6(b)(3). The treasurer of state shall quarterly directly pay the following percentages of the amount of the county supplemental admission taxes collected in the preceding quarter from a licensed owner to the county and each other entity:

(1) For the county, ninety-five and twenty-four hundredths percent (95.24%).

(2) For the other entity, four and seventy-six hundredths percent (4.76%).

(d) This subsection applies to a county that imposes a tax under this chapter, has a riverboat that is located in a city, and has another entity described in IC 4-33-12-6(b)(3). The treasurer of state shall quarterly directly pay the following percentages of the amount of the county supplemental admission taxes collected in the preceding quarter from a licensed owner to the county and each other entity:

(1) For the county, ninety-one percent (91%).

(2) For the other entity, nine percent (9%).

(e) This subsection applies to a county that imposes a tax under this chapter, has a riverboat that is located in a city, and has other entities described in IC 4-33-12-6(d)(3) and IC 4-33-12-6(d)(4). The treasurer of state shall quarterly directly pay the following percentages of the amount of the county supplemental admission taxes collected in the preceding quarter from a licensed owner to the county and each other entity:

(1) For the county, ninety-one percent (91%).

(2) For the other entity described in IC 4-33-12-6(d)(3), eight and two tenths percent (8.2%).

(3) For the other entity described in IC 4-33-12-6(d)(4), eight tenths percent (0.8%).

Sec. 17. Money paid to a city or county under this chapter:

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

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

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

(4) is considered miscellaneous revenue.

Sec. 18. A supplemental admission tax imposed under this chapter is a listed tax to which IC 6-8.1 applies.

Sec. 19. This chapter expires July 1, 2005, and a supplemental admission tax may not be imposed on an admission to a riverboat after June 30, 2005.

SECTION 50. IC 4-33-13-1, AS AMENDED BY P.L.192-2002(ss), SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]: Sec. 1. (a) This section does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21.

(b) **Subject to section 1.5(h) of this chapter,** a tax is imposed on the adjusted gross receipts received from gambling games authorized under this article at the rate of twenty-two and five-tenths percent (22.5%) of the amount of the adjusted gross receipts.

(c) The licensed owner 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(e)).

(e) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensed owner 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.

SECTION 51. IC 4-33-13-1.5, AS ADDED BY P.L.192-2002(ss), SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]: Sec. 1.5. (a) This section applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21.

(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).

~~The tax rates imposed under this section apply to adjusted gross receipts received beginning the date flexible scheduling is implemented under IC 4-33-6-21.~~

(c) The licensed owner 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 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 52. IC 4-33-13-5, AS AMENDED BY P.L.192-2002(ss), SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) 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) **Before July 1, 2003,** the first thirty-three million dollars ($33,000,000) of tax revenues collected **in a state fiscal year** under this chapter shall be ~~set aside for~~ **deposited in the state general fund and, after June 30, 2003, the first thirty-three million dollars ($33,000,000) of tax revenue collected in a state fiscal year under this chapter shall be distributed as follows:**

(A) The first sixteen million five hundred thousand dollars ($16,500,000) of tax revenue collected in a state fiscal year under this chapter shall be distributed as revenue sharing under subsection (d).

(B) The next sixteen million five hundred thousand dollars ($16,500,000) of tax revenue collected in a state fiscal year under this chapter shall be deposited in the state general fund.

(2) Subject to subsection (b), 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);

(B) in equal shares to the counties described in IC 4-33-1-1(3), in the case of a riverboat whose home dock is on Patoka Lake; or

(C) 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) or a county described in clause (B).

(3) Subject to subsection (c), 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 beginning after June 30, 2003, 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) For each city and county receiving money under subsection (a)(2)(A) or (a)(2)(C), 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 beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city 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.

(c) 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 4-32-10-6.

(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.

(d) Before August 15 of ~~2003~~ **2004** and each year thereafter, the treasurer of state shall distribute the ~~wagering taxes set aside for~~ **amount of** revenue sharing **available for distribution in the state fiscal year** under subsection ~~(a)(1)~~ **(a)(1)(A)** 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. The county treasurer 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.

(e) Money received by a city, town, or county under subsection (d) may be used only:

(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;

(3) to fund sewer and water projects, including storm water management projects; or

(4) for police and fire pensions.

However, not more than twenty percent (20%) of the money received under subsection (d) may be used for the purpose described in subdivision (4).

(f) Before September 15 of ~~2003~~ **2006** and each year thereafter, 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 **percentage of the** entity's base year revenue ~~(as determined under IC 4-33-12-6),~~ **to which the entity is entitled under IC 4-33-12-6(j)(2),** 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 the difference between the **percentage of the** entity's base year revenue ~~(as determined under IC 4-33-12-6)~~ **to which the entity is entitled under IC 4-33-12-6(j)(2)** and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6.

SECTION 53. IC 5-13-12-4, AS AMENDED BY P.L.281-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The secretary-investment manager shall administer, manage, and direct the affairs and activities of the board under the policies and under the control and direction of the board. In carrying out these duties, the secretary-investment manager has the power to do the following:

(1) Approve all accounts for salaries and allowable expenses of the board, including, but not limited to:

(A) the employment of general or special attorneys, consultants, and employees and agents as may be necessary to assist the secretary-investment manager in carrying out the duties of that office and to assist the board in its consideration of applications for a guarantee of an industrial development obligation or credit enhancement obligation guarantee; and

(B) the setting of compensation of persons employed under subdivision (A).

(2) Approve all expenses incidental to the operation of the public deposit insurance fund.

(3) Perform other duties and functions that may be delegated to the secretary-investment manager by the board or that are necessary to carry out the duties of the secretary-investment manager under this chapter.

(b) The secretary-investment manager shall keep a record of the proceedings of the board, and shall maintain and be custodian of all books, documents, and papers filed with the board, and its official seal. The secretary-investment manager may make copies of all minutes and other records and documents of the board, and may give certificates under seal of the board to the effect that the copies are true copies. All persons dealing with the board may rely upon the certificates.

(c) Each year, beginning in 2001 and ending in 2011, after the treasurer of state prepares the annual report required by IC 4-8.1-2-14, the secretary-investment manager shall determine:

(1) the amount of interest earned by the public deposit insurance fund during the state fiscal year ending on the preceding June 30, after deducting:

(A) all expenses and other costs of the board for depositories that were not paid from other sources during that state fiscal year; and

(B) all expenses and other costs associated with the Indiana education savings authority that were not paid from other sources during that state fiscal year; ~~and~~

(2) the amount of interest earned during the state fiscal year ending on the preceding June 30 by the pension distribution fund established by subsection (g); **and**

(3) in annual reports covering state fiscal years beginning after June 30, 2003, an estimate of the interest that was not earned in the preceding state fiscal year as a result of transferring money from the public deposit insurance fund to the state general fund in the state fiscal year beginning July 1, 2003, and ending June 30, 2004, as a result of legislation enacted in the 2003 session of the general assembly.

(d) On or before November 1 of each year, beginning in 2001 and ending in 2011, the public employees' retirement fund shall provide a report to the secretary-investment manager concerning the individual and aggregate payments made by all units of local government (as defined in IC 5-10.3-11-3) during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

(e) On or before the last business day of November of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to each unit of local government (as defined in IC 5-10.3-11-3) in accordance with subsection (h) according to the following formula:

STEP ONE: Add the amount determined under subsection (c)(1) to the amount determined under subsection (c)(2).

STEP TWO: Divide the STEP ONE sum by the aggregate amount of payments made by all units of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

STEP THREE: Multiply the STEP TWO quotient by the amount of payments made by each unit of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

(f) Subject to subsection (j), on or before the last business day of December of each year, beginning in 2001 and ending in 2011, the secretary-investment manager shall provide to the auditor of state:

(1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and

(2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection (g) in an amount equal to the amount determined under subsection (c)(1).

(g) The pension distribution fund is established. The pension

distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

(h) Subject to subsection (j), on June 30 and October 1 of each year, beginning in 2002 and ending in 2012, the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

(i) Each unit of local government shall deposit distributions received under subsection (h) in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

(j) Before providing a check to the auditor of state under subsection (f)(2) in December of any year, the secretary-investment manager shall determine:

(1) the total amount of payments made from the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001;

(2) the total amount of payments received by the board for depositories and deposited in the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001; and

(3) the total amount of interest earned by the public deposit insurance fund after the first of the payments described in subdivision (1).

If the total amount of payments determined under subdivision (1) less the total amount of payments determined under subdivision (2) (referred to in this subsection as the "net draw on the fund") exceeds ten million dollars ($10,000,000) and also exceeds the total amount of interest determined under subdivision (3), the secretary-investment manager may not provide a check to the auditor of state under subsection (f)(2) and a distribution may not be made from the pension distribution fund under subsection (h) in the following calendar year until the total amount of interest earned by the public deposit insurance fund equals the net draw on the fund. A check may not be provided under subsection (f)(2) and a distribution may not be made under subsection (f) in any subsequent calendar year if a study conducted by the board under section 7(b) of this chapter demonstrates that payment of the distribution would reduce the balance of the public deposit insurance fund to a level insufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency.

(k) The secretary-investment manager and the auditor of state shall provide for a supplemental distribution of money to units that receive a distribution of interest under this section. The total amount of the distribution is equal to an estimate made by the secretary-investment manager of the interest that was not earned in the preceding state fiscal year as a result of transferring money from the public deposit insurance fund to the state general fund in the state fiscal year beginning July 1, 2003, and ending June 30, 2004, as a result of a budget bill enacted in the 2003 session of the general assembly. The amount of the total distribution shall be transferred from the from the public deposit insurance fund to the pension distribution fund in the same manner and at the same time as a transfer is made under subsection (f). A distribution under this subsection to units shall be made at the same time and in the same manner as distributions are made under subsection (h). Each unit shall receive a distribution under this subsection in the same proportion as the unit's share of the total amount distributed under subsection (h). Money distributed under this subsection may be used only for the purposes described in subsection (i).

SECTION 54. IC 6-1.1-19-1.5, AS AMENDED BY P.L.90-2002, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for an ensuing calendar year, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: ~~Determine the result of:~~

~~(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by~~

~~(B) the quotient resulting from:~~

~~(i) the absolute value of the result of the school corporation's adjustment factor minus one (1); divided by~~

~~(ii) two (2).~~

~~STEP THREE:~~ If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP ~~FOUR~~ **THREE** and not under STEP ~~FIVE;~~ **FOUR;**

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP ~~FIVE~~ **FOUR** and not under STEP ~~FOUR;~~ **THREE;** or

(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP ~~FOUR~~ **THREE** or STEP ~~FIVE. The school corporation's 2002 assessed valuation shall be used for purposes of determining the levy under clause (C) in 2002 and in 2003.~~ **FOUR.**

STEP ~~FOUR.~~ **THREE:** Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) ~~the sum of:~~

~~(i)~~ five cents ($0.05). ~~plus~~

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

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

STEP ~~FIVE.~~ **FOUR:** Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) ~~the sum of:~~

~~(i)~~ nine cents ($0.09). ~~plus~~

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

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

STEP ~~SIX.~~ **FIVE:** Determine the result of:

(A) the STEP ~~THREE~~ **TWO** (C), STEP ~~FOUR,~~ **THREE,** or STEP ~~FIVE~~ **FOUR** result, whichever applies; plus

(B) 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.

