
HOUSE BILL No. 1003

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 6-6-5-10; IC 12-13-5-5; IC 12-17-3-2; IC 12-19; IC 31-31-5-4; IC 31-34; IC 31-37-24; IC 31-40-1; IC 36-2-6-3.

Synopsis: State and local finance. Eliminates the authority of a county to impose a property tax levy for the county family and children's fund, beginning in 2003. Transfers responsibility for funding children's services from the county family and children's funds to the state. Eliminates the authority of a county to borrow for welfare purposes. Makes certain conforming amendments and other changes related to child services. Specifies that a county shall pay from the county general fund the cost of any per diem payable for a child adjudicated a delinquent child, or for a child for whom a program of informal adjustment has been implemented, if the child is placed in a secure facility that is not a secure private facility. Changes the property tax levy limit provisions to: (1) provide for a maximum increase of 8% (rather than 10%) in property tax levies; and (2) provide for a minimum increase of 4% (rather than 5%) in property tax levies. Provides counties with the option of using county adjusted gross income tax and county option income tax revenue for three types of property tax relief: (1) property tax replacement credits; (2) homestead credits; and (3) property tax reductions for low income homeowners. Allows the combined county option income tax rate and the county economic development income tax rate to be as much as 1.25%, in order to provide the property tax relief. (This maximum already applies to the combination of the county adjusted gross income tax and the county economic development income tax rate.) Allows local units to use riverboat revenue for property tax relief.

Effective: Upon passage; July 1, 2001; January 1, 2002; July 1, 2002; January 1, 2003.

Bauer

January 17, 2001, read first time and referred to Committee on Ways and Means.



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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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HOUSE BILL No. 1003



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

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

1 SECTION 1. IC 4-33-12-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The
3 department shall place in the state general fund the tax revenue
4 collected under this chapter.

5 (b) Except as provided by subsection (c), the treasurer of state shall
6 quarterly pay the following amounts:

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

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

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

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

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

17 (2) One dollar (\$1) of the admissions tax collected by the licensed



1 owner for each person embarking on a riverboat during the
 2 quarter shall be paid to the county in which the riverboat is
 3 docked. In the case of a county described in subdivision (1)(B),
 4 this one dollar (\$1) is in addition to the one dollar (\$1) received
 5 under subdivision (1)(B).

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

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

16 (5) Ten cents (\$0.10) of the admissions tax collected by the
 17 licensed owner for each person embarking on a riverboat during
 18 the quarter shall be paid to the division of mental health. The
 19 division shall allocate at least twenty-five percent (25%) of the
 20 funds derived from the admissions tax to the prevention and
 21 treatment of compulsive gambling.

22 (6) Sixty-five cents (\$0.65) of the admissions tax collected by the
 23 licensed owner for each person embarking on a riverboat during
 24 the quarter shall be paid to the Indiana horse racing commission
 25 to be distributed as follows, in amounts determined by the Indiana
 26 horse racing commission, for the promotion and operation of
 27 horse racing in Indiana:

28 (A) To one (1) or more breed development funds established
 29 by the Indiana horse racing commission under IC 4-31-11-10.

30 (B) To a racetrack that was approved by the Indiana horse
 31 racing commission under IC 4-31. The commission may make
 32 a grant under this clause only for purses, promotions, and
 33 routine operations of the racetrack. No grants shall be made
 34 for long term capital investment or construction and no grants
 35 shall be made before the racetrack becomes operational and is
 36 offering a racing schedule.

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

40 (1) The counties described in IC 4-33-1-1(3) shall receive one
 41 dollar (\$1) of the admissions tax collected for each person
 42 embarking on the riverboat during the quarter. This amount shall

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- 1 be divided equally among the counties described in
 2 IC 4-33-1-1(3).
- 3 (2) The Patoka Lake development account established under
 4 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax
 5 collected for each person embarking on the riverboat during the
 6 quarter.
- 7 (3) The resource conservation and development program that:
 8 (A) is established under 16 U.S.C. 3451 et seq.; and
 9 (B) serves the Patoka Lake area;
 10 shall receive forty cents (\$0.40) of the admissions tax collected
 11 for each person embarking on the riverboat during the quarter.
- 12 (4) The state general fund shall receive fifty cents (\$0.50) of the
 13 admissions tax collected for each person embarking on the
 14 riverboat during the quarter.
- 15 (5) The division of mental health shall receive ten cents (\$0.10)
 16 of the admissions tax collected for each person embarking on the
 17 riverboat during the quarter. The division shall allocate at least
 18 twenty-five percent (25%) of the funds derived from the
 19 admissions tax to the prevention and treatment of compulsive
 20 gambling.
- 21 (d) Money paid to a unit of local government under subsection
 22 (b)(1) through (b)(2) or subsection (c)(1):
 23 (1) must be paid to the fiscal officer of the unit and may be
 24 deposited in the unit's general fund or riverboat fund established
 25 under IC 36-1-8-9, or both;
 26 (2) may not be used to reduce the unit's **calculated** maximum ~~or~~
 27 ~~actual~~ levy under IC 6-1.1-18.5, **but may be used at the**
 28 **discretion of the unit to reduce the property tax levy of the**
 29 **unit for a particular year without the money being considered**
 30 **additional revenue in subsequent years; and**
 31 (3) may be used for any legal or corporate purpose of the unit,
 32 including the pledge of money to bonds, leases, or other
 33 obligations under IC 5-1-14-4.
- 34 (e) Money paid by the treasurer of state under subsection (b)(3)
 35 shall be:
 36 (1) deposited in:
 37 (A) the county convention and visitor promotion fund; or
 38 (B) the county's general fund if the county does not have a
 39 convention and visitor promotion fund; and
 40 (2) used only for the tourism promotion, advertising, and
 41 economic development activities of the county and community.
- 42 (f) Money received by the division of mental health under

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1 subsections (b)(5) and (c)(5):

2 (1) is annually appropriated to the division of mental health;

3 (2) shall be distributed to the division of mental health at times
4 during each state fiscal year determined by the budget agency;
5 and

6 (3) shall be used by the division of mental health for programs
7 and facilities for the prevention and treatment of addictions to
8 drugs, alcohol, and compulsive gambling, including the creation
9 and maintenance of a toll free telephone line to provide the public
10 with information about these addictions. The division shall
11 allocate at least twenty-five percent (25%) of the money received
12 to the prevention and treatment of compulsive gambling.

13 SECTION 2. IC 4-33-13-6 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Money paid
15 to a unit of local government under this chapter:

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

19 (2) may not be used to reduce the unit's **calculated** maximum ~~or~~
20 ~~actual~~ levy under IC 6-1.1-18.5, **but may be used at the**
21 **discretion of the unit to reduce the property tax levy of the**
22 **unit for a particular year without the money being considered**
23 **additional revenue in subsequent years;** and

24 (3) may be used for any legal or corporate purpose of the unit,
25 including the pledge of money to bonds, leases, or other
26 obligations under IC 5-1-14-4.

27 (b) This chapter does not prohibit the city or county designated as
28 the home dock of the riverboat from entering into agreements with
29 other units of local government in Indiana or in other states to share the
30 city's or county's part of the tax revenue received under this chapter.

31 SECTION 3. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999,
32 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2003]: Sec. 3. (a) Except as provided in subsection (b),
34 the sum of all tax rates for all political subdivisions imposed on
35 tangible property within a political subdivision may not exceed:

36 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
37 one hundred dollars (\$100) of assessed valuation in territory
38 outside the corporate limits of a city or town; or

39 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
40 one hundred dollars (\$100) of assessed valuation in territory
41 inside the corporate limits of a city or town.

42 (b) The proper officers of a political subdivision shall fix tax rates

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1 which are sufficient to provide funds for the purposes itemized in this
 2 subsection. The portion of a tax rate fixed by a political subdivision
 3 shall not be considered in computing the tax rate limits prescribed in
 4 subsection (a) if that portion is to be used for one (1) of the following
 5 purposes:

6 (1) To pay the principal or interest on a funding, refunding, or
 7 judgment funding obligation of the political subdivision.

8 (2) To pay the principal or interest on an outstanding obligation
 9 issued by the political subdivision if notice of the sale of the
 10 obligation was published before March 9, 1937.

11 (3) To pay the principal or interest upon:

12 (A) an obligation issued by the political subdivision to meet an
 13 emergency which results from a flood, fire, pestilence, war, or
 14 any other major disaster; or

15 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
 16 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or
 17 county to acquire necessary equipment or facilities for
 18 municipal or county government.

19 (4) To pay the principal or interest upon an obligation issued in
 20 the manner provided in IC 6-1.1-20-3 (before its repeal) or
 21 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

22 (5) To pay a judgment rendered against the political subdivision.

23 ~~(6) To meet the requirements of the family and children's fund for~~
 24 ~~child services (as defined in IC 12-19-7-1).~~

25 ~~(7) (6) To meet the requirements of the county hospital care for~~
 26 ~~the indigent fund.~~

27 (c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a
 28 county board of tax adjustment, a county auditor, or the state board of
 29 tax commissioners may review the portion of a tax rate described in
 30 subsection (b) only to determine if it exceeds the portion actually
 31 needed to provide for one (1) of the purposes itemized in that
 32 subsection.

33 SECTION 4. IC 6-1.1-18.5-2 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For purposes
 35 of determining a civil taxing unit's maximum permissible ad valorem
 36 property tax levy for an ensuing calendar year, the civil taxing unit
 37 shall use the assessed value growth quotient determined in the last
 38 STEP of the following STEPS:

39 STEP ONE: Determine the three (3) calendar years that most
 40 immediately precede the ensuing calendar year and in which a
 41 statewide general reassessment of real property does not first
 42 become effective.

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1 STEP TWO: Compute separately, for each of the calendar years
 2 determined in STEP ONE, the quotient (rounded to the nearest
 3 ten-thousandth) of the civil taxing unit's total assessed value of all
 4 taxable property in the particular calendar year, divided by the
 5 civil taxing unit's total assessed value of all taxable property in the
 6 calendar year immediately preceding the particular calendar year.

7 STEP THREE: Divide the sum of the three (3) quotients
 8 computed in STEP TWO by three (3).

9 STEP FOUR: Determine the greater of the result computed in
 10 STEP THREE or one and ~~five-hundredths (1.05)~~
 11 **four-hundredths (1.04)**.

12 STEP FIVE: Determine the lesser of the result computed in STEP
 13 FOUR or one and ~~one-tenth (1.1)~~ **eight-hundredths (1.08)**.

14 (b) If the assessed values of taxable property used in determining a
 15 civil taxing unit's property taxes that are first due and payable in a
 16 particular calendar year are significantly increased over the assessed
 17 values used for the immediately preceding calendar year's property
 18 taxes due to the settlement of litigation concerning the general
 19 reassessment of that civil taxing unit's real property, then for purposes
 20 of determining that civil taxing unit's assessed value growth quotient
 21 for an ensuing calendar year, the state board of tax commissioners shall
 22 replace the quotient described in STEP TWO of subsection (a) for that
 23 particular calendar year. The state board of tax commissioners shall
 24 replace that quotient with one that as accurately as possible will reflect
 25 the actual growth in the civil taxing unit's assessed values of real
 26 property from the immediately preceding calendar year to that
 27 particular calendar year.

28 SECTION 5. IC 6-1.1-18.5-3 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as
 30 otherwise provided in this chapter, a civil taxing unit that is treated as
 31 not being located in an adopting county under section 4 of this chapter
 32 may not impose an ad valorem property tax levy for an ensuing
 33 calendar year that exceeds the amount determined in the last STEP of
 34 the following STEPS:

35 STEP ONE: Add the civil taxing unit's maximum permissible ad
 36 valorem property tax levy for the preceding calendar year to the
 37 part of the civil taxing unit's certified share, if any, that was used
 38 to reduce the civil taxing unit's ad valorem property tax levy under
 39 STEP EIGHT of subsection (b) for that preceding calendar year.

40 STEP TWO: Multiply the amount determined in STEP ONE by
 41 the amount determined in the last STEP of section 2 of this
 42 chapter.