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

(c) For purposes of this section, "total assessed value", as adjusted

under subsection (d), with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance may adjust the total assessed value of a school corporation to eliminate the effects of appeals and settlements arising from a statewide general reassessment of real property.

(e) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

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

SECTION 55. IC 6-1.1-34-7, AS AMENDED BY P.L.90-2002, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. **(a)** Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year in which a general reassessment takes effect. If the department of local government finance has not computed:

(1) a new assessment ratio for a school corporation; or

(2) a new state average assessment ratio;

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 56. IC 6-3-1-3.5, AS AMENDED BY P.L.192-2002(ss), SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: 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) 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; 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, 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) 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 an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of 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 an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of 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 an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of 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 an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of 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) ~~reduced by:~~ **adjusted as follows:**

(1) **Subtract** income that is exempt from taxation under this article by the Constitution and statutes of the United States. ~~and~~

(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 an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code.

SECTION 57. IC 6-3-1-11, AS AMENDED BY P.L.192-2002(ss), SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (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, ~~2002.~~ **2003.**

(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, ~~2002,~~ **2003,** 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, ~~2002,~~ **2003,** 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, ~~2002,~~ **2003,** that is effective for any taxable year that began before January 1, ~~2002,~~ **2003,** 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 58. IC 6-5.5-1-2, AS AMENDED BY P.L.273-1999, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: 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) An amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code.

(2) Subtract the following amounts:

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

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

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

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

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

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

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

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment 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 59. IC 11-8-1-5.5, AS ADDED BY P.L.273-1999, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.5. "Community transition program" means assignment of a person committed to the department to:

(1) a community corrections program; ~~or~~

(2) in a county or combination of counties that do not have a community corrections program, a program of supervision by the probation department of a court; **or**

(3) an enrolled nonprofit or faith based community transition program if the person is a nonviolent offender;

for a period after a person's community transition program commencement date until the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term.

SECTION 60. IC 11-8-1-5.6, AS AMENDED BY P.L.291-2001, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.6. "Community transition program commencement date" means the following:

(1) ~~Sixty (60)~~ **One hundred (100)** days before an offender's expected release date, if the most serious offense for which the person is committed is a Class D felony.

(2) ~~Ninety (90)~~ **One hundred (100)** days before an offender's expected release date, if the most serious offense for which the person is committed is a Class C felony and subdivision (3) does not apply.

(3) One hundred twenty (120) days before an offender's expected release date, if:

(A) the most serious offense for which the person is committed is a Class C felony;

(B) all of the offenses for which the person was concurrently or consecutively sentenced are offenses under IC 16-42-19 or IC 35-48-4; and

(C) none of the offenses for which the person was concurrently or consecutively sentenced are listed in IC 35-50-2-2(b)(4).

(4) One hundred twenty (120) days before an offender's expected release date, if the most serious offense for which the person is committed is a Class A or Class B felony and subdivision (5) does not apply.

(5) One hundred eighty (180) days before an offender's expected release date, if:

(A) the most serious offense for which the person is committed is a Class A or Class B felony;

(B) all of the offenses for which the person was concurrently or consecutively sentenced are offenses under IC 16-42-19 or IC 35-48-4; and

(C) none of the offenses for which the person was concurrently or consecutively sentenced are listed in IC 35-50-2-2(b)(4).

SECTION 61. IC 11-8-1-8.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8.6. "Nonprofit or faith based community transition program" means an organization that is:**

(1) exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code; or

(2) operated as a part of or is directly affiliated with a church or religious ministry;

and has staff with training or experience in spiritual counseling, addictions counseling, vocational counseling, or a combination of the foregoing.

SECTION 62. IC 11-8-1-8.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8.7. "Nonviolent offender" means an offender has not been committed to the department, at any time, for any of the following offenses:**

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

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

(3) Involuntary manslaughter (IC 35-42-1-4).

(4) Reckless homicide (IC 35-42-1-5).

(5) Battery (IC 35-42-2-1) with a deadly weapon or battery causing death.

(6) Aggravated battery (IC 35-42-2-1.5).

(7) Kidnapping (IC 35-42-3-2).

(8) Confinement (IC 35-42-3-3) with a deadly weapon.

(9) Sexual battery (IC 35-42-4-8) with a deadly weapon.
(10) Rape (IC 35-42-4-1).
(11) Criminal deviate conduct (IC 35-42-4-2).
(12) Child molesting (IC 35-42-4-3).
(13) Child solicitation (IC 35-42-4-6).
(14) Sexual misconduct with a minor as a Class A felony (IC 35-42-4-9).
(15) Robbery (IC 35-42-5-1).
(16) Burglary as a Class A felony or a Class B felony (IC 35-43-2-1).
(17) Operating a motor vehicle causing death (IC 9-30-5-5).
(18) Arson (IC 35-43-1-1) resulting in serious bodily injury.
(19) Burglary (IC 35-43-2-1) resulting in serious bodily injury or with a deadly weapon.
(20) Resisting law enforcement (IC 35-44-3-3) with a deadly weapon.
(21) Escape (IC 35-44-3-5) with a deadly weapon.
(22) Rioting (IC 35-45-1-2) with a deadly weapon.
(23) An attempt to commit an offense described in subdivisions (1) through (22).

SECTION 63. IC 11-10-2-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 3.5. (a) The department may not accept the commitment or award of guardianship of a delinquent offender by a juvenile court for a county if the commitment or award results in that county exceeding on any day its maximum female daily offender count or maximum male daily offender count specified under subsection (b).**

(b) Subject to subsection (c), a county's maximum female and male daily offender count for a county is the following:

County	Maximum Daily Offender Count	
	Females	Males
Adams	3	9
Allen	21	78
Bartholomew	4	16
Benton	1	2
Blackford	1	3
Boone	3	12
Brown	1	3
Carroll	1	5
Cass	3	10
Clark	5	20
Clay	2	7
Clinton	2	8
Crawford	1	3
Davies	2	8
Dearborn	3	12
Decatur	1	6
DeKalb	3	10
Delaware	6	24
Dubois	3	10
Elkhart	12	45
Fayette	1	6
Floyd	4	17
Fountain	1	4
Franklin	2	6
Fulton	1	5
Gibson	2	7
Grant	4	15
Greene	2	8
Hamilton	12	44
Hancock	4	14
Harrison	2	9
Hendricks	7	26
Henry	3	11
Howard	5	19
Huntington	2	9
Jackson	2	9
Jasper	2	8
Jay	1	5
Jefferson	2	7
Jennings	2	6
Johnson	7	27
Knox	2	9
Kosciusko	5	19
LaGrange	3	10
Lake	30	114
LaPorte	6	24
Lawrence	3	10
Madison	7	28
Marion	48	183
Marshall	3	12
Martin	1	3
Miami	2	9
Monroe	5	19
Montgomery	2	9
Morgan	4	17
Newton	1	4
Noble	3	12
Ohio	0	1
Orange	1	5
Owen	1	6
Parke	1	4
Perry	1	4
Pike	1	3
Porter	10	36
Posey	2	7
Pulaski	1	4
Putnam	2	8
Randolph	2	6
Ripley	2	7
Rush	1	4
St. Joseph	16	59
Scott	1	5
Shelby	3	11
Spencer	1	5
Starke	2	6
Steuben	2	8
Sullivan	1	5
Switzerland	1	2
Tippecanoe	7	26
Tipton	1	4
Union	0	2
Vanderburgh	9	36
Vermillion	1	4
Vigo	6	22
Wabash	2	9
Warren	1	2
Warrick	4	13
Washington	2	7
Wayne	4	16
Wells	2	7
White	2	6
Whitley	2	8

(c) A county may assign to another county, for compensation or otherwise, any part of the county's unused maximum male or female daily offender count for any period. The amount of the count assigned to another county:

(1) increases the maximum male or female daily offender count for the county to which it is assigned; and
(2) decreases the maximum male or female daily offender count for the county from which it is assigned;

for the period of the assignment.

(d) An assignment under subsection (c) must be in writing and is effective only after written notice of the assignment is delivered to the department.

(e) If:

(1) a county assigns any part of its maximum male or female daily offender count to another county; and
(2) the other county uses the assignment to commit or award guardianship over an offender to the department;

the department shall bill the county that makes the assignment for the amount payable under section 3 of this chapter. The county to which the assignment is made shall reimburse the

county making the assignment for the amount billed under this subsection.

SECTION 64. IC 11-10-11.5-1, AS AMENDED BY P.L.90-2000, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. This chapter applies to a person:

(1) who is committed to the department under IC 35-50 for one (1) or more felonies other than murder; and

(2) against whom a court imposed a sentence of at least **one and one-half (1.5) years, if the offender is a nonviolent offender, or** two (2) years **if the person is not a nonviolent offender.**

SECTION 65. IC 11-10-11.5-5, AS AMENDED BY P.L.90-2000, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) This section applies to a person if the most serious offense for which the person is committed is a Class C or Class D felony.

(b) Unless the department has received:

(1) an order under IC 35-38-1-24 **or IC 35-38-1-24.5, as applicable;** or

(2) a warrant order of detainer seeking the transfer of the person to a county or another jurisdiction;

the department shall assign a person to a minimum security classification and place the person in a community transition program beginning with the person's community transition program commencement date until the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term. **However, a nonviolent offender may not be assigned to a community transition program that is a nonprofit or faith based community transition program if the offender submits in writing to the department an objection to the placement.**

SECTION 66. IC 11-10-11.5-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 5.5. (a) This section applies to a person if the most serious offense for which the person is committed is a Class A or Class B felony and the person is a nonviolent offender.**

(b) Unless the department has received:

(1) an order under IC 35-38-1-24.5; or

(2) a warrant order of detainer seeking the transfer of the person to a county or another jurisdiction;

the department shall assign a person to a minimum security classification and place the person in a community transition program beginning with the person's community transition program commencement date until the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term. However, a nonviolent offender may not be assigned to community transition program that is a nonprofit or faith based community transition program if the offender submits in writing to the department an objection to the placement.

SECTION 67. IC 11-10-11.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 11.7. Minimum Security Release to Nonprofit or Faith Based Community Transition Program

Sec. 1. This chapter provides an alternative minimum security release program for nonviolent offenders who are not yet eligible to be placed in a community transition program and are not residents of another state.

Sec. 2. A nonviolent offender who is committed to the department may file a written request with the department and the court that sentenced the nonviolent offender to the department for placement in a nonprofit or faith based community transition program not sooner than ninety (90) actual days after the nonviolent offender begins serving the nonviolent offender's sentence in a department facility.

Sec. 3. A copy of the written request under section 2 of this chapter must be sent to the prosecuting attorney in the county of the sentencing court.

Sec. 4. If a nonviolent offender is sentenced by more than one (1) court, the nonviolent offender must petition each court that sentenced the nonviolent offender to the department.

Sec. 5. The department shall notify a nonviolent offender and any victim of the nonviolent offender's crime of the right to submit a written statement to the department and the court regarding the nonviolent offender's assignment to a nonprofit or faith based community transition program. If the name or address of a victim changes after the nonviolent offender is sentenced for the offense, and the nonviolent offender's sentence may result in the nonviolent offender's assignment to a nonprofit or faith based community transition program, the victim is responsible for notifying the department of the name or address change.

Sec. 6. A nonviolent offender or a victim of the nonviolent offender's crime who wishes to submit a written statement under section 5 of this chapter must submit the statement to the department and court not later than ten (10) working days after receiving notice from the department.

Sec. 7. If the offender files a written request under this chapter, the department shall assign a nonviolent offender to a minimum security classification and place the nonviolent offender in a nonprofit or faith based community transition program unless the court issues an order under IC 35-38-1-24.5(b) or no nonprofit or faith based community transition program will accept the offender.

Sec. 8. A nonviolent offender who is placed in a nonprofit or faith based community transition program must be provided a written copy of the rules of the program.

Sec. 9. The nonprofit or faith based community transition program must notify the nonviolent offender that a violation of the rules of the program or the commission of a criminal offense during the period that the nonviolent offender is in the program will result in a notice of violation being filed in the court that sentenced the offender.

Sec. 10. If a notice of violation is filed under section 9 of this chapter the nonviolent offender shall be returned to the department facility that released the nonviolent offender to the program pending the outcome of the alleged violation.

Sec. 11. (a) The court in which the notice is filed may revoke a nonviolent offender's placement in a nonprofit or faith based community transition program if:

(1) the nonviolent offender has violated a condition of the program or committed a criminal offense during the period the nonviolent offender is in the program ; and

(2) a petition to revoke the nonviolent offender's placement in the program is filed by the program not later than forty-five (45) days after the rule violation or crime occurs.

(b) The court shall conduct a hearing concerning the alleged violation.

(c) The prosecuting attorney for the county in which the petition to revoke is filed shall represent the state in the hearing.

(d) The state must prove the violation by a preponderance of the evidence. The evidence shall be presented in open court. The nonviolent offender is entitled to confrontation, cross-examination, and representation by counsel.

(e) If the court finds that the nonviolent offender has violated a condition of the program or committed a criminal offense at any time before termination of the program and the petition to revoke is filed within the period allowed under subsection (a)(2), the court shall return the nonviolent offender to the department facility that released the nonviolent offender to the program.

Sec. 12. (a) A nonviolent offender who is returned to the department after final adjudication under section 11 of this chapter may reapply for placement in a nonprofit or faith based community transition program not sooner than ninety (90) days after the nonviolent offender is returned to the department and a final unappealable order revoking the placement is issued under section 11 of this chapter. However, the department may deny placement in a nonprofit or faith based community transition program if the nonviolent offender was returned to the department for violation of a rule or a misdemeanor offense and the department determines that further placements under

this chapter are inappropriate.

(b) The requirements of this chapter regarding an initial application apply to reapplication under subsection (a). However, the department may suspend or amend a requirement of this chapter as it relates to reapplication if the department determines a requirement is unnecessary or duplicative.

Sec. 13. A nonviolent offender who is placed in a nonprofit or faith based community transition program receives credit time under IC 35-50-6.

Sec. 14. The department may continue the placement of a nonviolent offender who is placed in a nonprofit or faith based community transition program before the nonviolent offender becomes eligible to be placed in a community transition program under IC 11-10-11.5 through the term of the offender's placement in a community transition program without complying with IC 11-10-11.5-2 or IC 11-10-11.5-4.5.

Sec. 15. IC 11-10-11.5-12 and IC 11-10-11.5-14 apply to medical care while an offender is in a placement under this chapter.

Sec. 16. IC 11-12-10-2.5 applies to a transfer of placement from one (1) county to another to place the nonviolent offender in the offender's county of residence.

Sec. 17. The probation officers of the sentencing court, if:

(1) the offender is placed in the county of sentencing; or

(2) the court taking jurisdiction of the placement if the offender is transferred under IC 11-12-10-2.5;

shall assist a nonprofit or faith based community transition program with overseeing the placement of a nonviolent offender.

SECTION 68. IC 11-12-10-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. This chapter does not apply to a community transition program that is a nonprofit or faith based community transition program.**

SECTION 69. IC 11-12-10-3, AS ADDED BY P.L.273-1999, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a)** There is established a community transition program fund for each community transition program. The fund shall be administered by the community corrections advisory board in each county served by a community corrections program. In a county that is not served by a community corrections program, the courts in the county with felony jurisdiction shall jointly administer the fund. Money in the fund may be used for community corrections programs and, in counties that are not served by a community corrections program, for probation services.

(b) Money in a community transition program fund at the end of a state fiscal year does not revert to the state general fund and is not subject to transfer to any other fund or to transfer, assignment, or reassignment for another use or purpose by the state board of finance or the budget agency under IC 4-9.1-1-7, IC 4-12-1-12, IC 4-13-2-23, or another law.

SECTION 70. IC 11-12-11 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 11. Nonprofit and Faith Based Community Transition Program

Sec. 1. (a) A nonprofit or faith based community transition program is eligible to receive nonviolent offenders under this chapter upon written approval by the department.

(b) A nonprofit or faith based community transition program must submit an application for enrollment to the department.

(c) The application for enrollment shall be developed by the department.

Sec. 2. (a) The department shall issue a written approval or denial of an application for enrollment within sixty (60) days of the receipt of the application. However, the department may extend the period for approval by an additional sixty (60) days for good cause.

(b) A nonprofit or faith based community transition program must provide information in addition to the information required in the application, as requested by the department.

Sec. 3. Subject to section 4 of this chapter, a nonprofit or faith based community transition program that receives written approval of its program under section 2 of this chapter is eligible to receive placement of a nonviolent offender under IC 11-10-11.5 or IC 11-10-11.7.

Sec. 4. The department and the nonprofit or faith based community transition program shall enter into an agreement governing placements of nonviolent offenders with the program before any nonviolent offender may be placed with the program. The department may terminate a program's eligibility to receive placements under IC 11-10-11.5 or IC 11-10-11.7, or both, if the program fails to comply with the agreement.

Sec. 5. (a) The department shall reimburse a nonprofit or faith based community transition program on a per diem basis for services provided to persons assigned to a community transition program under IC 11-10-11.5 or IC 11-10-11.7.

(b) The department shall set the per diem rate under this section. In setting the per diem rate for a community, the department may consider the direct costs incurred by the nonprofit or faith based community transition program to provide the program. The per diem may not be less than fifty percent (50%) of the amount that a community would receive under IC 11-12-2 and IC 11-12-10 for the same services.

(c) The per diem rate paid under this section shall be paid from appropriations to the department for community corrections programs or for the community transition program fund, or both.

SECTION 71. IC 12-15-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) Each:

(1) school corporation; or

(2) school corporation's employed, licensed, or qualified provider;

must enroll in a program to use federal funds under the Medicaid program (IC 12-15-1 et seq.) with the intent to share the costs of services that are reimbursable under the Medicaid program and that are provided to eligible children by the school corporation. However, a school corporation or a school corporation's employed, licensed, or qualified provider is not required to file any claims or participate in the program developed under this section.

(b) The office of Medicaid policy and planning and the department of education may develop policies and adopt rules to administer the program developed under this section.

(c) ~~The federal reimbursement for paid claims that are submitted by the school corporations under the program required under this section must be distributed to the school corporations.~~ **Three percent (3%) of the federal reimbursement for paid claims that are submitted by the school corporation under the program required under this section must be:**

(1) distributed to the state general fund for administration of the program, and

(2) used for consulting to encourage participation in the program.

The remainder of the federal reimbursement for services provided under this section must be distributed to the school corporations. The state shall retain the nonfederal share of the reimbursement for Medicaid services provided under this section.

(d) The office of Medicaid policy and planning, with the approval of the budget agency and after consultation with the department of education, shall establish procedures for the timely distribution of federal reimbursement due to the school corporations. The distribution procedures may provide for offsetting reductions to distributions of state tuition support or other state funds to school corporations in the amount of the nonfederal reimbursements required to be retained by the state under subsection (c).

SECTION 72. IC 21-1-30-2, AS AMENDED BY P.L.111-2002, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. For purposes of computation under this chapter, the following shall be used:

(1) Kindergarten pupils shall be counted as five-tenths (0.5). All other pupils shall be counted as one (1).

(2) The number of pupils shall be the number of pupils used in determining ADM, as defined by IC 21-3-1.6, for the current year.

(3) The staff cost amount for a school corporation is ~~sixty-eight~~

~~thousand four hundred forty-two dollars ($68,442) for 2002 and~~ sixty-nine thousand eight hundred eleven dollars ($69,811). ~~for 2003.~~

(4) The guaranteed 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.

(5) The at-risk index is the index determined under IC 21-3-1.6-1.1.

(6) 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 3(b) of this chapter:

(A) Except as permitted under section 5.5 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 5.5 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 Indiana state board of education.

SECTION 73. IC 21-1-30-3, AS AMENDED BY P.L.291-2001, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The amount to be distributed to a school corporation 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 at-risk index is less than seventeen hundredths (0.17), the school corporation's target pupil teacher ratio is eighteen to one (18:1).

(B) If the school corporation's at-risk index is at least seventeen hundredths (0.17) but less than twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):

(i) Determine the result of twenty-seven hundredths (0.27) minus the school corporation's at-risk 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 at-risk index is at least twenty-seven hundredths (0.27), 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, as determined under section 2(2) of this chapter, in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's target pupil teacher ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the total regular general fund revenue (the amount determined in STEP ONE of IC 21-3-1.7-8) 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, as determined under section 2(2) of this chapter 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 amount.

STEP NINE: If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), determine the lesser of:

(A) the STEP EIGHT amount; or

(B) 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%).

~~For 2000 calculations, the amount the school corporation received under this chapter for the previous calendar year is the 1999 calendar year allocation, before any penalty was assessed under this chapter.~~

(b) The amount received under this chapter shall be devoted to reducing class size in kindergarten through grade 3. A school corporation shall compile class size data for kindergarten through grade 3 and report the data to the department of education for purposes of maintaining compliance with this chapter.