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- 1 STEP THREE: Determine the lesser of one and fifteen hundredths
 2 (1.15) or the quotient (rounded to the nearest ten-thousandth), of
 3 the assessed value of all taxable property subject to the civil
 4 taxing unit's ad valorem property tax levy for the ensuing calendar
 5 year, divided by the assessed value of all taxable property that is
 6 subject to the civil taxing unit's ad valorem property tax levy for
 7 the ensuing calendar year and that is contained within the
 8 geographic area that was subject to the civil taxing unit's ad
 9 valorem property tax levy in the preceding calendar year.
 10 STEP FOUR: Determine the greater of the amount determined in
 11 STEP THREE or one (1).
 12 STEP FIVE: Multiply the amount determined in STEP TWO by
 13 the amount determined in STEP FOUR.
 14 STEP SIX: Add the amount determined under STEP TWO to the
 15 amount determined under subsection (c).
 16 STEP SEVEN: Determine the greater of the amount determined
 17 under STEP FIVE or the amount determined under STEP SIX.
 18 (b) Except as otherwise provided in this chapter **and**
 19 **IC 6-3.5-1.1-11.5**, a civil taxing unit that is treated as being located in
 20 an adopting county under section 4 of this chapter may not impose an
 21 ad valorem property tax levy for an ensuing calendar year that exceeds
 22 the amount determined in the last STEP of the following STEPS:
 23 STEP ONE: Add the civil taxing unit's maximum permissible ad
 24 valorem property tax levy for the preceding calendar year to the
 25 part of the civil taxing unit's certified share, if any, used to reduce
 26 the civil taxing unit's ad valorem property tax levy under STEP
 27 EIGHT of this subsection for that preceding calendar year.
 28 STEP TWO: Multiply the amount determined in STEP ONE by
 29 the amount determined in the last STEP of section 2 of this
 30 chapter.
 31 STEP THREE: Determine the lesser of one and fifteen hundredths
 32 (1.15) or the quotient of the assessed value of all taxable property
 33 subject to the civil taxing unit's ad valorem property tax levy for
 34 the ensuing calendar year divided by the assessed value of all
 35 taxable property that is subject to the civil taxing unit's ad
 36 valorem property tax levy for the ensuing calendar year and that
 37 is contained within the geographic area that was subject to the
 38 civil taxing unit's ad valorem property tax levy in the preceding
 39 calendar year.
 40 STEP FOUR: Determine the greater of the amount determined in
 41 STEP THREE or one (1).
 42 STEP FIVE: Multiply the amount determined in STEP TWO by

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1 the amount determined in STEP FOUR.

2 STEP SIX: Add the amount determined under STEP TWO to the
3 amount determined under subsection (c).

4 STEP SEVEN: Determine the greater of the amount determined
5 under STEP FIVE or the amount determined under STEP SIX.

6 STEP EIGHT: Subtract the amount determined under STEP FIVE
7 of subsection (e) from the amount determined under STEP
8 SEVEN of this subsection. **For a county that has adopted an
9 ordinance under IC 6-3.5-1.1-11.5, subtract the amount
10 specified as base year certified shares by the civil taxing unit
11 under IC 6-3.5-1.1-11.5(c).**

12 (c) If a civil taxing unit in the immediately preceding calendar year
13 provided an area outside its boundaries with services on a contractual
14 basis and in the ensuing calendar year that area has been annexed by
15 the civil taxing unit, the amount to be entered under STEP SIX of
16 subsection (a) or STEP SIX of subsection (b), as the case may be,
17 equals the amount paid by the annexed area during the immediately
18 preceding calendar year for services that the civil taxing unit must
19 provide to that area during the ensuing calendar year as a result of the
20 annexation. In all other cases, the amount to be entered under STEP
21 SIX of subsection (a) or STEP SIX of subsection (b), as the case may
22 be, equals zero (0).

23 (d) **This subsection does not apply to a civil taxing unit located
24 in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.**
25 This subsection applies only to civil taxing units located in a county
26 having a county adjusted gross income tax rate for resident county
27 taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of
28 January 1 of the ensuing calendar year. For each civil taxing unit, the
29 amount to be added to the amount determined in subsection (e), STEP
30 FOUR, is determined using the following formula:

31 STEP ONE: Multiply the civil taxing unit's maximum permissible
32 ad valorem property tax levy for the preceding calendar year by
33 two percent (2%).

34 STEP TWO: For the determination year, the amount to be used as
35 the STEP TWO amount is the amount determined in subsection
36 (f) for the civil taxing unit. For each year following the
37 determination year the STEP TWO amount is the lesser of:

38 (A) the amount determined in STEP ONE; or

39 (B) the amount determined in subsection (f) for the civil taxing
40 unit.

41 STEP THREE: Determine the greater of:

42 (A) zero (0); or

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- 1 (B) the civil taxing unit's certified share for the ensuing
 2 calendar year minus the greater of:
 3 (i) the civil taxing unit's certified share for the calendar year
 4 that immediately precedes the ensuing calendar year; or
 5 (ii) the civil taxing unit's base year certified share.
 6 STEP FOUR: Determine the greater of:
 7 (A) zero (0); or
 8 (B) the amount determined in STEP TWO minus the amount
 9 determined in STEP THREE.
 10 Add the amount determined in STEP FOUR to the amount determined
 11 in subsection (e), STEP THREE, as provided in subsection (e), STEP
 12 FOUR.
 13 (e) **This subsection does not apply to a civil taxing unit located**
 14 **in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.**
 15 For each civil taxing unit, the amount to be subtracted under subsection
 16 (b), STEP EIGHT, is determined using the following formula:
 17 STEP ONE: Determine the lesser of the civil taxing unit's base
 18 year certified share for the ensuing calendar year, as determined
 19 under section 5 of this chapter, or the civil taxing unit's certified
 20 share for the ensuing calendar year.
 21 STEP TWO: Determine the greater of:
 22 (A) zero (0); or
 23 (B) the remainder of:
 24 (i) the amount of federal revenue sharing money that was
 25 received by the civil taxing unit in 1985; minus
 26 (ii) the amount of federal revenue sharing money that will be
 27 received by the civil taxing unit in the year preceding the
 28 ensuing calendar year.
 29 STEP THREE: Determine the lesser of:
 30 (A) the amount determined in STEP TWO; or
 31 (B) the amount determined in subsection (f) for the civil taxing
 32 unit.
 33 STEP FOUR: Add the amount determined in subsection (d),
 34 STEP FOUR, to the amount determined in STEP THREE.
 35 STEP FIVE: Subtract the amount determined in STEP FOUR
 36 from the amount determined in STEP ONE.
 37 (f) **This subsection does not apply to a civil taxing unit located**
 38 **in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.**
 39 As used in this section, a taxing unit's "determination year" means the
 40 latest of:
 41 (1) calendar year 1987, if the taxing unit is treated as being
 42 located in an adopting county for calendar year 1987 under

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As used in
 2 this section, "base year" for a civil taxing unit means the most recent
 3 calendar year:

4 (1) in which the civil taxing unit is located in an adopting county,
 5 as determined under section 4 of this chapter; and

6 (2) that is immediately preceded by a calendar year in which the
 7 civil taxing unit either:

8 (A) was not located in an adopting county, as determined
 9 under section 4 of this chapter; or

10 (B) did not impose an ad valorem property tax levy.

11 If the civil taxing unit was located in an adopting county in calendar
 12 year 1979, as determined under section 4 of this chapter, the civil
 13 taxing unit's base year is calendar year 1979 or the year determined
 14 above, whichever is later.

15 (b) If the county adjusted gross income tax was not in effect on
 16 January 1 of the calendar year immediately preceding the ensuing
 17 calendar year in the county in which a particular civil taxing unit is
 18 located, then the civil taxing unit's base year certified share is the
 19 amount of certified shares to be received by the civil taxing unit during
 20 its base year.

21 (c) If the county adjusted gross income tax was in effect on January
 22 1 of the calendar year immediately preceding the ensuing calendar year
 23 in the county in which a particular civil taxing unit is located, then the
 24 civil taxing unit's base year certified share is the amount of certified
 25 shares received by the civil taxing unit in its base year, multiplied by
 26 a fraction:

27 (1) The numerator of the fraction equals the remainder of the
 28 county adjusted gross income tax rate of the county in which the
 29 civil taxing unit is located and that is imposed on January 1 of the
 30 ensuing calendar year minus one quarter of one percent (1/4%).

31 (2) The denominator of the fraction equals the remainder of the
 32 county adjusted gross income tax rate of the county in which the
 33 civil taxing unit is located and that is imposed on January 1 of the
 34 civil taxing unit's base year minus one quarter of one percent
 35 (1/4%).

36 **(d) For a civil taxing unit located in a county that has adopted**
 37 **an ordinance under IC 6-3.5-1.1-11.5, base year certified shares**
 38 **must be the amount specified by the civil taxing unit in the**
 39 **ordinance adopted under IC 6-3.5-1.1-11.5.**

40 SECTION 7. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.273-1999,
 41 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2003]: Sec. 9.7. (a) The ad valorem property tax levy

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1 limits imposed by section 3 of this chapter do not apply to ad valorem
2 property taxes imposed under: ~~any of the following:~~

3 (1) IC 12-16, except IC 12-16-1; **or**

4 ~~(2) IC 12-19-5.~~

5 ~~(3) IC 12-19-7.~~

6 ~~(4) (2) IC 12-20-24.~~

7 (b) For purposes of computing the ad valorem property tax levy
8 limits imposed under section 3 of this chapter, a county's or township's
9 ad valorem property tax levy for a particular calendar year does not
10 include that part of the levy imposed under the citations listed in
11 subsection (a).

12 (c) Section 8(b) of this chapter does not apply to bonded
13 indebtedness that will be repaid through property taxes imposed under
14 IC 12-19.

15 SECTION 8. IC 6-1.1-21-2 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. As used in this
17 chapter:

18 (a) "Taxpayer" means a person who is liable for taxes on property
19 assessed under this article.

20 (b) "Taxes" means taxes payable in respect to property assessed
21 under this article. The term does not include special assessments,
22 penalties, or interest, but does include any special charges which a
23 county treasurer combines with all other taxes in the preparation and
24 delivery of the tax statements required under IC 6-1.1-22-8(a).

25 (c) "Department" means the department of state revenue.

26 (d) "Auditor's abstract" means the annual report prepared by each
27 county auditor which, under IC 6-1.1-22-5, is to be filed on or before
28 March 1 of each year with the auditor of state.

29 (e) "Mobile home assessments" means the assessments of mobile
30 homes made under IC 6-1.1-7.

31 (f) "Postabstract adjustments" means adjustments in taxes made
32 subsequent to the filing of an auditor's abstract which change
33 assessments therein or add assessments of omitted property affecting
34 taxes for such assessment year.

35 (g) "Total county tax levy" means the sum of:

36 (1) the remainder of:

37 (A) the aggregate levy of all taxes for all taxing units in a
38 county which are to be paid in the county for a stated
39 assessment year as reflected by the auditor's abstract for the
40 assessment year, adjusted, however, for any postabstract
41 adjustments which change the amount of the aggregate levy;
42 minus

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(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:
(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus
(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus
(iii) ~~IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county);~~ minus
(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (**repealed**), or IC 12-20-24; minus
(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:
(i) is entered into after December 31, 1983;
(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and
(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus
(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (**repealed**) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
(F) the remainder of:
(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (**repealed**) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus
(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (**repealed**) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment

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1 year that succeeds the 1983 stated assessment year; minus
 2 (G) the amount of property taxes imposed in the county for the
 3 stated assessment year under:

- 4 (i) IC 21-2-15 for a capital projects fund; plus
 5 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
 6 (iii) IC 20-14-13 for a library capital projects fund; plus
 7 (iv) IC 20-5-17.5-3 for an art association fund; plus
 8 (v) IC 21-2-17 for a special education preschool fund; plus
 9 (vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in
 10 a school corporation's maximum permissible general fund
 11 levy for certain transfer tuition costs; plus
 12 (vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
 13 a school corporation's maximum permissible general fund
 14 levy for transportation operating costs; minus

15 (H) the amount of property taxes imposed by a school
 16 corporation that is attributable to the passage, after 1983, of a
 17 referendum for an excessive tax levy under IC 6-1.1-19,
 18 including any increases in these property taxes that are
 19 attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a)~~
 20 ~~STEP ONE~~ or any other law; minus

21 (I) for each township in the county, the lesser of:

- 22 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 23 STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
 24 whichever is applicable, plus the part, if any, of the
 25 township's ad valorem property tax levy for calendar year
 26 1989 that represents increases in that levy that resulted from
 27 an appeal described in IC 6-1.1-18.5-13(5) filed after
 28 December 31, 1982; or
 29 (ii) the amount of property taxes imposed in the township for
 30 the stated assessment year under the authority of
 31 IC 36-8-13-4; minus

32 (J) for each participating unit in a fire protection territory
 33 established under IC 36-8-19-1, the amount of property taxes
 34 levied by each participating unit under IC 36-8-19-8 and
 35 IC 36-8-19-8.5 less the maximum levy limit for each of the
 36 participating units that would have otherwise been available
 37 for fire protection services under IC 6-1.1-18.5-3 and
 38 IC 6-1.1-18.5-19 for that same year; minus

39 ~~(K) for each county, the sum of:~~

- 40 ~~(i) the amount of property taxes imposed in the county for~~
 41 ~~the repayment of loans under IC 12-19-5-6 that is included~~
 42 ~~in the amount determined under IC 12-19-7-4(a) STEP~~

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1 SEVEN for property taxes payable in 1995; or for property
 2 taxes payable in each year after 1995; the amount
 3 determined under IC 12-19-7-4(b); and
 4 (ii) the amount of property taxes imposed in the county
 5 attributable to appeals granted under IC 6-1.1-18.6-3 that is
 6 included in the amount determined under IC 12-19-7-4(a)
 7 STEP SEVEN for property taxes payable in 1995; or the
 8 amount determined under IC 12-19-7-4(b) for property taxes
 9 payable in each year after 1995; plus
 10 (2) all taxes to be paid in the county in respect to mobile home
 11 assessments currently assessed for the year in which the taxes
 12 stated in the abstract are to be paid; plus
 13 (3) the amounts, if any, of county adjusted gross income taxes that
 14 were applied by the taxing units in the county as property tax
 15 replacement credits to reduce the individual levies of the taxing
 16 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 17 (4) the amounts, if any, by which the maximum permissible ad
 18 valorem property tax levies of the taxing units of the county were
 19 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 20 assessment year; plus
 21 (5) the difference between:
 22 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 23 minus
 24 (B) the amount the civil taxing units' levies were increased
 25 because of the reduction in the civil taxing units' base year
 26 certified shares under IC 6-1.1-18.5-3(e).
 27 (h) "December settlement sheet" means the certificate of settlement
 28 filed by the county auditor with the auditor of state, as required under
 29 IC 6-1.1-27-3.
 30 (i) "Tax duplicate" means the roll of property taxes which each
 31 county auditor is required to prepare on or before March 1 of each year
 32 under IC 6-1.1-22-3.
 33 SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999,
 34 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2003]: Sec. 9. (a) A county council may adopt an
 36 ordinance to abolish the county board of tax adjustment. This ordinance
 37 must be adopted by July 1 and may not be rescinded in the year it is
 38 adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19,
 39 ~~IC 12-19-7~~, IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11,
 40 IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted,
 41 this section governs the treatment of tax rates, tax levies, and budgets
 42 that would otherwise be reviewed by a county board of tax adjustment

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1 under IC 6-1.1-17.