SECTION 74. IC 21-1-30-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10. This chapter expires January 1, 2006.**

SECTION 75. IC 21-2-4-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. A school corporation may transfer money to or from the debt service fund under IC 21-2-11-4.**

SECTION 76. IC 21-2-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. **(a)** Any lawful school expenses payable from any other fund of the school corporation, including ~~without limitation~~ debt service and capital outlay, ~~but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2)~~ may be budgeted in and paid from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3) may be budgeted in and paid from the school corporation's general fund.

(c) A school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2) that is obtained from:

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5. The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following:

(1) For the period beginning July 1, 2003, and ending June 30, 2004, the total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 for the same period.

(2) For the period beginning July 1, 2004, and ending June 30, 2005, the product of:

(A) the amount determined under subdivision (1); multiplied by

(B) two (2).

SECTION 77. IC 21-2-11.5-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6. A school corporation may**

transfer money to or from the school transportation fund or school bus replacement fund under IC 21-2-11-4.

SECTION 78. IC 21-2-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. **(a)** Interest on the capital projects fund, including the fund's pro rata share of interest earned on the investment of total money on deposit, shall be deposited in the fund. However, the governing body may adopt a resolution to transfer any interest earned on money on deposit in the capital projects fund to the school corporation's general fund.

(b) A school corporation may transfer money from the capital projects fund under IC 21-2-11-4.

SECTION 79. IC 21-3-1.7-6.6, AS AMENDED BY P.L.291-2001, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.6. For purposes of this chapter, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the greatest of the following:
(A) The school corporation's ADM for the year preceding the current year by three (3) years.
(B) The school corporation's ADM for the year preceding the current year by two (2) years.
(C) The school corporation's ADM for the year preceding the current year by one (1) year.
(D) The school corporation's ADM for the current year.

STEP TWO: Determine the greater of zero (0) or the result of:
(A) the school corporation's ADM for the year preceding the current year by four (4) years; minus
(B) the STEP ONE amount.

STEP THREE: Determine the greatest of the following:
(A) The school corporation's ADM for the year preceding the current year by two (2) years.
(B) The school corporation's ADM for the year preceding the current year by one (1) year.
(C) The school corporation's ADM for the current year.

STEP FOUR: Determine the greater of zero (0) or the result of:
(A) the school corporation's ADM for the year preceding the current year by three (3) years; minus
(B) the STEP THREE amount.

STEP FIVE: Determine the greater of the following:
(A) The school corporation's ADM for the year preceding the current year by one (1) year.
(B) The school corporation's ADM for the current year.

STEP SIX: Determine the greater of zero (0) or the result of:
(A) the school corporation's ADM for the year preceding the current year by two (2) years; minus
(B) the STEP FIVE amount.

STEP SEVEN: Determine the greater of zero (0) or the result of:
(A) the school corporation's ADM for the year preceding the current year by one (1) year; minus
(B) the school corporation's ADM for the current year.

STEP EIGHT: Determine the sum of the following:
(A) The STEP TWO result multiplied by two-tenths (0.2).
(B) The STEP FOUR result multiplied by four-tenths (0.4).
(C) The STEP SIX result multiplied by six-tenths (0.6).
(D) The STEP SEVEN result multiplied by eight-tenths (0.8).

STEP NINE: Determine the result of:
(A) the school corporation's ADM for the current year; plus
(B) the STEP EIGHT result.

STEP TEN: Determine the result of the school corporation's ADM for 2003 plus the greater of:
(A) zero (0); or
(B) the quotient of:
(i) the difference between the STEP NINE result minus the school corporation's ADM for 2003;
(ii) divided by three (3).

STEP ELEVEN: Determine the lesser of the STEP NINE result or the STEP TEN result.

Round the result to the nearest five-tenths (0.5).

SECTION 80. IC 21-3-1.7-6.7, AS AMENDED BY P.L.111-2002, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.7. (a) For each school corporation, the index used in subsection (b) is determined under the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of the following:
(1) Multiply the school corporation's at risk index by ~~twenty-three~~ **twenty-five** hundredths ~~(0.23) in 2002 and twenty-five hundredths (0.25) in 2003.~~ **(0.25).**
(2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six ten-thousandths (0.3736).
(3) Subtract ~~three hundred sixty-four ten-thousandths (0.0364) in 2002 and~~ three hundred ninety-five ten-thousandths (0.0395) ~~in 2003~~ from the result under subdivision (2).

STEP TWO: Determine the greater of zero (0) or the result of the following:
(1) Multiply the percentage of the school corporation's students who were eligible for free lunches in the school year ending in 2001 by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003.~~
(2) Divide the result under subdivision (1) by seven hundred twenty-three thousandths (0.723).

STEP THREE: Determine the greater of zero (0) or the result of the following:
(1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003.~~
(2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).

STEP FOUR: Determine the result of:
(1) the sum of the results in STEPS ONE through THREE; divided by
(2) three (3).

STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.

(b) A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:

STEP ONE: Determine the result under clause (B) of the following formula:
(A) Determine the result of:
(i) four thousand ~~four~~ **five** hundred ~~forty~~ **ninety** dollars ~~($4,440)~~ **($4,590)** in ~~2002~~ **2004** and four thousand ~~five~~ **six** hundred ~~sixty~~ **thirty** dollars ~~($4,560)~~ **($4,630)** in ~~2003;~~ **2005;** multiplied by
(ii) the index determined for the school corporation under subsection (a).
(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.

STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.

STEP THREE: ~~Multiply the subsection (a) STEP FIVE result by the following:~~
~~(A) If the STEP TWO result is not more than:~~
~~(i) four thousand four hundred forty dollars ($4,440) in 2002; and~~
~~(ii) four thousand five hundred sixty dollars ($4,560) in 2003;~~
~~multiply by ninety dollars ($90).~~
~~(B) If the STEP TWO result is:~~
~~(i) more than four thousand four hundred forty dollars ($4,440) and not more than five thousand five hundred twenty-five dollars ($5,525) in 2002; or~~
~~(ii) more than four thousand five hundred sixty dollars ($4,560) and not more than five thousand eight hundred twenty-five dollars ($5,825) in 2003;~~
~~multiply by the result under clause (C).~~
~~(C) Determine the result of:~~
~~(i) The STEP TWO result minus four thousand four hundred forty dollars ($4,440) in 2002 and four thousand~~

~~five hundred sixty dollars ($4,560) in 2003.~~
~~(ii) Divide the item (i) result by one thousand eighty-five dollars ($1,085) in 2002 and one thousand two hundred sixty-five dollars ($1,265) in 2003.~~
~~(iii) Multiply the item (ii) result by forty dollars ($40).~~
~~(iv) Subtract the item (iii) result from ninety dollars ($90).~~
~~(D) If the STEP TWO result is more than~~
~~(i) five thousand five hundred twenty-five dollars ($5,525) in 2002; and~~
~~(ii) five thousand eight hundred twenty-five dollars ($5,825), in 2003;~~
~~multiply by fifty dollars ($50).~~
~~STEP FOUR: Add the STEP TWO result and the STEP THREE result.~~
~~STEP FIVE:~~ Determine the greatest of the following:
(A) Multiply the STEP ~~FOUR~~ **TWO** result by the school corporation's adjusted ADM for the current year.
(B) Multiply the school corporation's previous year revenue by one and ~~two-hundredths (1.02).~~ **one hundred seventy-five ten-thousandths (1.0175).**
(C) The STEP ONE amount.
STEP FOUR: Determine the lesser of:
(A) The STEP THREE amount.
(B) Multiply the school corporation's previous year revenue by one and three-hundredths (1.03).
STEP ~~SIX:~~ **FIVE:** Divide the STEP ~~FIVE~~ **FOUR** amount by the school corporation's adjusted ADM for the current year.

SECTION 81. IC 21-3-1.7-6.8, AS AMENDED BY P.L.85-2002, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.8. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:
STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(b) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:
(A) Divide the school corporation's ~~2002~~ assessed valuation by the school corporation's current ADM.
(B) Divide the clause (A) result by ten thousand (10,000).
(C) Determine the greater of the following:
(i) The clause (B) result.
(ii) ~~Thirty-nine~~ **Forty-one** dollars ~~($39)~~ **and seventy-five cents ($41.75)** in ~~2002~~ **2004** and ~~thirty-nine~~ **forty-three** dollars and ~~seventy-five~~ **sixty-five** cents ~~($39.75)~~ **($43.65)** in ~~2003.~~ **2005.**
(D) Determine the result determined under item (ii) of the following formula:
(i) Subtract the result determined in STEP ONE of the formula in section 6.7(b) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter.
(ii) Divide the item (i) result by the school corporation's current ADM.
(E) Divide the clause (D) result by the clause (C) result.
(F) Divide the clause (E) result by one hundred (100).
STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(b) of this chapter is equal to STEP ONE of the formula in section 6.7(b) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:
(A) Add the following:
(i) 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.
(ii) The portion of the maximum general fund 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.
(B) Divide the clause (A) result by the school corporation's current ADM.
(C) Divide the school corporation's ~~2002~~ assessed valuation by the school corporation's current ADM.
(D) Divide the clause (C) result by ten thousand (10,000).
(E) Determine the greater of the following:
(i) The clause (D) result.
(ii) ~~Thirty-nine~~ **Forty-one** dollars ~~($39)~~ **and seventy-five cents ($41.75)** in ~~2002~~ **2004** and ~~thirty-nine~~ **forty-three** dollars and ~~seventy-five~~ **sixty-five** cents ~~($39.75)~~ **($43.65)** in ~~2003.~~ **2005.**
(F) Divide the clause (B) result by the clause (E) amount.
(G) Divide the clause (F) result by one hundred (100).
STEP THREE: Determine the sum of:
(A) ~~ninety-one and eight-tenths cents ($0.918) in 2002;~~ **seventy-one cents ($0.71) in 2004;** and
(B) ~~ninety-five and eight-tenths cents ($0.958) in 2003;~~ **sixty-four cents ($0.64) in 2005;** and
if applicable, the STEP ONE or STEP TWO result.

SECTION 82. IC 21-3-1.7-9, AS AMENDED BY P.L.178-2002, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.
(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards under section 9.8 of this chapter, for primetime distributions under IC 21-1-30, for special education grants under IC 21-3-2.1, and for vocational education grants under IC 21-3-12 for a particular year, exceeds:
(1) three billion ~~three~~ **five** hundred ~~sixty-three~~ **seventy-four** million ~~four hundred thousand~~ dollars ~~($3,363,400,000)~~ **($3,574,000,000)** in ~~2001;~~ **2003;**
(2) three billion ~~four~~ **six** hundred ~~thirty-seven~~ **ninety-two** million ~~one~~ **three** hundred thousand dollars ~~($3,437,100,000)~~ **($3,692,300,000)** in ~~2002;~~ **2004;** and
(3) three billion ~~five~~ **seven** hundred ~~thirty-six~~ **fifty-six** million ~~five hundred thousand~~ dollars ~~($3,536,500,000)~~ **($3,756,000,000)** in 2003;
the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 83. IC 21-3-1.7-9.5, AS AMENDED BY P.L.93-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.5. (a) In addition to the distribution under sections 8, 9.7, and 9.8 of this chapter, a school corporation is eligible for an enrollment adjustment grant if the school corporation's:
(1) current ADM minus the school corporation's previous year ADM is at least two hundred fifty (250); or
(2) current ADM divided by the school corporation's previous year ADM is at least one and five-hundredths (1.05).
(b) The amount of the enrollment adjustment grant is the amount determined in STEP THREE of the following formula:
STEP ONE: Determine the school corporation's target revenue per ADM divided by ~~three (3).~~ **six (6).**
STEP TWO: Determine the result of the school corporation's current ADM minus the school corporation's previous year ADM.
STEP THREE: Multiply the STEP ONE result by the STEP TWO result.
(c) Notwithstanding any other provision, for purposes of computing the amount of a grant under this section, "ADM" does not include an eligible pupil who is described in IC 21-3-1.6-1.2(a).