2 (b) The time requirements set forth in IC 6-1.1-17 govern all filings
3 and notices.

4 (c) A tax rate, tax levy, or budget that otherwise would be reviewed
5 by the county board of tax adjustment is considered and must be treated
6 for all purposes as if the county board of tax adjustment approved the
7 tax rate, tax levy, or budget. This includes the notice of tax rates that is
8 required under IC 6-1.1-17-12.

9 SECTION 10. IC 6-3.5-1.1-11 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for
11 revenue that:

- 12 (1) must be used to pay the costs of operating a jail and juvenile
- 13 detention center under section 2.5(d) of this chapter or revenue
- 14 that must be used to pay the costs of operating and maintaining a
- 15 jail and justice center under section 3.5(d) of this chapter; **or**
- 16 (2) **has been dedicated to property tax relief by the county**
- 17 **under section 11.5 of this chapter;**

18 the certified distribution received by a county treasurer shall, in the
19 manner prescribed in this section, be allocated, distributed, and used
20 by the civil taxing units and school corporations of the county as
21 certified shares and property tax replacement credits.

22 (b) Before August 2 of each calendar year, each county auditor shall
23 determine the part of the certified distribution for the next succeeding
24 calendar year that will be allocated as property tax replacement credits
25 and the part that will be allocated as certified shares. The percentage
26 of a certified distribution that will be allocated as property tax
27 replacement credits or as certified shares depends upon the county
28 adjusted gross income tax rate for resident county taxpayers in effect
29 on August 1 of the calendar year that precedes the year in which the
30 certified distribution will be received. The percentages are set forth in
31 the following table:

32	PROPERTY		
33	COUNTY	TAX	
34	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
35	INCOME TAX RATE	CREDITS	SHARES
36	0.5%	50%	50%
37	0.75%	33 1/3%	66 2/3%
38	1%	25%	75%

39 (c) The part of a certified distribution that constitutes property tax
40 replacement credits shall be distributed as provided under sections 12,
41 13, and 14 of this chapter.

42 (d) The part of a certified distribution that constitutes certified

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1 shares shall be distributed as provided by section 15 of this chapter.

2 SECTION 11. IC 6-3.5-1.1-11.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 11.5. (a) A county council**
5 **may adopt an ordinance to use revenue under this chapter for**
6 **property tax relief. All or a part of the certified distribution to a**
7 **county under this chapter, minus the amount needed to provide**
8 **property tax replacement credits for school corporations, may be**
9 **used for property tax relief under this section. The amount of**
10 **property tax replacement credits that shall be allocated and**
11 **distributed to a school corporation within the county is the same**
12 **property tax replacement credit amount the school corporation**
13 **would have been allocated if the county council had not adopted an**
14 **ordinance under this section.**

15 **(b) The types of property tax relief that may be provided under**
16 **this section are limited to the following:**

17 **(1) Providing property tax replacement credits to be**
18 **distributed as provided in section 11.6 of this chapter.**

19 **(2) Increasing the percentage credit allowed for homesteads**
20 **in the county under IC 6-1.1-20.9-2, as provided in section**
21 **11.7 of this chapter.**

22 **(3) Providing a property tax reduction for low income**
23 **individuals under section 11.8 of this chapter.**

24 **(4) A combination of the types of relief listed in subdivisions**
25 **(1) through (3).**

26 **(c) An ordinance adopted under this section must specify the**
27 **percentage of the total certified distribution that will be used for**
28 **each type of relief. The remaining certified distribution shall be**
29 **considered certified shares for each civil taxing unit. Before a civil**
30 **taxing unit may receive the certified shares, it must adopt an**
31 **ordinance specifying the amount that will be treated as base year**
32 **certified shares under IC 6-1.1-18.5-5.**

33 **(d) An ordinance may be adopted under this section after**
34 **January 1 but before June 1 of a calendar year. The ordinance**
35 **remains in effect for the period specified in the ordinance or until**
36 **it is rescinded.**

37 **(e) An ordinance adopted under this section takes effect on**
38 **January 1 of the next succeeding calendar year.**

39 **(f) An ordinance adopted under this section for a county is**
40 **repealed for a year if, on January 1 of that year, the county**
41 **adjusted gross income tax is not in effect.**

42 SECTION 12. IC 6-3.5-1.1-11.6 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: **Sec. 11.6. (a) If an ordinance**
3 **adopted under section 11.5 of this chapter includes property tax**
4 **replacement credits, these credits shall be allocated and distributed**
5 **to civil taxing units by taking the amount dedicated to these credits**
6 **multiplied by a fraction:**

7 (1) the numerator of which equals the sum of the total
8 property taxes being collected by the civil taxing unit during
9 that calendar year; and

10 (2) the denominator of which equals the sum of the total
11 property taxes being collected by all civil taxing units in the
12 county.

13 (b) The state board of tax commissioners shall reduce the net
14 property tax levy of each civil taxing unit by the amount of the
15 property tax replacement credits allocated under this section.

16 SECTION 13. IC 6-3.5-1.1-11.7 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: **Sec. 11.7. If an ordinance adopted**
19 **under section 11.5 of this chapter includes an increase in the**
20 **homestead credit percentage, the increase of the homestead credit**
21 **percentage must be uniform for all homesteads in the county. In**
22 **the ordinance that increases the homestead credit percentage, a**
23 **county council may provide for a series of increases or decreases**
24 **to take place for each of a group of succeeding calendar years.**

25 SECTION 14. IC 6-3.5-1.1-11.8 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE UPON PASSAGE]: **Sec. 11.8. (a) If an ordinance**
28 **adopted under section 11.5 of this chapter includes a property tax**
29 **reduction for low income individuals, the following apply:**

30 (1) The reduction applies only to a homestead to which the
31 state homestead credit applies.

32 (2) The combined adjusted gross income (as defined in Section
33 62 of the Internal Revenue Code) of:

34 (A) the individual who owns the homestead and the
35 individual's spouse; or

36 (B) the individual and all other individuals with whom the
37 individual:

38 (i) shares ownership; or

39 (ii) is purchasing the property under a contract;
40 as joint tenants or tenants in common;

41 for the calendar year preceding the year in which the credit
42 is claimed may not exceed twenty-five thousand dollars

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(\$25,000).
(b) The ordinance must set forth the amount by which property taxes on the homestead shall be reduced, which may be in terms of a percentage of property taxes due, a percentage of combined adjusted gross income, or a fixed amount. However, the maximum property tax reduction under this section may not cause the property taxes due on a homestead for a year to be less than two percent (2%) of the combined adjusted gross income referred to in subsection (a).

(c) An individual must claim the property tax reduction in the same manner as the state homestead credit is claimed. An individual who receives a property tax reduction under this section in a particular year and who becomes ineligible in the following year shall notify the auditor of the county in which the homestead is located of the ineligibility before May 10 of the year in which the individual becomes ineligible.

(d) The auditor of each county shall, in a particular year, apply the property tax reduction to each individual who received the reduction in the preceding year unless the auditor determines that the individual is no longer eligible for the reduction.

SECTION 15. IC 6-3.5-1.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) **Except as provided in section 11.5 of this chapter**, the part of a county's certified distribution for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.

(b) Except as provided in section 13 of this chapter, the amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive during a calendar year equals the product of:

- (1) that part of the county's certified distribution that is dedicated to providing property tax replacement credits for that same calendar year; multiplied by
- (2) a fraction:

(A) The numerator of the fraction equals the sum of the total property taxes being collected by the civil taxing unit or school corporation during that calendar year, plus with respect to a civil taxing unit, the amount of federal revenue sharing funds, and certified shares received by it during that calendar year to the extent that they are used to reduce its property tax levy below the limit imposed by IC 6-1.1-18.5 for that same calendar year.

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1 (B) The denominator of the fraction equals the sum of the total
2 property taxes being collected by all civil taxing units and
3 school corporations, plus the amount of federal revenue
4 sharing funds and certified shares received by all civil taxing
5 units in the county to the extent that they are used to reduce
6 the civil taxing units' property tax levies below the limits
7 imposed by IC 6-1.1-18.5 for that same calendar year.

8 (c) The state board of tax commissioners shall provide each county
9 auditor with the amount of property tax replacement credits that each
10 civil taxing unit and school corporation in the auditor's county is
11 entitled to receive. The county auditor shall then certify to each civil
12 taxing unit and school corporation the amount of property tax
13 replacement credits it is entitled to receive (after adjustment made
14 under section 13 of this chapter) during that calendar year. The county
15 auditor shall also certify these distributions to the county treasurer.

16 SECTION 16. IC 6-3.5-1.1-14 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) **This**
18 **section applies to property tax replacement credits provided in**
19 **section 11.5 of this chapter.** In determining the amount of property tax
20 replacement credits civil taxing units and school corporations of a
21 county are entitled to receive during a calendar year, the state board of
22 tax commissioners shall consider only property taxes imposed on
23 tangible property that was assessed in that county.

24 (b) If a civil taxing unit or a school corporation is located in more
25 than one (1) county and receives property tax replacement credits from
26 one (1) or more of the counties, then the property tax replacement
27 credits received from each county shall be used only to reduce the
28 property tax rates that are imposed within the county that distributed
29 the property tax replacement credits.

30 (c) A civil taxing unit shall treat any property tax replacement
31 credits that it receives or is to receive during a particular calendar year
32 as a part of its property tax levy for that same calendar year for
33 purposes of fixing its budget and for purposes of the property tax levy
34 limits imposed by IC 6-1.1-18.5.

35 (d) A school corporation shall treat any property tax replacement
36 credits that the school corporation receives or is to receive during a
37 particular calendar year as a part of its property tax levy for its general
38 fund, debt service fund, capital projects fund, transportation fund, and
39 special education preschool fund in proportion to the levy for each of
40 these funds for that same calendar year for purposes of fixing its budget
41 and for purposes of the property tax levy limits imposed by IC 6-1.1-19.
42 A school corporation shall allocate the property tax replacement credits

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1 described in this subsection to all five (5) funds in proportion to the
2 levy for each fund.

3 SECTION 17. IC 6-3.5-1.1-15, AS AMENDED BY P.L.273-1999,
4 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed
6 levy" of a civil taxing unit means the sum of:

7 (1) the ad valorem property tax levy of the civil taxing unit that is
8 currently being collected at the time the allocation is made; plus
9 (2) the current ad valorem property tax levy of any special taxing
10 district, authority, board, or other entity formed to discharge
11 governmental services or functions on behalf of or ordinarily
12 attributable to the civil taxing unit; plus

13 (3) the amount of federal revenue sharing funds and certified
14 shares that were used by the civil taxing unit (or any special
15 taxing district, authority, board, or other entity formed to
16 discharge governmental services or functions on behalf of or
17 ordinarily attributable to the civil taxing unit) to reduce its ad
18 valorem property tax levies below the limits imposed by
19 IC 6-1.1-18.5; plus

20 (4) in the case of a county, an amount equal to the property taxes
21 imposed by the county in 1999 for the county's welfare fund and
22 welfare administration fund; **plus**

23 **(5) after December 31, 2002, in the case of a county, an**
24 **amount equal to the property taxes imposed by the county in**
25 **2002 for the county family and children's fund.**

26 (b) The part of a county's certified distribution that is to be used as
27 certified shares shall be allocated only among the county's civil taxing
28 units. Each civil taxing unit of a county is entitled to receive a
29 percentage of the certified shares to be distributed in the county equal
30 to the ratio of its attributed levy to the total attributed levies of all civil
31 taxing units of the county.