SECTION 84. IC 21-3-1.7-9.7, AS AMENDED BY P.L.291-2001, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.7. In addition to the distributions under sections 8, 9.5, and 9.8 of this chapter for 1997 and thereafter, a school corporation is eligible for an amount for at-risk programs in the amount determined in STEP SIX of the

following formula:

STEP ONE: Determine the greater of the following:

(A) The result determined under item (ii) of the following formula:

(i) Determine the result of the school corporation's at-risk index minus two-tenths (0.2).

(ii) Multiply the item (i) result by seven-hundredths (0.07).

(B) Zero (0).

STEP TWO: Determine the greater of the following:

(A) The result determined under item (ii) of the following formula:

(i) Determine the result of the school corporation's at-risk index minus fifteen-hundredths (0.15).

(ii) Multiply the item (i) result by eighteen-hundredths (0.18).

(B) Zero (0).

STEP THREE: Determine the result under clause (B) of the following formula:

(A) Determine the lesser of:

(i) the school corporation's at-risk index; or

(ii) fifteen-hundredths (0.15).

(B) Multiply the clause (A) result by one hundredth (0.01).

STEP FOUR: Add the STEP ONE result, the STEP TWO result, and the STEP THREE result.

STEP FIVE: Multiply the STEP FOUR sum by the school corporation's current ADM. Round the result to the nearest one-hundredth (0.01).

STEP SIX: Multiply the STEP FIVE product by ~~three thousand five hundred ninety-two dollars ($3,592) in 2002 and~~ three thousand six hundred sixty-four dollars ($3,664). ~~in 2003.~~

SECTION 85. IC 21-3-1.7-9.8, AS AMENDED BY P.L.291-2001, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.8. (a) In addition to the distributions under sections 8, 9.5, and 9.7 of this chapter, a school corporation is eligible for an honors diploma award in the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: Multiply the STEP ONE amount by

~~(1) nine hundred forty-four dollars ($944) in 2002; and~~

~~(2)~~ nine hundred sixty-three dollars ($963). ~~in 2003.~~

(b) Each year the governing body of a school corporation may use the money that the school corporation receives for an honors diploma award under this section to give ~~nine hundred forty-four dollars ($944) in 2002 and~~ nine hundred sixty-three dollars ($963) ~~in 2003~~ to each eligible pupil in the school corporation who successfully completes an academic honors diploma program in the school year ending in the previous calendar year.

SECTION 86. IC 21-3-1.7-10, AS AMENDED BY P.L.291-2001, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. This chapter expires January 1, ~~2004.~~ **2006.**

SECTION 87. IC 21-3-2.1-7, AS ADDED BY P.L.111-2002, SECTION 9, AND P.L.178-2002, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The amount of the grant that a school corporation is entitled to receive for special education programs is equal to:

(1) the nonduplicated count of pupils in programs for severe disabilities multiplied by

~~(A) eight thousand forty-five dollars ($8,045) in 2002; and~~

~~(B)~~ eight thousand two hundred forty-six dollars ($8,246); ~~in 2003;~~ plus

(2) the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by

~~(A) two thousand one hundred eighty-three dollars ($2,183) in 2002; and~~

~~(B)~~ two thousand two hundred thirty-eight dollars ($2,238); ~~in 2003;~~ plus

(3) the duplicated count of pupils in programs for communication disorders multiplied by

~~(A) five hundred eighteen dollars ($518) in 2002; and~~

~~(B)~~ five hundred thirty-one dollars ($531); ~~in 2003;~~ plus

(4) the cumulative count of pupils in homebound programs multiplied by

~~(A) five hundred eighteen dollars ($518) in 2002; and~~

~~(B)~~ five hundred thirty-one dollars ($531). ~~in 2003.~~

SECTION 88. IC 21-3-2.1-10, AS ADDED BY P.L.111-2002, SECTION 9, AND P.L.178-2002, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. This chapter expires January 1, ~~2004.~~ **2006.**

SECTION 89. IC 21-3-12-12, AS AMENDED BY P.L.291-2001, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. This chapter expires January 1, ~~2004.~~ **2006.**

SECTION 90. IC 21-6.1-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) It is the intent of the 1995 session of the general assembly that the state create a program to stabilize the state's general fund teacher pension expenditures as a percentage of the general fund budget.

(b) The pension stabilization fund is established. The pension stabilization fund shall be a part of the pre-1996 account, and shall be administered by the board of trustees of TRF in accordance with the powers and duties granted to the board of trustees in IC 21-6.1-3-6, IC 21-6.1-3-7, and IC 21-6.1-3-9 through IC 21-6.1-3-15.

(c) Amounts allocated to the pension stabilization fund under IC 4-30-16-3, a portion of employer reserve balance (as determined by the budget director so that the employer reserve is sufficient for the cash flow needs), and other amounts appropriated to the pension stabilization fund by the general assembly shall be deposited in the pension stabilization fund.

(d) ~~Expenditures from the fund may not be made until state fiscal year 2006.~~ **After June 30, 2003, and before July 1, 2004, the board of trustees of TRF shall use an amount not to exceed one hundred ninety million dollars ($190,000,000) from the pension stabilization fund to pay the pre-1996 Indiana state teachers' retirement fund's pension liabilities for the state's fiscal year 2004. After June 30, 2004, and before July 1, 2005, the board of trustees of TRF shall use an amount not to exceed one hundred ninety million dollars ($190,000,000) from the pension stabilization fund to pay the pre-1996 Indiana state teachers' retirement fund's pension liabilities for the state's fiscal year 2005.** After state fiscal year ~~2006,~~ **2005,** payments from the fund will equal the pre-1996 Indiana state teachers' retirement fund pension liabilities for the current fiscal year minus the prior year's state general fund payments for the pre-1996 Indiana state teachers' retirement fund times the pension stabilization percentage. **(In state fiscal year 2006, the prior year's state general fund payments for the pre-1996 Indiana state teachers' retirement fund shall be treated as including the amount used under this section in the prior state fiscal year to pay pre-1996 Indiana state teachers' retirement fund's pension liabilities.)** The pension stabilization percentage shall be set at one hundred six percent (106%). The budget agency, after review by the state budget committee and with the approval of the governor, may change the pension stabilization percentage such that the present value of future payments from the fund equal the fund's balance plus the present value of future receipts to the fund, but the payments may not allow the fund balance to be negative.

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

SECTION 91. IC 31-37-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) This section applies if a child is a delinquent child under IC 31-37-1.

(b) Except as provided in **subsection (c) or** section 10 of this chapter, the juvenile court may:

(1) enter any dispositional decree specified in section 5 of this chapter; and

(2) take any of the following actions:

(A) Award wardship to:

(i) the department of correction for housing in a

correctional facility for children; or
(ii) a community based correctional facility for children.
Wardship under this subdivision does not include the right to consent to the child's adoption.
(B) If the child is less than seventeen (17) years of age, order confinement in a juvenile detention facility for not more than the lesser of:
(i) ninety (90) days; or
(ii) the maximum term of imprisonment that could have been imposed on the child if the child had been convicted as an adult offender for the act that the child committed under IC 31-37-1 (or IC 31-6-4-1(b)(1) before its repeal).
(C) If the child is at least seventeen (17) years of age, order confinement in a juvenile detention facility for not more than the lesser of:
(i) one hundred twenty (120) days; or
(ii) the maximum term of imprisonment that could have been imposed on the child if the child had been convicted as an adult offender for the act that the child committed under IC 31-37-1 (or IC 31-6-4-1(b)(1) before its repeal).
(D) Remove the child from the child's home and place the child in another home or shelter care facility. Placement under this subdivision includes authorization to control and discipline the child.
(E) Award wardship to a person or shelter care facility. Wardship under this subdivision does not include the right to consent to the child's adoption.
(F) Place the child in a secure private facility for children licensed under the laws of a state. Placement under this subdivision includes authorization to control and discipline the child.
(G) Order a person who is a respondent in a proceeding under IC 31-37-16 to refrain from direct or indirect contact with the child.

(c) A juvenile court may not award wardship of a child to the department of correction if awarding wardship to the department of correction would cause the county to exceed the county's maximum daily offender count under IC 11-10-2-3.5 for children of the child's sex.

SECTION 92. IC 31-37-19-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) With respect to a wardship awarded under section 6(b)(2)(A) of this chapter, a child may not be awarded to the department of correction, if the child:
(1) except as provided by subsection (b), is:
(A) less than twelve (12) years of age; or
(B) at least eighteen (18) years of age;
at the time of the dispositional decree; or
(2) was determined to be a delinquent child because the child violated IC 7.1-5-7.

(b) **Except as provided in subsection (d),** a wardship may be awarded to the department of correction if the child:
(1) is ten (10) or eleven (11) years of age; and
(2) is found to have committed an act that would have been murder if committed by an adult.

(c) The department of correction may not confine a delinquent child, except as provided in IC 11-10-2-10, at:
(1) an adult correctional facility; or
(2) a shelter care facility;
that houses persons charged with, imprisoned for, or incarcerated for crimes unless the child is restricted to an area of the facility where the child may have not more than haphazard or incidental sight or sound contact with persons charged with, imprisoned for, or incarcerated for crimes.

(d) A juvenile court may not award wardship of a child to the department of correction if awarding wardship to the department of correction would cause the county to exceed the county's maximum daily offender count under IC 11-10-2-3.5 for children of the child's sex.

SECTION 93. IC 31-37-19-9, AS AMENDED BY P.L.238-2001, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) This section applies if a child is a delinquent child under IC 31-37-1.

(b) **Except as provided in subsection (d),** after a juvenile court makes a determination under IC 5-2-12-4, the juvenile court may, in addition to an order under section 6 of this chapter, and if the child:
(1) is at least thirteen (13) years of age and less than sixteen (16) years of age; and
(2) committed an act that, if committed by an adult, would be:
(A) murder (IC 35-42-1-1);
(B) kidnapping (IC 35-42-3-2);
(C) rape (IC 35-42-4-1);
(D) criminal deviate conduct (IC 35-42-4-2); or
(E) robbery (IC 35-42-5-1) if the robbery was committed while armed with a deadly weapon or if the robbery resulted in bodily injury or serious bodily injury;
order wardship of the child to the department of correction for a fixed period that is not longer than the date the child becomes eighteen (18) years of age, subject to IC 11-10-2-10.