32 (c) The local government tax control board established by
33 IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing
34 units that are entitled to receive certified shares during a calendar year.
35 If the ad valorem property tax levy of any special taxing district,
36 authority, board, or other entity is attributed to another civil taxing unit
37 under subsection (b)(2), then the special taxing district, authority,
38 board, or other entity shall not be treated as having an attributed levy
39 of its own. The local government tax control board shall certify the
40 attributed levy amounts to the appropriate county auditor. The county
41 auditor shall then allocate the certified shares among the civil taxing
42 units of ~~his~~ **the auditor's** county.

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1 (d) Certified shares received by a civil taxing unit shall be treated
 2 as additional revenue for the purpose of fixing its budget for the
 3 calendar year during which the certified shares will be received. The
 4 certified shares may be allocated to or appropriated for any purpose,
 5 including ~~property tax relief or~~ a transfer of funds to another civil
 6 taxing unit whose levy was attributed to the civil taxing unit in the
 7 determination of its attributed levy. **The amount of revenue used for**
 8 **property tax relief under section 11.5 of this chapter shall not be**
 9 **treated as additional revenue.**

10 SECTION 18. IC 6-3.5-6-13 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A county
 12 income tax council of a county in which the county option income tax
 13 is in effect may adopt an ordinance to ~~increase use all or a portion of~~
 14 **the certified distribution under this chapter for property tax relief.**

15 (b) **The types of property tax relief that may be provided under**
 16 **this section are limited to the following:**

17 (1) **Providing property tax replacement credits to be**
 18 **distributed as provided in section 13.1 of this chapter.**

19 (2) **Increasing** the percentage credit allowed for homesteads in its
 20 county under IC 6-1.1-20.9-2, **as provided in section 13.2 of this**
 21 **chapter.**

22 (3) **Providing a property tax reduction for low income**
 23 **individuals under section 13.3 of this chapter.**

24 (4) **A combination of the types of relief listed in subdivisions**
 25 **(1) through (3).**

26 (c) **The ordinance must specify the percentage of the total**
 27 **certified distribution that will be used for each type of relief. The**
 28 **remaining certified distribution shall be treated as it would**
 29 **notwithstanding this section.**

30 (b) A county income tax council may not increase the percentage
 31 credit allowed for homesteads by an amount that exceeds eight percent
 32 (8%).

33 (c) The increase of the homestead credit percentage must be
 34 uniform for all homesteads in a county.

35 (d) In the ordinance that increases the homestead credit percentage,
 36 a county income tax council may provide for a series of increases or
 37 decreases to take place for each of a group of succeeding calendar
 38 years.

39 (e) (d) An ordinance may be adopted under this section after
 40 January 1 but before June 1 of a calendar year. **The ordinance**
 41 **remains in effect for the period specified in the ordinance or until**
 42 **the ordinance is rescinded.**



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1 ~~(f)~~ (e) An ordinance adopted under this section takes effect on
2 January 1 of the next succeeding calendar year.

3 ~~(g)~~ (f) Any ordinance adopted under this section for a county is
4 repealed for a year if, on January 1 of that year, the county option
5 income tax is not in effect.

6 SECTION 19. IC 6-3.5-6-13.1 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: **Sec. 13.1. (a) If an ordinance**
9 **adopted under section 13 of this chapter includes property tax**
10 **replacement credits, these credits shall be allocated and distributed**
11 **to civil taxing units by taking the amount dedicated to these credits**
12 **multiplied by a fraction:**

13 (1) the numerator of which equals the sum of the total
14 property taxes being collected by the civil taxing unit during
15 that calendar year; and

16 (2) the denominator of which equals the sum of the total
17 property taxes being collected by all civil taxing units.

18 (b) The state board of tax commissioners shall reduce the net
19 property tax levy of each civil taxing unit by the amount of the
20 property tax replacement credits allocated under this section.

21 SECTION 20. IC 6-3.5-6-13.2 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: **Sec. 13.2. If an ordinance adopted**
24 **under section 13 of this chapter includes an increase in the**
25 **homestead credit percentage, the increase of the homestead credit**
26 **percentage must be uniform for all homesteads in a county. In an**
27 **ordinance that increases the homestead credit percentage, a county**
28 **council may provide for a series of increases or decreases to take**
29 **place for each of a group of succeeding calendar years.**

30 SECTION 21. IC 6-3.5-6-13.3 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: **Sec. 13.3. (a) If an ordinance**
33 **adopted under section 13 of this chapter includes a property tax**
34 **reduction for low income individuals, the following apply:**

35 (1) The reduction applies only to a homestead to which the
36 state homestead credit applies.

37 (2) The combined adjusted gross income (as defined in Section
38 62 of the Internal Revenue Code) of:

39 (A) the individual who owns the homestead and the
40 individual's spouse; or

41 (B) the individual and all other individuals with whom the
42 individual:

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1 (i) shares ownership; or
 2 (ii) is purchasing the property under a contract;
 3 as joint tenants or tenants in common;
 4 for the calendar year preceding the year in which the
 5 reduction is claimed may not exceed twenty-five thousand
 6 dollars (\$25,000).

7 (b) The ordinance must set forth the amount by which property
 8 taxes on the homestead shall be reduced, which may be in terms of
 9 a percentage of property taxes due, a percentage of combined
 10 adjusted gross income, or a fixed amount. However, the maximum
 11 property tax reduction under this section may not cause the
 12 property taxes due on a homestead for a year to be less than two
 13 percent (2%) of the combined adjusted gross income referred to in
 14 subsection (a).

15 (c) An individual must claim the property tax reduction in the
 16 same manner as the state homestead credit is claimed. An
 17 individual who receives a property tax reduction under this section
 18 in a particular year and who becomes ineligible in the following
 19 year shall notify the auditor of the county in which the homestead
 20 is located of the ineligibility before May 10 of the year in which the
 21 individual becomes ineligible.

22 (d) The auditor of each county shall, in a particular year, apply
 23 the property tax reduction to each individual who received the
 24 reduction in the preceding year, unless the auditor determines that
 25 the individual is no longer eligible for the reduction.

26 SECTION 22. IC 6-3.5-6-17.6, AS AMENDED BY P.L.273-1999,
 27 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2003]: Sec. 17.6. (a) This section applies to a county
 29 containing a consolidated city.

30 (b) On or before July 15 of each year, the budget agency shall make
 31 the following calculation:

32 STEP ONE: Determine the cumulative balance in a county's
 33 account established under section 16 of this chapter as of the end
 34 of the current calendar year.

35 STEP TWO: Divide the amount estimated under section 17(b) of
 36 this chapter before any adjustments are made under section 17(c)
 37 or 17(d) of this chapter by twelve (12).

38 STEP THREE: Multiply the STEP TWO amount by three (3).

39 STEP FOUR: Subtract the amount determined in STEP THREE
 40 from the amount determined in STEP ONE.

41 (c) For 1995, the budget agency shall certify the STEP FOUR
 42 amount to the county auditor on or before July 15, 1994. Not later than

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1 January 31, 1995, the auditor of state shall distribute the STEP FOUR
2 amount to the county auditor to be used to retire outstanding
3 obligations for a qualified economic development tax project (as
4 defined in IC 36-7-27-9).

5 (d) After 1995, the STEP FOUR amount shall be distributed to the
6 county auditor in January of the ensuing calendar year. The STEP
7 FOUR amount shall be distributed by the county auditor to the civil
8 taxing units within thirty (30) days after the county auditor receives the
9 distribution. Each civil taxing unit's share equals the STEP FOUR
10 amount multiplied by the quotient of:

11 (1) the maximum permissible property tax levy under
12 IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an
13 amount equal to the property taxes imposed by the county in 1999
14 for the county's welfare administration fund **and an amount**
15 **equal to the property taxes imposed by the county in 2002 for**
16 **the county family and children's fund;** divided by

17 (2) the sum of the maximum permissible property tax levies under
18 IC 6-1.1-18.5 for all civil taxing units of the county, plus an
19 amount equal to the property taxes imposed by the county in 1999
20 for the county's welfare administration fund **and an amount**
21 **equal to the property taxes imposed by the county in 2002 for**
22 **the county family and children's fund.**

23 SECTION 23. IC 6-3.5-6-18, AS AMENDED BY P.L.273-1999,
24 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives
26 under this chapter shall be used to:

27 (1) replace the amount, if any, of property tax revenue lost due to
28 ~~the allowance of an increased homestead credit providing~~
29 **property tax relief** within the county **under section 13 of this**
30 **chapter;**

31 (2) fund the operation of a public communications system and
32 computer facilities district as provided in an election, if any, made
33 by the county fiscal body under IC 36-8-15-19(b);

34 (3) fund the operation of a public transportation corporation as
35 provided in an election, if any, made by the county fiscal body
36 under IC 36-9-4-42;

37 (4) make payments permitted under IC 36-7-15.1-17.5;

38 (5) make payments permitted under subsection ~~(f)~~; **(i)**; and

39 (6) make distributions of distributive shares to the civil taxing
40 units of a county.

41 (b) The county auditor shall retain from the payments of the county's
42 certified distribution, an amount equal to the revenue lost, if any, due

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1 to the increase of the homestead credit **providing property tax relief**
 2 within the county **under section 13 of this chapter**. This money shall
 3 be distributed to the civil taxing units and school corporations of the
 4 county as though they were property tax collections and in such a
 5 manner that no civil taxing unit or school corporation shall suffer a net
 6 revenue loss due to the allowance of ~~an increased homestead credit~~. **the**
 7 **property tax relief**.

8 (c) The county auditor shall retain the amount, if any, specified by
 9 the county fiscal body for a particular calendar year under subsection
 10 ~~(f)~~, **(i)**, IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the
 11 county's certified distribution for that same calendar year. The county
 12 auditor shall distribute amounts retained under this subsection to the
 13 county.

14 (d) All certified distribution revenues that are not retained and
 15 distributed under subsections (b) and (c) shall be distributed to the civil
 16 taxing units of the county as distributive shares.

17 (e) The amount of distributive shares that each civil taxing unit in
 18 a county is entitled to receive during a month equals the product of the
 19 following:

20 (1) The amount of revenue that is to be distributed as distributive
 21 shares during that month; multiplied by

22 (2) A fraction. The numerator of the fraction equals the total
 23 property taxes that are first due and payable to the civil taxing
 24 unit during the calendar year in which the month falls, plus, for a
 25 county, an amount equal to the property taxes imposed by the
 26 county in 1999 for the county's welfare fund and welfare
 27 administration fund **and, after December 31, 2002, an amount**
 28 **equal to the property taxes imposed by the county in 2002 for**
 29 **the county family and children's fund**. The denominator of the
 30 fraction equals the sum of the total property taxes that are first
 31 due and payable to all civil taxing units of the county during the
 32 calendar year in which the month falls, plus an amount equal to
 33 the property taxes imposed by the county in 1999 for the county's
 34 welfare fund and welfare administration fund **and, after**
 35 **December 31, 2002, an amount equal to the property taxes**
 36 **imposed by the county in 2002 for the county family and**
 37 **children's fund**.

38 (f) The state board of tax commissioners shall provide each county
 39 auditor with the fractional amount of distributive shares that each civil
 40 taxing unit in the auditor's county is entitled to receive monthly under
 41 this section.

42 (g) Notwithstanding subsection (e), if a civil taxing unit of an

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1 adopting county does not impose a property tax levy that is first due
2 and payable in a calendar year in which distributive shares are being
3 distributed under this section, that civil taxing unit is entitled to receive
4 a part of the revenue to be distributed as distributive shares under this
5 section within the county. The fractional amount such a civil taxing
6 unit is entitled to receive each month during that calendar year equals
7 the product of the following:

- 8 (1) The amount to be distributed as distributive shares during that
- 9 month; multiplied by
- 10 (2) A fraction. The numerator of the fraction equals the budget of
- 11 that civil taxing unit for that calendar year. The denominator of
- 12 the fraction equals the aggregate budgets of all civil taxing units
- 13 of that county for that calendar year.

14 (h) If for a calendar year a civil taxing unit is allocated a part of a
15 county's distributive shares by subsection (g), then the formula used in
16 subsection (e) to determine all other civil taxing units' distributive
17 shares shall be changed each month for that same year by reducing the
18 amount to be distributed as distributive shares under subsection (e) by
19 the amount of distributive shares allocated under subsection (g) for that
20 same month. The state board of tax commissioners shall make any
21 adjustments required by this subsection and provide them to the
22 appropriate county auditors.

23 (†) (i) Notwithstanding any other law, a county fiscal body may
24 pledge revenues received under this chapter to the payment of bonds
25 or lease rentals to finance a qualified economic development tax
26 project under IC 36-7-27 in that county or in any other county if the
27 county fiscal body determines that the project will promote significant
28 opportunities for the gainful employment or retention of employment
29 of the county's residents.

30 SECTION 24. IC 6-3.5-6-18.5, AS AMENDED BY P.L.273-1999,
31 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2003]: Sec. 18.5. (a) This section applies to a county
33 containing a consolidated city.

34 (b) Notwithstanding section 18(e) of this chapter, the distributive
35 shares that each civil taxing unit in a county containing a consolidated
36 city is entitled to receive during a month equals the following:

37 (1) For the calendar year beginning January 1, 1995, calculate the
38 total amount of revenues that are to be distributed as distributive
39 shares during that month multiplied by the following factor:

40	Center Township	.0251
41	Decatur Township	.00217
42	Franklin Township	.0023

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1	Lawrence Township	.01177
2	Perry Township	.01130
3	Pike Township	.01865
4	Warren Township	.01359
5	Washington Township	.01346
6	Wayne Township	.01307
7	Lawrence-City	.00858
8	Beech Grove	.00845
9	Southport	.00025
10	Speedway	.00722
11	Indianapolis/Marion County	.86409
12	(2) Notwithstanding subdivision (1), for the calendar year	
13	beginning January 1, 1995, the distributive shares for each civil	
14	taxing unit in a county containing a consolidated city shall be not	
15	less than the following:	
16	Center Township	\$1,898,145
17	Decatur Township	\$164,103
18	Franklin Township	\$173,934
19	Lawrence Township	\$890,086
20	Perry Township	\$854,544
21	Pike Township	\$1,410,375
22	Warren Township	\$1,027,721
23	Washington Township	\$1,017,890
24	Wayne Township	\$988,397
25	Lawrence-City	\$648,848
26	Beech Grove	\$639,017
27	Southport	\$18,906
28	Speedway	\$546,000
29	(3) For each year after 1995, calculate the total amount of	
30	revenues that are to be distributed as distributive shares during	
31	that month as follows:	
32	STEP ONE: Determine the total amount of revenues that were	
33	distributed as distributive shares during that month in calendar	
34	year 1995.	
35	STEP TWO: Determine the total amount of revenue that the	
36	department has certified as distributive shares for that month	
37	under section 17 of this chapter for the calendar year.	
38	STEP THREE: Subtract the STEP ONE result from the STEP	
39	TWO result.	
40	STEP FOUR: If the STEP THREE result is less than or equal	
41	to zero (0), multiply the STEP TWO result by the ratio	
42	established under subdivision (1).	

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- 1 STEP FIVE: Determine the ratio of:
- 2 (A) the maximum permissible property tax levy under
- 3 IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for each civil taxing unit for
- 4 the calendar year in which the month falls, plus, for a
- 5 county, an amount equal to the property taxes imposed by
- 6 the county in 1999 for the county's welfare fund and welfare
- 7 administration fund **plus the property taxes imposed by**
- 8 **the county in 2002 for the county family and children's**
- 9 **fund;** divided by
- 10 (B) the sum of the maximum permissible property tax levies
- 11 under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all civil taxing
- 12 units of the county during the calendar year in which the
- 13 month falls, and an amount equal to the property taxes
- 14 imposed by the county in 1999 for the county's welfare fund
- 15 and welfare administration fund **plus the property taxes**
- 16 **imposed by the county in 2002 for the county family and**
- 17 **children's fund.**
- 18 STEP SIX: If the STEP THREE result is greater than zero (0),
- 19 the STEP ONE amount shall be distributed by multiplying the
- 20 STEP ONE amount by the ratio established under subdivision
- 21 (1).
- 22 STEP SEVEN: For each taxing unit determine the STEP FIVE
- 23 ratio multiplied by the STEP TWO amount.
- 24 STEP EIGHT: For each civil taxing unit determine the
- 25 difference between the STEP SEVEN amount minus the
- 26 product of the STEP ONE amount multiplied by the ratio
- 27 established under subdivision (1). The STEP THREE excess
- 28 shall be distributed as provided in STEP NINE only to the civil
- 29 taxing units that have a STEP EIGHT difference greater than
- 30 or equal to zero (0).
- 31 STEP NINE: For the civil taxing units qualifying for a
- 32 distribution under STEP EIGHT, each civil taxing unit's share
- 33 equals the STEP THREE excess multiplied by the ratio of:
- 34 (A) the maximum permissible property tax levy under
- 35 IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for the qualifying civil
- 36 taxing unit during the calendar year in which the month
- 37 falls, plus, for a county, an amount equal to the property
- 38 taxes imposed by the county in 1999 for the county's welfare
- 39 fund and welfare administration fund **plus the property**
- 40 **taxes imposed by the county in 2002 for the county**
- 41 **family and children's fund;** divided by
- 42 (B) the sum of the maximum permissible property tax levies

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1 under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ for all qualifying civil
 2 taxing units of the county during the calendar year in which
 3 the month falls, and an amount equal to the property taxes
 4 imposed by the county in 1999 for the county's welfare fund
 5 and welfare administration fund **plus the property taxes**
 6 **imposed by the county in 2002 for the county family and**
 7 **children's fund.**

8 SECTION 25. IC 6-3.5-6-19, AS AMENDED BY P.L.273-1999,
 9 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 19. (a) Except as provided in sections 13,
 11 17.6(d), 18(e), and 18.5(b)(3) of this chapter, in determining the
 12 fractional share of distributive shares the civil taxing units of a county
 13 are entitled to receive under section 18 of this chapter during a calendar
 14 year, the state board of tax commissioners shall consider only property
 15 taxes imposed on tangible property subject to assessment in that
 16 county.

17 (b) In determining the amount of distributive shares a civil taxing
 18 unit is entitled to receive under section 18(g) of this chapter, the state
 19 board of tax commissioners shall consider only the percentage of the
 20 civil taxing unit's budget that equals the ratio that the total assessed
 21 valuation that lies within the civil taxing unit and the county that has
 22 adopted the county option tax bears to the total assessed valuation that
 23 lies within the civil taxing unit.

24 (c) The distributive shares to be allocated and distributed under this
 25 chapter shall be treated by each civil taxing unit as additional revenue
 26 for the purpose of fixing its budget for the budget year during which the
 27 distributive shares is to be distributed to the civil taxing unit.

28 (d) In the case of a civil taxing unit that includes a consolidated city
 29 its fiscal body may distribute any revenue it receives under this chapter
 30 to any governmental entity located in its county except an excluded
 31 city, a township, or a school corporation.

32 SECTION 26. IC 6-3.5-7-5 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as
 34 provided in subsection (c), the county economic development income
 35 tax may be imposed on the adjusted gross income of county taxpayers.

36 The entity that may impose the tax is:

- 37 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 38 the county option income tax is in effect on January 1 of the year
- 39 the county economic development income tax is imposed;
- 40 (2) the county council if the county adjusted gross income tax is
- 41 in effect on January 1 of the year the county economic
- 42 development tax is imposed; or

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1 (3) the county income tax council or the county council,
2 whichever acts first, for a county not covered by subdivision (1)
3 or (2).

4 To impose the county economic development income tax, a county
5 income tax council shall use the procedures set forth in IC 6-3.5-6
6 concerning the imposition of the county option income tax.

7 (b) Except as provided in subsections (c) and (g), the county
8 economic development income tax may be imposed at a rate of:

- 9 (1) one-tenth percent (0.1%);
- 10 (2) two-tenths percent (0.2%);
- 11 (3) twenty-five hundredths percent (0.25%);
- 12 (4) three-tenths percent (0.3%);
- 13 (5) thirty-five hundredths percent (0.35%);
- 14 (6) four-tenths percent (0.4%);
- 15 (7) forty-five hundredths percent (0.45%); or
- 16 (8) five-tenths percent (0.5%);

17 on the adjusted gross income of county taxpayers.

18 (c) Except as provided in subsection (h) or (i), the county economic
19 development income tax rate plus the county adjusted gross income tax
20 rate, if any, that are in effect on January 1 of a year may not exceed one
21 and twenty-five hundredths percent (1.25%). Except as provided in
22 ~~subsection~~ **subsections (g) and (j)**, the county economic development
23 tax rate plus the county option income tax rate, if any, that are in effect
24 on January 1 of a year may not exceed one percent (1%).

25 (d) To impose the county economic development income tax, the
26 appropriate body must, after January 1 but before April 1 of a year,
27 adopt an ordinance. The ordinance must substantially state the
28 following:

29 "The _____ County _____ imposes the county economic
30 development income tax on the county taxpayers of _____
31 County. The county economic development income tax is imposed at
32 a rate of _____ percent (____%) on the county taxpayers of the
33 county. This tax takes effect July 1 of this year."

34 (e) Any ordinance adopted under this section takes effect July 1 of
35 the year the ordinance is adopted.

36 (f) The auditor of a county shall record all votes taken on ordinances
37 presented for a vote under the authority of this section and immediately
38 send a certified copy of the results to the department by certified mail.

39 (g) This subsection applies to a county having a population of more
40 than one hundred twenty-nine thousand (129,000) but less than one
41 hundred thirty thousand six hundred (130,600). In addition to the rates
42 permitted by subsection (b), the:

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1 (1) county economic development income tax may be imposed at
2 a rate of:

- 3 (A) fifteen-hundredths percent (0.15%);
4 (B) two-tenths percent (0.2%); or
5 (C) twenty-five hundredths percent (0.25%); and

6 (2) county economic development income tax rate plus the county
7 option income tax rate that are in effect on January 1 of a year
8 may equal up to one and twenty-five hundredths percent (1.25%);
9 if the county income tax council makes a determination to impose rates
10 under this subsection and section 22 of this chapter.

11 (h) For a county having a population of more than thirty-seven
12 thousand (37,000) but less than thirty-seven thousand eight hundred
13 (37,800), the county economic development income tax rate plus the
14 county adjusted gross income tax rate that are in effect on January 1 of
15 a year may not exceed one and thirty-five hundredths percent (1.35%)
16 if the county has imposed the county adjusted gross income tax at a rate
17 of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

18 (i) For a county having a population of more than twelve thousand
19 six hundred (12,600) but less than thirteen thousand (13,000), the
20 county economic development income tax rate plus the county adjusted
21 gross income tax rate that are in effect on January 1 of a year may not
22 exceed one and fifty-five hundredths percent (1.55%).

23 **(j) For a county that has adopted an ordinance under**
24 **IC 6-3.5-6-13, the county economic development income tax rate**
25 **plus the county adjusted gross income tax rate that are in effect on**
26 **January 1 of a year may not exceed one percent (1%) plus the**
27 **lesser of:**

- 28 **(1) twenty-five hundredths percent (0.25%); or**
29 **(2) the part of the rate that exceeds one percent (1%) and that**
30 **is dedicated to property tax relief under the ordinance.**

31 SECTION 27. IC 6-3.5-7-12, AS AMENDED BY P.L.14-2000,
32 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2003]: Sec. 12. (a) Except as provided in section 23 of
34 this chapter, the county auditor shall distribute in the manner specified
35 in this section the certified distribution to the county.