(c) Notwithstanding IC 11-10-2-5, the department of correction may not reduce the period ordered under this section (or IC 31-6-4-15.9(b)(8) before its repeal).

(d) A juvenile court may not award wardship of a child to the department of correction if awarding wardship to the department of correction would cause the county to exceed the county's maximum daily offender count under IC 11-10-2-3.5 for children of the child's sex.

SECTION 94. IC 31-37-22-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) If the juvenile court modifies its disposition order under section 5 or 6 of this chapter, the court may order the child placed under one (1) of the following alternatives:
(1) In a nonlocal secure private facility licensed under the laws of any state. Placement under this alternative includes authorization to control and discipline the child.
(2) In a local secure private facility licensed under Indiana law. Placement under this alternative includes authorization to control and discipline the child.
(3) In a local secure public facility.
(4) In a local alternative facility approved by the juvenile court.
(5) **Except as provided in subsection (d),** as a ward of the department of correction for housing in any correctional facility for children. Wardship under this alternative does not include the right to consent to the child's adoption. However, without a determination of unavailable housing by the department of correction, a child found to be subject to section 5 or 6 of this chapter and placed in a secure facility of the department of correction may not be housed with any child found to be delinquent under any other provision of this article.

(b) If the juvenile court places a child under subsection (a)(3) or (a)(4):
(1) the length of the placement may not exceed thirty (30) days; and
(2) the juvenile court shall order specific treatment of the child designated to eliminate the child's disobedience of the court's order of placement.

(c) The juvenile court shall retain jurisdiction over any placement under this section (or IC 31-6-7-16(d) before its repeal) and shall review each placement every three (3) months to determine whether placement in a secure facility remains appropriate.

(d) A juvenile court may not place a child as a ward of the department of correction if placing the child as a ward of the department of correction would cause the county to exceed the county's maximum daily offender count under IC 11-10-2-3.5 for children of the child's sex.

SECTION 95. IC 34-6-2-38, AS AMENDED BY P.L.178-2002, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 38. (a) "Employee" and "public employee", for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer

firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) **or offenders placed with a nonprofit or faith based community transition program (as defined in IC 11-8-1-8.6)** within the course of their employment by or contractual relationship with the department of correction **or a placement with a nonprofit or faith based community transition program and volunteers or employees of a nonprofit or faith based community transition program (as defined in IC 11-8-1-8.6) providing a placement for a person committed to the department of correction.** However, the term does not include:

(1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);

(2) an agent or employee of an independent contractor **(other than volunteers or employees of a nonprofit or faith based community transition program (as defined in IC 11-8-1-8.6));**

(3) a person appointed by the governor to an honorary advisory or honorary military position; or

(4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).

(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:

(1) a contractor under IC 6-1.1-4-32;

(2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;

(3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or

(4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties.

SECTION 96. IC 34-13-3-3, AS AMENDED BY P.L.1-2002, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. A governmental entity, **for purposes of subdivision (17), an individual or entity operating nonprofit or faith based community transition program (as defined in IC 11-8-1-8.6),** or an employee acting within the scope of the employee's employment is not liable if a loss results from the following:

(1) The natural condition of unimproved property.

(2) The condition of a reservoir, dam, canal, conduit, drain, or similar structure when used by a person for a purpose that is not foreseeable.

(3) The temporary condition of a public thoroughfare or extreme sport area that results from weather.

(4) The condition of an unpaved road, trail, or footpath, the purpose of which is to provide access to a recreation or scenic area.

(5) The design, construction, control, operation, or normal condition of an extreme sport area, if all entrances to the extreme sport area are marked with:

(A) a set of rules governing the use of the extreme sport area;

(B) a warning concerning the hazards and dangers associated with the use of the extreme sport area; and

(C) a statement that the extreme sport area may be used only by persons operating extreme sport equipment.

This subdivision shall not be construed to relieve a governmental entity from liability for the continuing duty to maintain extreme sports areas in a reasonably safe condition.

(6) The initiation of a judicial or an administrative proceeding.

(7) The performance of a discretionary function; however, the provision of medical or optical care as provided in IC 34-6-2-38 shall be considered as a ministerial act.

(8) The adoption and enforcement of or failure to adopt or enforce a law (including rules and regulations), unless the act of enforcement constitutes false arrest or false imprisonment.

(9) An act or omission performed in good faith and without malice under the apparent authority of a statute which is invalid if the employee would not have been liable had the statute been valid.

(10) The act or omission of anyone other than the governmental entity or the governmental entity's employee.

(11) The issuance, denial, suspension, or revocation of, or failure or refusal to issue, deny, suspend, or revoke, any permit, license, certificate, approval, order, or similar authorization, where the authority is discretionary under the law.

(12) Failure to make an inspection, or making an inadequate or negligent inspection, of any property, other than the property of a governmental entity, to determine whether the property complied with or violates any law or contains a hazard to health or safety.

(13) Entry upon any property where the entry is expressly or impliedly authorized by law.

(14) Misrepresentation if unintentional.

(15) Theft by another person of money in the employee's official custody, unless the loss was sustained because of the employee's own negligent or wrongful act or omission.

(16) Injury to the property of a person under the jurisdiction and control of the department of correction if the person has not exhausted the administrative remedies and procedures provided by section 7 of this chapter.

(17) Injury to the person or property of a person under supervision of a governmental entity and who is:

(A) on probation; or

(B) assigned to an alcohol and drug services program under IC 12-23, a minimum security release program under IC 11-10-8, **a community transition program under IC 11-10-11.5, a nonprofit or faith based community transition program under IC 11-10-11.7,** or a community corrections program under IC 11-12.

For purposes of this subdivision, assignment of a person committed to the department of correction to a program described in this subdivision shall be treated as a person under the supervision of a governmental entity.

(18) Design of a highway (as defined in IC 9-13-2-73) if the claimed loss occurs at least twenty (20) years after the public highway was designed or substantially redesigned; except that this subdivision shall not be construed to relieve a responsible governmental entity from the continuing duty to provide and maintain public highways in a reasonably safe condition.

(19) Development, adoption, implementation, operation, maintenance, or use of an enhanced emergency communication system.

(20) Injury to a student or a student's property by an employee of a school corporation if the employee is acting reasonably under a discipline policy adopted under IC 20-8.1-5.1-7(b).

(21) An error resulting from or caused by a failure to recognize the year 1999, 2000, or a subsequent year, including an incorrect date or incorrect mechanical or electronic interpretation of a date, that is produced, calculated, or generated by:

(A) a computer;

(B) an information system; or

(C) equipment using microchips;

that is owned or operated by a governmental entity. However, this subdivision does not apply to acts or omissions amounting to gross negligence, willful or wanton misconduct, or intentional misconduct. For purposes of this subdivision, evidence of gross negligence may be established by a party by showing failure of a governmental entity to undertake an effort to review, analyze, remediate, and test its electronic information systems or by showing failure of a governmental entity to abate, upon notice, an electronic information system error that caused damage or loss. However, this subdivision expires June 30, 2003.

(22) An act or omission performed in good faith under the apparent authority of a court order described in IC 35-46-1-15.1 that is invalid, including an arrest or imprisonment related to the enforcement of the court order, if the governmental entity or employee would not have been liable had the court order been valid.

SECTION 97. IC 35-38-1-24, AS AMENDED BY P.L.90-2000, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 24. (a) This section applies to a person if:

(1) the most serious offense for which the person is committed is a Class C or Class D felony; **and**

(2) the person is not a nonviolent offender (as defined in IC 11-8-1-8.7).

(b) Not later than forty-five (45) days after receiving a notice under IC 11-10-11.5-2, the sentencing court may order the department of correction to retain control over a person until the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term, if the court makes specific findings that support a determination:

(1) that placement of the person in a community transition program:

(A) places the person in danger of serious bodily injury or death; or

(B) represents a substantial threat to the safety of others; or

(2) of other good cause.

If the court issues an order under this section, the department of correction may not assign a person to a community transition program.

(c) The court may make a determination under this section without a hearing. The court shall consider any written statement presented to the court by a victim of the offender's crime or by an offender under IC 11-10-11.5-4.5. The court in its discretion may consider statements submitted by a victim after the time allowed for the submission of statements under IC 11-10-11.5-4.5.

(d) The court shall make written findings for a determination under this section, whether or not a hearing was held.

(e) Not later than five (5) days after making a determination under this section, the court shall send a copy of the order to the:

(1) prosecuting attorney where the person's case originated; and

(2) department of correction.

SECTION 98. IC 35-38-1-24.5, IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 24.5. (a) This section applies to a person if the person is:**

(1) committed to the department for any felony; and

(2) a nonviolent offender (as defined in IC 11-8-1-8.7).

(b) Not later than forty-five (45) days after receiving a notice under IC 11-10-11.5-2 or IC 11-10-11.7-5, the sentencing court may order the department of correction to retain control over a person until the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term, if the court makes specific findings that support a determination that placement of the person in a nonprofit or faith based community transition program under IC 11-10-11.7 or a community transition program under IC 11-10-11.5:

(1) places the person in serious danger of serious bodily injury or death; or

(2) represents a substantial threat to the safety of others because one (1) or more of the crimes for which the person is committed occurred under circumstances that suggest a high probability that the person will harm another person upon the person's placement in a minimum security assignment.

If the court issues an order under this section, the department of correction may not assign a person to a nonprofit or faith based community transition program under IC 11-10-11.7 or a community transition program under IC 11-10-11.5. However, an adverse order under this section prohibiting placement of a person in a nonprofit or faith based community transition program under IC 11-10-11.7 before the person is eligible for placement in a community transition program under IC 11-10-11.5, does not prohibit placement under IC 11-10-11.5 when the person becomes eligible for that program.

(c) The court may make a determination under this section without a hearing. The court shall consider any written statement presented to the court by a victim of the offender's crime or by an offender under IC 11-10-11.5-4.5 or IC 11-10-11.7-6. The court in its discretion may consider statements submitted by a victim after the time allowed for the submission of statements under IC 11-10-11.5-4.5 or IC 11-10-11.7-6.

(d) The court shall make written findings for a determination under this section, whether or not a hearing was held.

(e) Not later than five (5) days after making a determination under this section, the court shall send a copy of the order to the:

(1) prosecuting attorney where the person's case originated; and

(2) department of correction.

SECTION 99. IC 35-38-1-25, AS AMENDED BY P.L.90-2000, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 25. (a) This section applies to a person if:

(1) the most serious offense for which the person is committed is a Class A or Class B felony; **and**

(2) the person is not a nonviolent offender (as defined in IC 11-8-1-8.7).