36 (b) Except as provided in subsections (c) and (h) and section 15 of
37 this chapter, the amount of the certified distribution that the county and
38 each city or town in a county is entitled to receive during May and
39 November of each year equals the product of the following:

- 40 (1) The amount of the certified distribution for that month;
41 multiplied by
42 (2) A fraction. The numerator of the fraction equals the sum of the

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- 1 following:
- 2 (A) Total property taxes that are first due and payable to the
- 3 county, city, or town during the calendar year in which the
- 4 month falls; plus
- 5 (B) For a county, an amount equal to the property taxes
- 6 imposed by the county in 1999 for the county's welfare fund
- 7 and welfare administration fund **and an amount equal to the**
- 8 **property taxes imposed by the county in 2002 for the**
- 9 **county family and children's fund.**
- 10 The denominator of the fraction equals the sum of the total
- 11 property taxes that are first due and payable to the county and all
- 12 cities and towns of the county during the calendar year in which
- 13 the month falls, plus an amount equal to the property taxes
- 14 imposed by the county in 1999 for the county's welfare fund and
- 15 welfare administration fund **and an amount equal to the**
- 16 **property taxes imposed by the county in 2002 for the county**
- 17 **family and children's fund.**
- 18 (c) This subsection applies to a county council or county income tax
- 19 council that imposes a tax under this chapter after June 1, 1992. The
- 20 body imposing the tax may adopt an ordinance before July 1 of a year
- 21 to provide for the distribution of certified distributions under this
- 22 subsection instead of a distribution under subsection (b). The following
- 23 apply if an ordinance is adopted under this subsection:
- 24 (1) The ordinance is effective January 1 of the following year.
- 25 (2) The amount of the certified distribution that the county and
- 26 each city and town in the county is entitled to receive during May
- 27 and November of each year equals the product of:
- 28 (A) the amount of the certified distribution for the month;
- 29 multiplied by
- 30 (B) a fraction. For a city or town, the numerator of the fraction
- 31 equals the population of the city or the town. For a county, the
- 32 numerator of the fraction equals the population of the part of
- 33 the county that is not located in a city or town. The
- 34 denominator of the fraction equals the sum of the population
- 35 of all cities and towns located in the county and the population
- 36 of the part of the county that is not located in a city or town.
- 37 (3) The ordinance may be made irrevocable for the duration of
- 38 specified lease rental or debt service payments.
- 39 (d) The body imposing the tax may not adopt an ordinance under
- 40 subsection (c) if, before the adoption of the proposed ordinance, any of
- 41 the following have pledged the county economic development income
- 42 tax for any purpose permitted by IC 5-1-14 or any other statute:

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- 1 (1) The county.
- 2 (2) A city or town in the county.
- 3 (3) A commission, a board, a department, or an authority that is
- 4 authorized by statute to pledge the county economic development
- 5 income tax.
- 6 (e) The state board of tax commissioners shall provide each county
- 7 auditor with the fractional amount of the certified distribution that the
- 8 county and each city or town in the county is entitled to receive under
- 9 this section.
- 10 (f) Money received by a county, city, or town under this section
- 11 shall be deposited in the unit's economic development income tax fund.
- 12 (g) Except as provided in subsection (b)(2)(B), in determining the
- 13 fractional amount of the certified distribution the county and its cities
- 14 and towns are entitled to receive under subsection (b) during a calendar
- 15 year, the state board of tax commissioners shall consider only property
- 16 taxes imposed on tangible property subject to assessment in that
- 17 county.
- 18 (h) In a county having a consolidated city, only the consolidated city
- 19 is entitled to the certified distribution, subject to the requirements of
- 20 section 15 of this chapter.
- 21 SECTION 28. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999,
- 22 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JANUARY 1, 2003]: Sec. 2. (a) On or before February 1, May 1,
- 24 August 1, and December 1 of each year the auditor of state shall
- 25 transfer to each county auditor for distribution to the taxing units (as
- 26 defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth
- 27 (1/4) of the sum of the guaranteed amounts for all the taxing units of
- 28 the county. On or before August 1 of each year the auditor of state shall
- 29 transfer to each county auditor the supplemental distribution for the
- 30 county for the year. For purposes of determining distributions under
- 31 subsection (b), the state board of tax commissioners shall determine a
- 32 state welfare allocation for each county calculated as follows:
- 33 (1) For 2000 and each year thereafter, the state welfare allocation
- 34 for each county equals the greater of zero (0) or the amount
- 35 determined under the following formula:
- 36 STEP ONE: For:
- 37 (A) 1997, 1998, and 1999, determine the result of:
- 38 (A) (i) the amounts appropriated by the county in the year
- 39 for the county's county welfare fund and county welfare
- 40 administration fund; divided by
- 41 (B) (ii) the amounts appropriated by all the taxing units in
- 42 the county in the year; **and**

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(B) 2000, 2001, and 2002, determine the result of:
(i) the amounts appropriated by the county in the year for the county's county family and children's fund; divided by
(ii) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

- (A) the STEP FOUR amount; multiplied by
- (B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (b) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(b) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

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1 (c) The amount of the supplemental distribution for a county for a
2 year shall be determined using the following formula:

3 STEP ONE: Determine the greater of zero (0) or the difference
4 between:

5 (A) one-half (1/2) of the taxes that the department estimates
6 will be paid under this article during the year; minus

7 (B) the sum of all the guaranteed distributions, before the
8 subtraction of all state welfare allocations under subsection
9 (a), for all taxing units in all counties plus the bank personal
10 property taxes to be received by all taxing units in all counties,
11 as determined under subsection (b)(2) for the year.

12 STEP TWO: Determine the quotient of:

13 (A) the amount received under IC 6-5-10 and IC 6-5-11 in
14 1989 by all taxing units in the county; divided by

15 (B) the sum of the amounts received under IC 6-5-10 and
16 IC 6-5-11 in 1989 by all taxing units in all counties.

17 STEP THREE: Determine the product of:

18 (A) the amount determined in STEP ONE; multiplied by

19 (B) the amount determined in STEP TWO.

20 STEP FOUR: Determine the greater of zero (0) or the difference
21 between:

22 (A) the amount of supplemental distribution determined in
23 STEP THREE for the county; minus

24 (B) the amount of refunds granted under IC 6-5-10-7 that have
25 yet to be reimbursed to the state by the county treasurer under
26 IC 6-5-10-13.

27 For the supplemental distribution made on or before August 1 of each
28 year, the department shall adjust the amount of each county's
29 supplemental distribution to reflect the actual taxes paid under this
30 article for the preceding year.

31 (d) Except as provided in subsection (f), the amount of the
32 supplemental distribution for each taxing unit shall be determined
33 using the following formula:

34 STEP ONE: Determine the quotient of:

35 (A) the amount received by the taxing unit under IC 6-5-10
36 and IC 6-5-11 in 1989; divided by

37 (B) the sum of the amounts used in STEP ONE (A) for all
38 taxing units located in the county.

39 STEP TWO: Determine the product of:

40 (A) the amount determined in STEP ONE; multiplied by

41 (B) the supplemental distribution for the county, as determined
42 in subsection (c), STEP FOUR.

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1 (e) The county auditor shall distribute the guaranteed and
2 supplemental distributions received under subsection (a) to the taxing
3 units in the county at the same time that the county auditor makes the
4 semiannual distribution of real property taxes to the taxing units.

5 (f) The amount of a supplemental distribution paid to a taxing unit
6 that is a county shall be reduced by an amount equal to:

7 (1) the amount the county would receive under subsection (d)
8 without regard to this subsection; minus

9 (2) an amount equal to:

10 (A) the amount under subdivision (1); multiplied by

11 (B) the result of the following:

12 ~~(i)~~ (i) Determine the amounts appropriated by the county in
13 1997, 1998, and 1999, from the county's county welfare fund
14 and county welfare administration fund **plus the amounts**
15 **appropriated by the county in 2000, 2001, and 2002,**
16 **from the county's county family and children's fund,**
17 divided by the total amounts appropriated by all the taxing
18 units in the county in the year.

19 (ii) Divide the amount determined in item ~~(i)~~ (i) by three (3).

20 SECTION 29. IC 6-6-5-10, AS AMENDED BY P.L.273-1999,
21 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2003]: Sec. 10. (a) The bureau shall establish procedures
23 necessary for the collection of the tax imposed by this chapter and for
24 the proper accounting for the same. The necessary forms and records
25 shall be subject to approval by the state board of accounts.

26 (b) The county treasurer upon receiving the excise tax collections
27 shall receipt such collections into a separate account for settlement
28 thereof at the same time as property taxes are accounted for and settled
29 in June and December of each year, with the right and duty of the
30 treasurer and auditor to make advances prior to the time of final
31 settlement of such property taxes in the same manner as provided in
32 IC 5-13-6-3.

33 (c) The county auditor shall determine the total amount of excise
34 taxes collected for each taxing unit in the county and the amount so
35 collected (and the distributions received under section 9.5 of this
36 chapter) shall be apportioned and distributed among the respective
37 funds of each taxing unit in the same manner and at the same time as
38 property taxes are apportioned and distributed. However, for purposes
39 of determining distributions under this section for 2000 and each year
40 thereafter, the state welfare allocation for each county equals the
41 greater of zero (0) or the amount determined under STEP FIVE of the
42 following STEPS:

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STEP ONE: For:

(A) 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year; **and**

(B) 2000, 2001, and 2002, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county family and children's fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

- (i) (A) the STEP FOUR amount; multiplied by
- (ii) (B) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from his records, to the extent such verification can be so made. He shall further identify and verify from his records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for his use as soon as it is checked and completed.

SECTION 30. IC 12-13-5-5, AS AMENDED BY P.L.273-1999, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) Each county auditor shall keep records

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1 and make reports relating to the county welfare fund (before July 1,
2 2001), the family and children's fund (**before July 1, 2004**), and other
3 financial transactions as required under IC 12-13 through IC 12-19 and
4 as required by the division.

5 (b) All records provided for in IC 12-13 through IC 12-19 shall be
6 kept, prepared, and submitted in the form required by the division and
7 the state board of accounts.

8 SECTION 31. IC 12-17-3-2 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) This section does
10 not apply to a county department's:

11 (1) administrative expenses; or

12 (2) expenses regarding facilities, supplies, and equipment.

13 (b) Necessary expenses incurred in the administration of the child
14 welfare services under section 1 of this chapter shall be paid out of the
15 ~~county welfare fund or the~~ county family and children's fund.
16 (~~whichever is appropriate~~):

17 SECTION 32. IC 12-19-1-21, AS ADDED BY P.L.273-1999,
18 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2003]: Sec. 21. (a) Notwithstanding any other law, after
20 December 31, 1999, a county may not impose any of the following:

21 (1) A property tax levy for a county welfare fund.

22 (2) A property tax levy for a county welfare administration fund.

23 **(b) Notwithstanding any other law, after December 31, 2002, a**
24 **county may not impose a property tax levy for the county's family**
25 **and children's fund.**

26 SECTION 33. IC 12-19-1-22, AS ADDED BY P.L.273-1999,
27 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2003]: Sec. 22. (a) All bonds issued and loans made
29 under IC 12-1-11 (before its repeal) or this article:

30 (1) before January 1, 2000, that are payable from property taxes
31 imposed under IC 12-19-3 (before its repeal); or

32 (2) **before January 1, 2003, that are payable from property**
33 **taxes imposed under IC 12-19-7-3 (before its amendment to**
34 **eliminate the authority to impose a property tax levy);**

35 (†) are direct general obligations of the county issuing the bonds or
36 making the loans and (‡) are payable out of unlimited ad valorem taxes
37 that shall be levied and collected on all taxable property within the
38 county.

39 (b) Each official and body responsible for the levying of taxes for
40 the county must ensure that sufficient levies are made to meet the
41 principal and interest on the bonds and loans at the time fixed for the
42 payment of the principal and interest, without regard to any other



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1 statute. If an official or a body fails or refuses to make or allow a
 2 sufficient levy required by this section, the bonds and loans and the
 3 interest on the bonds and loans shall be payable out of the county
 4 general fund without appropriation.

5 SECTION 34. IC 12-19-1-23 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2003]: **Sec. 23. (a) The division may**
 8 **establish a children's services incentive program to provide**
 9 **incentives for county offices to improve children's services and**
 10 **contain costs relating to expenditures from the family and**
 11 **children's fund under IC 12-19-7.**

12 **(b) Any financial incentives under the program are subject to**
 13 **amounts appropriated to the division for the program.**

14 **(c) Any financial incentives provided to a county office under**
 15 **this section shall be appropriated, with the approval of the**
 16 **director, for the county's early intervention plan in accordance**
 17 **with IC 31-34-24 and IC 31-37-24.**

18 **(d) The division shall adopt rules under IC 4-22-2 to carry out**
 19 **this section.**

20 SECTION 35. IC 12-19-1.5-6, AS ADDED BY P.L.273-1999,
 21 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2002]: Sec. 6. As used in this chapter, "replacement amount"
 23 means the sum of:

24 **(1) the property taxes imposed on the assessed value of property**
 25 **in the allocation area in excess of the base assessed value in 1999**
 26 **for:**

27 **(1) (A) the county welfare fund; and**

28 **(2) (B) the county welfare administration fund; and**

29 **(2) the property taxes imposed on the assessed value of**
 30 **property in the allocation area that exceed the base assessed**
 31 **value in 2002 for the county family and children's fund.**

32 SECTION 36. IC 12-19-1.5-8, AS ADDED BY P.L.273-1999,
 33 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2002]: Sec. 8. (a) This chapter applies to an allocation area:

35 **(1) in which:**

36 **(1) (A) the holders of obligations received a pledge before July**
 37 **1, 1999, of tax increment revenues to repay any part of the**
 38 **obligations due after December 31, 1999; and**

39 **(2) (B) the elimination of a county welfare fund property tax**
 40 **levy or a county welfare administration fund property tax levy**
 41 **adversely affects the ability of the governing body to repay the**
 42 **obligations described in ~~subdivision (1):~~ clause (A); or**

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- (2) in which:**
 - (A) the holders of obligations received a pledge before July 1, 2002, of tax increment revenues to repay any part of the obligations due after December 31, 2002; and**
 - (B) the elimination of a county family and children's fund property tax levy adversely affects the ability of the governing body to repay the obligations described in clause (A).**

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 37. IC 12-19-1.5-9, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay:

- (1) a bond or an obligation described in ~~section 8~~ section 8(a)(1) of this chapter that comes due after December 31, 1999; or**
- (2) a bond or an obligation described in section 8(a)(2) of this chapter that comes due after December 31, 2002.**

The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or

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1 objection are that the special assessment will not help the governing
 2 body realize the redevelopment or economic development objectives
 3 for the allocation area or honor its obligations related to the allocation
 4 area. After considering the evidence presented, the governing body
 5 shall take final action concerning the proposed special assessment. The
 6 final action taken by the governing body shall be recorded and is final
 7 and conclusive, except that an appeal may be taken in the manner
 8 prescribed by subsection (c).

9 (c) A person who filed a written remonstrance with a governing
 10 body under subsection (b) and is aggrieved by the final action taken
 11 may, within ten (10) days after that final action, file in the office of the
 12 clerk of the circuit or superior court a copy of the order of the
 13 governing body and the person's remonstrance or objection against that
 14 final action, together with a bond conditioned to pay the costs of appeal
 15 if the appeal is determined against the person. The only ground of
 16 remonstrance or objection that the court may hear is whether the
 17 proposed assessment will help achieve the redevelopment of economic
 18 development objectives for the allocation area or honor its obligations
 19 related to the allocation area. An appeal under this subsection shall be
 20 promptly heard by the court without a jury. All remonstrances or
 21 objections upon which an appeal has been taken must be consolidated,
 22 heard, and determined within thirty (30) days after the time of the filing
 23 of the appeal. The court shall hear evidence on the remonstrances or
 24 objections, and may confirm the final action of the governing body or
 25 sustain the remonstrances or objections. The judgment of the court is
 26 final and conclusive, unless an appeal is taken as in other civil actions.

27 (d) The maximum amount of a special assessment under this section
 28 may not exceed the replacement amount.

29 (e) A special assessment shall be imposed and collected in the same
 30 manner as ad valorem property taxes are imposed and collected.

31 SECTION 38. IC 12-19-7-1, AS AMENDED BY P.L.139-2000,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2001]: Sec. 1. As used in this chapter, "child services" means
 34 the following:

35 (1) Child welfare services specifically provided for children who
 36 are:

37 (A) adjudicated to be:

38 (i) children in need of services; or

39 (ii) delinquent children; or

40 (B) recipients of or are eligible for:

41 (i) informal adjustments;

42 (ii) service referral agreements; and

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- 1 (iii) adoption assistance;
- 2 including the costs of using an institution or facility in Indiana for
- 3 providing educational services as described in either
- 4 IC 20-8.1-3-36 (if applicable) or IC 20-8.1-6.1-8 (if applicable),
- 5 all services required to be paid by a county **from the county**
- 6 **family and children's fund** under IC 31-40-1-2, and all costs
- 7 required to be paid by a county under IC 20-8.1-6.1-7.
- 8 (2) Assistance awarded by a county to a destitute child under
- 9 IC 12-17-1.
- 10 (3) Child welfare services as described in IC 12-17-3.
- 11 **(4) Family services (as defined in IC 31-9-2-45).**

12 SECTION 39. IC 12-19-7-3 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) A family
 14 and children's fund is established in each county. ~~The fund shall be~~
 15 ~~raised by a separate tax levy (the county family and children property~~
 16 ~~tax levy) that:~~

- 17 ~~(1) is in addition to all other tax levies authorized; and~~
- 18 ~~(2) shall be levied annually by the county fiscal body on all~~
- 19 ~~taxable property in the county in the amount necessary to raise the~~
- 20 ~~part of the fund that the county must raise to pay the items;~~
- 21 ~~awards; claims; allowances; assistance; and other expenses set~~
- 22 ~~forth in the annual budget under section 6 of this chapter.~~

23 (b) ~~The tax imposed under this section shall be collected as other~~
 24 ~~state and county ad valorem taxes are collected. Notwithstanding any~~
 25 ~~other law, after December 31, 2002, a county may not impose a~~
 26 ~~property tax levy for the county family and children's fund.~~

27 (c) The following shall be paid into the county treasury and
 28 constitute the family and children's fund:

- 29 ~~(1) All receipts from the tax imposed under this section.~~
- 30 ~~(2) (1) All grants-in-aid; money allocated by the division to the~~
- 31 ~~county whether received from the federal government or state~~
- 32 ~~government.~~
- 33 ~~(3) (2) Any other money required by law to be placed in the fund.~~

34 (d) The fund is available for the purpose of paying expenses and
 35 obligations set forth in the annual budget that is submitted and
 36 approved.

37 SECTION 40. IC 12-19-7-6 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) The county
 39 director, upon the advice of the judges of the courts with juvenile
 40 jurisdiction in the county, shall annually compile and adopt a child
 41 services budget, which must be in a form prescribed by the state board
 42 of accounts. **For calendar years before 2003,** the budget may not

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1 exceed the levy limitation set forth in IC 6-1.1-18.6.

2 (b) The budget must contain an estimate of the amount of money
3 that will be needed by the county office during the ~~fiscal~~ **next calendar**
4 year to defray the expenses and obligations incurred by the county
5 office in the payment of **child** services. ~~for children adjudicated to be~~
6 ~~children in need of services or delinquent children and other related~~
7 ~~services but not including the payment of AFDC.~~

8 SECTION 41. IC 12-19-7-7 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. ~~(a) The county~~
10 ~~director shall, with the assistance of the judges of courts with juvenile~~
11 ~~jurisdiction in the county and at the same time the budget is compiled~~
12 ~~and adopted, recommend to the division the tax levy that the director~~
13 ~~and judges determine will be required to raise the amount of revenue~~
14 ~~necessary to pay the expenses and obligations of the county office set~~
15 ~~forth in the budget under section 6 of this chapter. However, the tax~~
16 ~~levy may not exceed the maximum permissible levy set forth in~~
17 ~~IC 6-1.1-18.6 and the budget may not exceed the levy limitation set~~
18 ~~forth in IC 6-1.1-18.~~

19 ~~(b) After the county budget has been compiled, the county director~~
20 ~~shall submit a copy of the budget and the tax levy recommended by the~~
21 ~~county director, and the judges of courts with juvenile jurisdiction in~~
22 ~~the county, to the division not later than April 1 of each year. The~~
23 ~~division shall examine the budget and the tax levy for the purpose of~~
24 ~~determining whether, in the judgment of the division,~~

25 ~~(1) the appropriations requested in the budget will be adequate to~~
26 ~~defray the expenses and obligations that will be incurred by the~~
27 ~~county office in the payment of child services for the next fiscal~~
28 ~~calendar year. and~~

29 ~~(2) the tax levy recommended will yield the amount of the~~
30 ~~appropriation set forth in the budget. The budget submitted under~~
31 ~~this section is not subject to IC 6-1.1-17 and IC 6-1.1-18.~~

32 SECTION 42. IC 12-19-7-8 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 8. (a) The
34 division may do **either of** the following after examining a budget
35 submitted by the county ~~office:~~ **director:**

36 (1) Increase or decrease the amount of the budget or an item of
37 the budget. ~~subject to the maximum levy set forth in~~
38 ~~IC 6-1.1-18.6.~~

39 (2) Approve the budget as compiled by the county director. ~~and~~
40 ~~judges of courts with juvenile jurisdiction in the county.~~

41 ~~(3) Recommend the increase or decrease of the tax levy, subject~~
42 ~~to the maximum levy set forth in IC 6-1.1-18.6.~~



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1 (4) Approve the tax levy as recommended by the county director
2 and judges of courts with juvenile jurisdiction in the county.

3 **(b) The total amount of all approved child services budgets may**
4 **not exceed the total amount appropriated for child services for the**
5 **applicable state fiscal year.**

6 SECTION 43. IC 12-19-7-11 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11. ~~(a) In~~
8 ~~September of each year, at the time provided by law, The county fiscal~~
9 ~~body shall do the following:~~

10 (+) make the appropriations out of the family and children's fund
11 that are:

12 ~~(A) (1) based on the budget as submitted;~~ **approved by the**
13 **division;** and

14 ~~(B) (2) necessary to maintain the child services of the county for~~
15 ~~the next fiscal calendar year. subject to the maximum levy set~~
16 ~~forth in IC 6-1.1-18.6.~~

17 ~~(2) Levy a tax in an amount necessary to produce the appropriated~~
18 ~~money.~~

19 **(b) The division shall make advances to the county family and**
20 **children's fund to ensure that the amounts deposited in the county**
21 **family and children's fund are adequate to meet the expenses that**
22 **are to be paid from the fund. Amounts necessary to make the**
23 **advances under this subsection are appropriated from the state**
24 **general fund.**

25 **(c) The provisions of IC 6-1.1-18 concerning appropriations do**
26 **not apply to appropriations of money from a county family and**
27 **children's fund.**

28 **(d) Notwithstanding IC 36, a county is not required to publish**
29 **notice of any claim or allowance that will be paid from the county**
30 **family and children's fund.**

31 SECTION 44. IC 12-19-7-11.1 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 11.1. (a) The
33 judges of the courts with juvenile jurisdiction in the county and the
34 county director shall meet with the ~~county fiscal body~~ **county's early**
35 **intervention team established by IC 31-34-24** at a public meeting

36 (+) in April; and

37 (2) after June 30 and before October 1;
38 ~~in~~ **before April 1** of each year.

39 (b) At a meeting required in subsection (a), the county director **and**
40 **judges with juvenile jurisdiction** shall present to the county fiscal
41 ~~body and the judges~~ the following reports: **information:**

42 (1) Expenditures made

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(A) during the ~~immediately preceding calendar quarter~~
current calendar year from the family and children's fund in
 comparison to ~~one-fourth (1/4) of~~ the budget and
 appropriations approved by the ~~county fiscal body~~ **division** for
 the calendar year. ~~and~~
 (B) from the fund in the corresponding calendar quarter of
 each of the two (2) preceding calendar years:

(2) Obligations incurred ~~through the end of the immediately~~
~~preceding calendar quarter~~ **during the current calendar year**
 that will be payable from the family and children's fund during the
 remainder of the calendar year. ~~or in any subsequent calendar~~
~~year.~~

(3) The number of children, by category, for whom the family and
 children's fund was required to provide funds for services during
 the ~~immediately preceding calendar quarter,~~ **current calendar**
year, in comparison to ~~the corresponding calendar quarter~~ of each
 of the two (2) ~~preceding calendar years~~ **preceding the current**
calendar year.

(4) The number and type of out-of-home placements, by category,
 for which the family and children's fund was required to provide
 funds for foster home care or institutional placement, and the
 average daily, weekly or monthly cost of out-of-home placement
 care and services by category, during the ~~immediately preceding~~
~~calendar quarter,~~ **current calendar year**, in comparison to ~~the~~
~~corresponding calendar quarter~~ of each of the two (2) ~~preceding~~
~~calendar years~~ **preceding the current calendar year.**

(5) The number of children, by category, for whom the family and
 children's fund was required to provide funds for services for
 children residing with the child's parent, guardian or custodian
 (other than foster home or institutional placement), and the
 average monthly cost of those services, during the ~~immediately~~
~~preceding calendar quarter,~~ **current calendar year**, in
 comparison to ~~the corresponding calendar quarter~~ for each of the
 two (2) ~~preceding calendar years~~ **preceding the current**
calendar year.

(c) In preparing the ~~reports information~~ described in subsection (b),
 the county director **and judges** may use the best ~~information data~~
 reasonably available from the records of the ~~courts,~~ the county office,
 and the ~~county family and children's fund for calendar years before~~
~~1998.~~ **division.**

(d) At ~~each~~ **the** meeting described in subsection (a), the ~~county~~
~~fiscal body,~~ judges and county director may

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1 (+) discuss and suggest procedures to provide child welfare
 2 services in the most effective and cost-efficient manner. ~~and~~
 3 (2) ~~consider actions needed, including revision of budgeting~~
 4 ~~procedures, to eliminate or minimize any anticipated need for~~
 5 ~~short term borrowing for the family and children's fund under any~~
 6 ~~provisions of this chapter or IC 12-19-5.~~

7 SECTION 45. IC 12-19-7-15 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. (a) If at any
 9 time the county director determines that the family and children's fund
 10 is exhausted or will be exhausted before the close of a ~~fiscal calendar~~
 11 year, the county director shall prepare an estimate and statement
 12 showing the amount of money, in addition to the money already made
 13 available, that will be necessary to defray the expenses of the county
 14 office and pay the obligations of the county office, excluding
 15 administrative expenses and facilities, supplies, and equipment
 16 expenses for the county office, in the administration of the county
 17 office's activities for the unexpired part of the ~~fiscal calendar~~ year.