(b) A sentencing court may sentence a person or modify the sentence of a person to assign the person to a community transition program for any period that begins after the person's community transition program commencement date (as defined in IC 11-8-1-5.6) and ends when the person completes the person's fixed term of imprisonment, less the credit time the person has earned with respect to the term, if the court makes specific findings of fact that support a determination that it is in the best interests of justice to make the assignment. The order may include any other condition that the court could impose if the court had placed the person on probation under IC 35-38-2 or in a community corrections program under IC 35-38-2.6.

(c) The court may make a determination under this section without a hearing. The court shall consider any written statement presented to the court by a victim of the offender's crime or by an offender under IC 11-10-11.5-4.5. The court in its discretion may consider statements submitted by a victim after the time allowed for the submission of statements under IC 11-10-11.5-4.5.

(d) The court shall make written findings for a determination under this section, whether or not a hearing was held.

(e) Not later than five (5) days after making a determination under this section, the court shall send a copy of the order to the:

(1) prosecuting attorney where the person's case originated; and

(2) department of correction.

SECTION 100. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 21-2-4-7; IC 21-2-11.5-5; IC 21-2-15-13.1.

SECTION 101. P.L.291-2001, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: SECTION 101. (a) Notwithstanding IC 21-3-1.6-1.2, as added by this act, and IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 for a school corporation shall be reduced as follows:

(1) For 2001, the previous year's revenue determined without regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

(A) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2, as added by this act; minus

(B) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC 21-3-1.6-1.2, as added by this act.

STEP TWO: Determine the result of:

(A) the school corporation's previous year's revenue under IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2, as

added by this act; divided by

(B) the school corporation's average daily membership for 2000, without regard to IC 21-3-1.6-1.2, as added by this act.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by one-third (1/3).

(2) For 2002, the previous year revenue determined without regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced by an amount equal to the result under the following:

(A) Determine the result of:

(i) the amount determined under STEP THREE of subdivision (1); minus

(ii) the amount determined under STEP FOUR of subdivision (1).

(B) Divide the clause (A) result by three (3).

(C) Multiply the clause (B) result by one and three-hundredths (1.03).

(3) For 2003, the previous year revenue determined without regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced by an amount equal to the reduction amount under subdivision (2) multiplied by one and two-hundredths (1.02).

(4) ~~For 2004, the previous year revenue determined without regard to IC 21-3-1.6-1.2, as added by P.L.93-2000, shall be reduced by an amount equal to the reduction under subdivision (2) multiplied by one and two-hundredths (1.02).~~ **For 2005, the product of:**

(A) the reduction amount under subdivision (3) divided by three (3); multiplied by

(B) one and three hundred seventy-five ten-thousandths (1.0375).

(5) For 2006, the product of:

(A) the reduction amount under subdivision (4); multiplied by

(B) one and one hundred seventy-five ten-thousandths (1.0175).

(6) For 2007, the product of:

(A) the reduction amount under subdivision (5); multiplied by

(B) one and one hundred seventy-five ten-thousandths (1.0175).

(b) This SECTION expires January 1, ~~2005.~~ **2008.**

SECTION 102. P.L.292-2002(ss), SECTION 209 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002 (RETROACTIVE)]: SECTION 209. (a) Notwithstanding P.L.291-2001, SECTION 38, the appropriation from the build Indiana fund FOR THE BUDGET AGENCY, twenty-first century research and technology fund for the biennium is zero dollars ($0) and not fifty million dollars ($50,000,000).

(b) There is appropriated to the twenty-first century technology research and technology fund from the state general fund fifteen million dollars ($15,000,000) for the period beginning July 1, 2002, and ending June 30, 2003. The appropriation made by this section does not revert to the state general fund at the end of any state fiscal year.

~~(c) There is appropriated to the twenty-first century technology research and technology fund from the state general fund fifteen million dollars ($15,000,000) for the period beginning July 1, 2003, and ending June 30, 2004. The appropriation made by this section does not revert to the state general fund at the end of any state fiscal year.~~

SECTION 103. [EFFECTIVE JULY 1, 2003] **(a) This SECTION applies only to Madison Consolidated Schools.**

(b) As used in this SECTION, "department" means the department of education.

(c) The tuition support determined under IC 21-3-1.7-8 for the school corporation for the period beginning January 1, 2004, and ending December 31, 2004, shall be increased by the amount determined under the last of the following STEPS:

STEP ONE: For the period beginning January 1, 2000, and ending December 31, 2000, determine the school corporation's revenue under IC 21-3-1.7-3.1 without regard to IC 21-3-1.6-1.2.

STEP TWO: For the period beginning January 1, 2000, and ending December 31, 2000, determine the school corporation's revenue under IC 21-3-1.7-3.1, applying IC 21-3-1.6-1.2,.

STEP THREE: Determine the difference between:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the reduction amount for the school corporation under P.L. 291-2001(a)(1) STEP THREE.

STEP FIVE: Determine the difference between:

(A) the STEP FOUR amount; minus

(B) the STEP THREE amount.

(d) This SECTION expires January 1, 2005.

SECTION 104. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 4-30-2 apply throughout this SECTION.**

(b) The commission may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement the provisions of IC 4-30 concerning the offering of keno on the premises of retailers. A temporary rule adopted under this SECTION expires on the earliest of the following:

(1) The date another temporary rule is adopted under this SECTION to supersede a previously adopted temporary rule under this SECTION.

(2) The date a permanent rule is adopted under IC 4-22-2 to supersede a temporary rule adopted under this SECTION.

(3) July 1, 2004.

SECTION 105. [EFFECTIVE JULY 1, 2003] **Notwithstanding IC 4-30-11-9, the balance in unclaimed prize money of the Indiana state lottery under IC 4-30-11-7 on June 30, 2003, is transferred to the state general fund.**

SECTION 106. [EFFECTIVE JULY 1, 2002 (RETROACTIVE)] **(a) This SECTION applies to the calculation and collection of wagering taxes on the adjusted gross receipts of a riverboat received:**

(1) on or after the date that the riverboat implemented flexible scheduling under IC 4-33-6-21; and

(2) before July 1, 2003.

(b) The definitions in IC 4-33-2 apply throughout this SECTION.

(c) The general assembly does not acquiesce in any interpretation of IC 4-33-13-1.5 and P.L.292-2002(ss), SECTION 205 that excludes adjusted gross receipts of a riverboat received after June 30, 2002, and before the date that the riverboat implemented flexible scheduling under IC 4-33-6-21 from the determination of which wagering tax rate to apply to adjusted gross receipts of the riverboat received on or after the riverboat implemented flexible scheduling under IC 4-33-6-21.

(d) Wagering taxes imposed under IC 4-33-13-1.5 on adjusted gross receipts received on or after the date that the riverboat implemented flexible scheduling under IC 4-33-6-21 must be calculated and deposited using a graduated wagering tax rate selected (as stated in IC 4-33-13-1.5) through a calculation that includes "adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year".

(e) All penalties and interest otherwise due from a riverboat that underpaid the amount of wagering tax due after June 30, 2002, and before January 10, 2003, as a result of a failure to include adjusted gross receipts received by the riverboat after June 30, 2002, and before the date that the riverboat implemented flexible scheduling under IC 4-33-6-21 in the determination of which wagering tax rate to apply to adjusted gross receipts received after the riverboat implemented flexible scheduling under IC 4-33-6-21 are waived if the riverboat pays the unpaid balance due before May 1, 2003.

SECTION 107. [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)] **(a) As used in this SECTION, "Internal**

Revenue Code" has the meaning set forth in IC 6-3-1-11, as amended by this act.

(b) IC 6-3-1-11, as amended by this act, does not authorize a taxpayer, in the determination under:

(1) IC 6-3-1-3.5; or

(2) IC 6-5.5-1-2;

of adjusted gross income for a taxable year that began before January 1, 2003, to deduct any part of a depreciation allowance allowed in computing the taxpayer's federal adjusted gross income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code for that taxable year.

(c) For a taxable year beginning in 2002 or 2003, an individual whose determination under IC 6-3-1-3.5 of adjusted gross income for the taxable year includes the deduction under Section 62(a)(2(D) of the Internal Revenue Code is treated as having complied with IC 6-3.

SECTION 108. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-20.9 and IC 6-1.1-21 apply throughout this SECTION.**

(b) For each calendar year beginning after December 31, 1983, and ending before January 1, 2003, the amount of homestead credits:

(1) certified by the auditor of each county to the state board of tax commissioners (before the board was abolished) or the department of local government finance;

(2) certified by the state board of tax commissioners (before the board was abolished) or the department of local government finance to the department of state revenue; and

(3) allocated and distributed from the property tax replacement fund by the department of state revenue to the treasurer of each county;

for the year is treated as the amount of homestead credits allowable for the year notwithstanding the requirements of IC 6-1.1-20.9 and IC 6-1-21-5. The state waives any requirement to repay to the state any excess homestead credit replacement distribution that would be required in the absence of this SECTION

(c) For each calendar year beginning after December 31, 1983, and ending before January 1, 2003, the amount of the homestead credit granted to each taxpayer in a year that is the basis for the certified amounts described in subsection (b) is treated as the amount of homestead credit allowable for the year notwithstanding the requirements of IC 6-1.1-20.9 and IC 6-1-21-5. A political subdivision may not collect from any taxpayer any amount of delinquent tax liability (including any penalties and interest) that the taxpayer would otherwise be obligated to pay without the relief provided by this SECTION.

SECTION 109. [EFFECTIVE JULY 1, 2003] **(a) The definitions in IC 6-1.1-1 and IC 6-1.1-18.5 apply throughout this SECTION.**

(b) As used in this SECTION, "delinquent juvenile commitment obligation" means the costs of committing a juvenile offender to the department of correction that:

(1) must be paid by the county to the state under IC 11-10-2-3;

(2) were incurred for calendar years before 2004; and

(3) have not been paid at least thirty (30) days before the date the department of local government finance is required to certify ad valorem property tax rates to the county under IC 6-1.1-17-16 or another statute for property taxes first due and payable in 2004.

(c) A county shall increase its ad valorem property tax levy in excess of the limitations established under IC 6-1.1-18.5-3 for property taxes first due and payable in 2004 and 2005 to reimburse the state for its delinquent juvenile commitment obligation.

(d) The sum of the excess levy imposed under this SECTION in 2004 and the levy imposed under this SECTION in 2005 may not exceed the amount of the county's delinquent juvenile commitment obligations.

(e) The full amount of the county's delinquent juvenile commitment obligations must be paid to the state before December 31, 2005. The amount collected under this SECTION must be paid to the state to reduce the county's delinquent juvenile commitment obligation as it is collected.

(f) For purposes of computing the ad valorem property tax levy limit imposed on the county under IC 6-1.1-18.5-3, the county's ad valorem property tax levy for a particular year does not include the part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only calendar year 2004 and calendar year 2005.

(g) Notwithstanding IC 6-1.1-21, the amount of the levy imposed under this SECTION is not eligible for homestead credits or property tax replacement credits or a distribution of money from the property tax replacement fund for homestead credits or property tax replacement credits.

(h) A county shall provide the department of local government finance with sufficient information, in the form and in the manner required by the department, for the department to review and certify the amount of the tax levies and the tax rate imposed to comply with this SECTION.

(i) This SECTION expires December 31, 2005.

SECTION 110. [EFFECTIVE JULY 1, 2003] **(a) The definitions in IC 11-8 apply throughout this SECTION.**

(b) Notwithstanding IC 11, as amended by this act, the amendments made by this act to IC 11-8-1-5.5 and IC 11-10-11.5-1 do not authorize the placement of an offender in a community transition program until after the notices required under IC 11-10-11.5-2 have been made and at least forty-five (45) days have elapsed after the making of the notice.

SECTION 111. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] **IC 6-3-1-3.5, IC 6-3-1-11, and IC 6-5.5-1-2, all as amended by this act, apply only to taxable years beginning after December 31, 2002.**

SECTION 112. [EFFECTIVE UPON PASSAGE] **(a)The office of Medicaid policy and planning shall adopt emergency rules under IC 4-22-2-37.1(22) to achieve the reductions needed to avoid expenditures exceeding the Medicaid appropriation made by this act in the line item appropriation to the FAMILY AND SOCIAL SERVICES ADMINISTRATION, MEDICAID - CURRENT OBLIGATIONS. To the extent that reductions are made to optional Medicaid services as set forth in 42 U.S.C. 1396 et seq., the reductions shall be accomplished, to the extent possible, on a pro-rata basis with each optional service being reduced by a proportionate amount.**

SECTION 113. [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) As used in this SECTION, "optional Medicaid services" means those services that are set forth in 42 U.S.C. 1396 et seq. as optional and that are included in the state Medicaid plan.

(c) Before August 1, 2003, the office shall apply to the United States Department of Health and Human Services for approval to amend the state Medicaid plan to achieve the reductions in optional Medicaid services that are needed to comply with this act.

(d) The office may not implement the amendment to the state Medicaid plan until the office files an affidavit with the governor attesting that the amendment applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than three (3) days after the office is notified that the amendment is approved.

(e) If the office receives approval under this SECTION from the United States Department of Health and Human Services to amend the state Medicaid plan and the governor receives the affidavit filed under subsection (d), the office shall implement the amendment not more than five (5) days after the governor receives the affidavit.

(f) This SECTION expires December 31, 2007.

SECTION 114. [EFFECTIVE JULY 1, 2003] **(a) The budget agency shall develop a plan and seek federal approval to qualify**

services that are provided to assist exceptional learners in accessing or coordinating services, or both, under the Medicaid state plan.

(b) The budget agency and the office of the secretary of family and social services shall establish a method to collect the state share of the costs of services that are:

(1) reimbursable under the Medicaid program; and

(2) provided to Medicaid eligible children receiving services in private psychiatric residential treatment facilities;

from the county of residence of the child receiving services.

SECTION 115. [EFFECTIVE JULY 1, 2003] **The trustees of Indiana University and Purdue University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following projects if for each institution 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- Bloomington Campus	
Multidisciplinary Science Building Phase II	**31,872,000**
INDIANA UNIVERSITY PURDUE UNIVERSITY INDIANAPOLIS	
Research Institute Building III	**33,333,333**
INDIANA UNIVERSITY PURDUE UNIVERSITY INDIANAPOLIS	
Information Sciences Building	**15,000,000**
PURDUE UNIVERSITY- West Lafayette Campus	
Millennium Engineering Building	**36,000,000**
PURDUE UNIVERSITY- West Lafayette Campus	
Biomedical Engineering Building	**13,000,000**
INDIANA UNIVERSITY-PURDUE UNIVERSITY INDIANAPOLIS	
Campus Center	**40,000,000**

The borrowing authority granted by this SECTION for the Indiana University-Purdue University Indianapolis Campus Center project is not authorized for fee replacement, but supplements, and is in addition to, the $10,000,000 of fee-replaced bonding authority granted in P.L.291-2001, SECTION 46.

SECTION 116. [EFFECTIVE JULY 1, 2003] **The trustees of the University of Southern Indiana may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, 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 the University of Southern Indiana:**

UNIVERSITY OF SOUTHERN INDIANA	
Renovation of the University Center	**9,750,000**

The project is not eligible for fee replacement.

SECTION 117. [EFFECTIVE JULY 1, 2003] **The trustees of the University of Southern Indiana may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, 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 the University of Southern Indiana:**

UNIVERSITY OF SOUTHERN INDIANA	
Library	**29,084,830**

SECTION 118. [EFFECTIVE JULY 1, 2003] **The trustees of Indiana University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, 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 the Indiana University South Bend Campus:**

INDIANA UNIVERSITY-South Bend Campus	
Land Acquisition	**2,000,000**

SECTION 119. [EFFECTIVE JULY 1, 2003] **The trustees of Vincennes University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, 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 the Vincennes University Jasper Campus:**

VINCENNES UNIVERSITY-Jasper Campus	
Jasper Center New Academic Building	**4,320,000**

SECTION 120. [EFFECTIVE JULY 1, 2003] **The trustees of Ivy Tech State College may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, 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 the following:**

Richmond Building Addition, Phase II	**8,780,000**
Indianapolis/Lawrence Roosevelt Building Acquisition	**10,000,000**
Valparaiso New Campus, Phase I	**15,843,000**
Madison A&E	**826,000**

SECTION 121. [EFFECTIVE JULY 1, 2003] **The trustees of Purdue University may issue and sell bonds under IC 20-12-8, subject to the approvals required by IC 20-12-5.5, for the purpose of constructing, furnishing, and equipping the Parking Garage No. 1 project at the Calumet Campus, so long as 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 eleven million five hundred thousand dollars ($11,500,000). The project is not eligible for fee replacement.**

SECTION 122. [EFFECTIVE JULY 1, 2003] **(a) The general assembly finds that the state needs the construction, equipping, renovation, refurbishing, or alteration of not more than one (1) regional health center.**

(b) The general assembly finds that the state will have a continuing need for use and occupancy of the health center described in subsection (a). The general assembly authorizes the state office building commission to provide the health center described in subsection (a) under IC 4-13.5-1 and IC 4-13.5-4.

SECTION 123. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding IC 32-34-1-34, the treasurer of state shall transfer on:**

(1) June 30, 2003;

(2) June 30, 2004; and

(3) June 30, 2005;

any balance (excluding amounts needed to fund appropriations to the attorney general for personal services and other operating expenses for the unclaimed property program) in the abandoned property fund that exceeds five hundred thousand dollars ($500,000) to the state general fund.

(b) Before July 1, 2005, the treasurer of state may not transfer any amount in the abandoned property fund to the common school fund.

SECTION 124. [EFFECTIVE JULY 1, 2003] **The budget agency shall make the following transfers from the specified funds to the state general fund in the specified state fiscal years:**

(1) Fifty million dollars ($50,000,000) from the public depository insurance fund in the state fiscal year beginning July 1, 2003, and ending June 30, 2004.

(2) Two million dollars ($2,000,000) from the industrial industries fund in the state fiscal year beginning July 1, 2003, and ending June 30, 2004.

(3) Two million four hundred thousand dollars ($2,400,000) from the industrial industries fund in the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

(4) Two million five hundred thousand dollars ($2,500,000)

from the administrative services fund in the state fiscal year beginning July 1, 2004, and ending June 30, 2005.

SECTION 125. [EFFECTIVE UPON PASSAGE] **The provisions of this act are severable in the manner provided by IC 1-1-1-8(b).**

SECTION 126. **An emergency is declared for this act.**

(Reference is to HB 1001 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 17, nays 11.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 2005, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 14, nays 10.

CRAWFORD, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bills 1002, 1005, 1120, 1123, 1166, 1171, 1201, 1241, 1326, 1329, 1337, 1445, 1463, 1556, 1558, 1720, 1736, 1754, 1789, 1791, 1796, 1902, and 1982 had been referred to the Committee on Ways and Means.

The Speaker announced that the referral of House Bills 1434, 1683, and 1864 to the Committee on Ways and Means pursuant to House Rule 127 had been withdrawn.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 172, 188, 323, 438, and 464 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

HOUSE MOTION

Mr. Speaker: I move that Engrossed House Bill 1327 be returned to the second reading calendar for the purpose of amendment.

GOODIN

Motion prevailed.

PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the third reading of Engrossed House Bill 1057, Roll Call 38, on February 3, 2003. In support of this petition, I submit the following reason:

"I was present, but unable to vote before the machine had closed. I intended to vote yea."

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 38 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 the third reading of Engrossed House Bill 1122, Roll Call 103, on February 17, 2003. 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 nay button when I intended to vote yea."

ULMER

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 103 to 65 yeas, 31 nays.*]

HOUSE MOTION

Mr. Speaker: I move that Representative Cochran be removed as author of House Bill 1010, Representative Pelath be substituted as author.

COCHRAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Stevenson, Ayres, and Aguilera be added as coauthors of House Bill 1010.

PELATH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Alderman and T. Adams be added as coauthors of House Bill 1078.

CHENEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Budak be removed as coauthor of House Bill 1141 and that Representative Bischoff be substituted as coauthor.

C. BROWN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Kruse and T. Adams be added as coauthors of House Bill 1244.

AYRES

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Bardon and Torr be added as coauthors of House Bill 1271.

MAYS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Buell be added as coauthor of House Bill 1278.

CROOKS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Koch be added as coauthor of House Bill 1285.

AUSTIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives LaPlante and Grubb be added as coauthors of House Bill 1327.

GOODIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative L. Lawson be added as coauthor of House Bill 1467.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Klinker be added as coauthor of House Bill 1474.

KERSEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives T. Adams, Budak, and Burton be added as coauthors of House Bill 1561.

HERRELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Frizzell, Welch, and Becker be added as coauthors of House Bill 1644.

HASLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Burton be added as coauthor of House Bill 1653.

BARDON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Burton be added as coauthor of House Bill 1654.

BARDON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Burton be added as coauthor of House Bill 1680.

BARDON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Pflum, Summers, and Budak be added as coauthors of House Bill 1689.

WEINZAPFEL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Scholer be added as coauthor of House Bill 1786.

MOSES

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Burton be added as coauthor of House Bill 1834.

BARDON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Heim and Ayres be added as coauthors of House Bill 1858.

HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Cochran be added as coauthor of House Bill 1873.

WEINZAPFEL

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Kruse, the House adjourned at 5:30 p.m., this seventeenth day of February, 2003, until Tuesday, February 18, 2003, at 1:30 p.m.

B. PATRICK BAUER
Speaker of the House of Representatives

DIANE MASARIU CARTER
Principal Clerk of the House of Representatives