18 (b) The county director shall do the following:

19 (1) Certify the estimate and statement to the ~~county executive:~~
 20 **director.**

21 (2) File ~~the estimate and a~~ statement with the ~~county auditor:~~
 22 **director concerning:**

23 **(A) the reasons the family and children's fund is exhausted**
 24 **or will be exhausted; and**

25 **(B) what actions have been taken by the county office to**
 26 **avoid the exhaustion of the fund.**

27 SECTION 46. IC 12-19-7-21.5 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2003]: **Sec. 21.5. (a) Notwithstanding**
 30 **any other law, after December 31, 2002, the state shall fund one**
 31 **hundred percent (100%) of the programs, services, and activities**
 32 **that were payable before January 1, 2003, from county family and**
 33 **children's fund property tax levies.**

34 (b) Any money remaining in a county family and children's fund
 35 on January 1, 2003, must be used for services previously payable
 36 from the county family and children's fund. Fund balances in each
 37 county family and children's fund are available to the division of
 38 family and children beginning January 1, 2003, for use in fulfilling
 39 the requirements previously paid from the county family and
 40 children's fund within each county.

41 (c) With the approval of the governor and the budget agency,
 42 money appropriated to the division of family and children for

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1 **programs, services, and activities described in subsection (a) may**
2 **be augmented from the state general fund.**

3 SECTION 47. IC 31-31-5-4 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. A probation officer
5 shall, for the purpose of carrying out the juvenile law:

6 (1) conduct such investigations and prepare such reports and
7 recommendations as the court directs and keep a written record of
8 those investigations, reports, and recommendations;

9 (2) receive and examine complaints and allegations concerning
10 matters covered by the juvenile law and make preliminary
11 inquiries and investigations;

12 (3) implement informal adjustments;

13 (4) prepare and submit the predisposition report required for a
14 dispositional hearing under the juvenile law;

15 (5) supervise and assist by all suitable methods a child placed on
16 probation or in the probation officer's care by order of the court or
17 other legal authority;

18 **(6) with the cooperation and assistance of the county office of**
19 **family and children, prepare and monitor performance of any**
20 **case plan, and ensure compliance with all other procedures,**
21 **as necessary or appropriate to satisfy the requirements of**
22 **Title IV-E of the Social Security Act, 42 U.S.C. 670 et seq.,**
23 **and applicable federal regulations, for federal financial**
24 **participation in the payment of the cost of services provided**
25 **to an eligible child;**

26 (7) keep complete records of the probation officer's work and
27 comply with any order of the court concerning the collection,
28 protection, and distribution of any money or other property
29 coming into the probation officer's hands; and

30 ~~(7)~~ **(8)** perform such other functions as are designated by the
31 juvenile law or by the court in accordance with the juvenile law.

32 SECTION 48. IC 31-34-18-1.3 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec 1.3. (a) The individuals
34 participating in a meeting described in section 1.1 of this chapter shall
35 assist the person preparing the report in recommending the care,
36 treatment, rehabilitation, or placement of the child.

37 (b) The individuals shall inform the person preparing the report of
38 resources and programs that are available for the child.

39 **(c) The probation officer or caseworker shall collect, maintain,**
40 **and complete financial eligibility forms designated by the director**
41 **to assist in obtaining federal reimbursement and other**
42 **reimbursement.**

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1 SECTION 49. IC 31-34-18-3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. The probation officer
 3 or caseworker shall also **collect information and** prepare a financial
 4 report, **in the form prescribed by the division**, on the parent or the
 5 estate of the child to assist the juvenile court **and the county office** in:

6 (1) determining the person's financial responsibility; **and**

7 (2) **obtaining federal reimbursement;**

8 for services provided for the child or the person.

9 SECTION 50. IC 31-34-24-4 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Before
 11 March 1, 1998, each county shall establish a team to develop a plan as
 12 described in this chapter.

13 (b) The team is composed of the following members, each of whom
 14 serves at the pleasure of the member's appointing authority:

15 (1) Two (2) members appointed by the judge or judges of the
 16 juvenile court, one (1) of whom is a representative of the
 17 probation department.

18 (2) Two (2) members appointed by the director of the county
 19 office as follows:

20 (A) One (1) is a member of the child welfare staff of the
 21 county office.

22 (B) One (1) is either:

23 (i) an interested resident of the county; or

24 (ii) a representative of a social service agency;

25 who knows of child welfare needs and services available to
 26 residents of the county.

27 (3) One (1) member appointed by the superintendent of the largest
 28 school corporation in the county.

29 (4) If:

30 (A) two (2) school corporations are located within the county,
 31 one (1) member appointed by the superintendent of the second
 32 largest school corporation in the county; or

33 (B) more than two (2) school corporations are located within
 34 the county, one (1) member appointed by the county fiscal
 35 body as a representative of school corporations other than the
 36 largest school corporation in the county.

37 ~~(5) One (1) member appointed by the county fiscal body.~~

38 ~~(6)~~ (5) One (1) member representing the community mental
 39 health center (as defined under IC 12-7-2-38) serving the county,
 40 appointed by the director of the community mental health center.

41 However, if more than one (1) community mental health center
 42 serves the county, the member shall be appointed by the county

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1 fiscal body.

2 ~~(7)~~ **(6)** One (1) or more additional members appointed by the
3 ~~chairperson of the team, county director,~~ from among interested
4 or knowledgeable residents of the community or representatives
5 of agencies providing social services to or for children in the
6 county.

7 SECTION 51. IC 31-34-24-11, AS AMENDED BY P.L.273-1999,
8 SECTION 103, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2003]: Sec. 11. The ~~director or the~~ state
10 superintendent of public instruction may, not later than thirty (30) days
11 after receiving the plan, transmit to the team and the ~~county fiscal body~~
12 **director** any comments, including recommendations for modification
13 of the plan, that the ~~director or the~~ state superintendent of public
14 instruction considers appropriate.

15 SECTION 52. IC 31-34-24-12, AS AMENDED BY P.L.273-1999,
16 SECTION 104, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JANUARY 1, 2003]: Sec. 12. Not later than sixty (60)
18 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
19 one (1) of the following:

- 20 (1) Approve the plan as submitted by the team.
21 ~~(2) Approve the plan with amendments, modifications, or~~
22 ~~revisions adopted by the county fiscal body.~~
23 ~~(3)~~ **(2)** Return the plan to the team with directions concerning:
24 (A) subjects for further study and reconsideration; and
25 (B) resubmission of a revised plan.

26 SECTION 53. IC 31-34-24-14, AS AMENDED BY P.L.273-1999,
27 SECTION 105, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) The team shall meet at
29 least one (1) time each year to do the following:

- 30 (1) Develop, review, or revise a strategy that identifies:
31 (A) the manner in which prevention and early intervention
32 services will be provided or improved;
33 (B) how local collaboration will improve children's services;
34 and
35 (C) how different funds can be used to serve children and
36 families more effectively.
37 (2) Reorganize as needed and select its vice chairperson for the
38 ensuing year.
39 (3) Review the implementation of the plan and prepare revisions,
40 additions, or updates of the plan that the team considers necessary
41 or appropriate to improve the quality and efficiency of early
42 intervention child welfare services provided in accordance with

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the plan.
(4) Prepare and submit to the ~~county fiscal body~~ **director and the superintendent of public instruction** a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

(b) The chairperson or vice chairperson of the team ~~or the county fiscal body~~ may convene any additional meetings of the team that are, in the chairperson's or vice chairperson's opinion, necessary or appropriate.

SECTION 54. IC 31-34-24-15, AS AMENDED BY P.L.273-1999, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. The team ~~or the county fiscal body~~ shall transmit copies of the plan, each annual report, and each revised plan to the following:

- (1) The director.
- (2) The state superintendent of public instruction.
- (3) The county office.
- (4) The juvenile court.
- (5) The superintendent of each public school corporation in the county.
- (6) The local step ahead council.
- (7) Any public or private agency that:
 - (A) provides services to families and children in the county that requests information about the plan; or
 - (B) the team has identified as a provider of services relevant to the plan.

SECTION 55. IC 31-34-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. The team ~~or the county fiscal body~~ shall publicize to residents of the county the existence and availability of the plan.

SECTION 56. IC 31-37-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Before March 1, 1998, each county shall establish a team to develop a plan as described in this chapter.

(b) The team is composed of the following members, each of whom serves at the pleasure of the member's appointing authority:

- (1) Two (2) members appointed by the judge or judges of the juvenile court, one (1) of whom is a representative of the probation department.
- (2) Two (2) members appointed by the director of the county office as follows:
 - (A) One (1) is a member of the child welfare staff of the

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- 1 county office.
- 2 (B) One (1) is either:
- 3 (i) an interested resident of the county; or
- 4 (ii) a representative of a social service agency;
- 5 who knows of child welfare needs and services available to
- 6 residents of the county.
- 7 (3) One (1) member appointed by the superintendent of the largest
- 8 school corporation in the county.
- 9 (4) If:
- 10 (A) two (2) school corporations are located within the county,
- 11 one (1) member appointed by the superintendent of the second
- 12 largest school corporation in the county; or
- 13 (B) more than two (2) school corporations are located within
- 14 the county, one (1) member appointed by the county fiscal
- 15 body as a representative of school corporations other than the
- 16 largest school corporation in the county.
- 17 ~~(5) One (1) member appointed by the county fiscal body.~~
- 18 ~~(6) (5) One (1) member representing the community mental~~
- 19 ~~health center (as defined under IC 12-7-2-38) serving the county,~~
- 20 ~~appointed by the director of the community mental health center.~~
- 21 ~~However, if more than one (1) community mental health center~~
- 22 ~~serves the county, the member shall be appointed by the county~~
- 23 ~~fiscal body: **director.**~~
- 24 ~~(7) (6) One (1) or more additional members appointed by the~~
- 25 ~~chairperson of the team; **county director,** from among interested~~
- 26 ~~or knowledgeable residents of the community or representatives~~
- 27 ~~of agencies providing social services to or for children in the~~
- 28 ~~county.~~

29 SECTION 57. IC 31-37-24-5, AS AMENDED BY P.L.273-1999,
 30 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2003]: Sec. 5. If a county has in existence
 32 a committee, council, or other organized group that includes
 33 representatives of all of the appointing authorities described in section
 34 4 of this chapter, the ~~county fiscal body~~ **director** may elect to designate
 35 that existing organization as the county's team for purposes of this
 36 chapter.

37 SECTION 58. IC 31-37-24-11, AS AMENDED BY P.L.273-1999,
 38 SECTION 115, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2003]: Sec. 11. The ~~director or the~~ state
 40 superintendent of public instruction may, not later than thirty (30) days
 41 after receiving the plan, transmit to the team and the ~~county fiscal body~~
 42 **director** any comments, including recommendations for modification

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1 of the plan, that the ~~director or the~~ state superintendent of public
2 instruction considers appropriate.

3 SECTION 59. IC 31-37-24-12, AS AMENDED BY P.L.273-1999,
4 SECTION 116, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2003]: Sec. 12. Not later than sixty (60)
6 days after receiving the plan, the ~~county fiscal body~~ **director** shall do
7 one (1) of the following:

8 (1) Approve the plan as submitted by the team.

9 ~~(2) Approve the plan with amendments, modifications, or~~
10 ~~revisions adopted by the county fiscal body.~~

11 ~~(3)~~ **(2)** Return the plan to the team with directions concerning:

12 (A) subjects for further study and reconsideration; and

13 (B) resubmission of a revised plan.

14 SECTION 60. IC 31-37-24-14, AS AMENDED BY P.L.273-1999,
15 SECTION 117, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2003]: Sec. 14. (a) The team shall meet at
17 least one (1) time each year to do the following:

18 (1) Develop, review, or revise a strategy that identifies:

19 (A) the manner in which prevention and early intervention
20 services will be provided or improved;

21 (B) how local collaboration will improve children's services;
22 and

23 (C) how different funds can be used to serve children and
24 families more effectively.

25 (2) Reorganize as needed and select its vice chairperson for the
26 ensuing year.

27 (3) Review the implementation of the plan and prepare revisions,
28 additions, or updates of the plan that the team considers necessary
29 or appropriate to improve the quality and efficiency of early
30 intervention child welfare services provided in accordance with
31 the plan.

32 (4) Prepare and submit to the ~~county fiscal body~~ **director and the**
33 **superintendent of public instruction** a report on the operations
34 of the plan during the preceding year and a revised and updated
35 plan for the ensuing year.

36 (b) The chairperson or vice chairperson of the team ~~or the county~~
37 ~~fiscal body~~ may convene any additional meetings of the team that are,
38 in the chairperson's or vice chairperson's opinion, necessary or
39 appropriate.

40 SECTION 61. IC 31-37-24-15 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 15. The team ~~or~~
42 ~~the county fiscal body~~ shall transmit copies of the initial plan, each

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1 annual report, and each revised plan to the following:

- 2 (1) The director.
 3 (2) The state superintendent of public instruction.
 4 (3) The county office.
 5 (4) The juvenile court.
 6 (5) The superintendent of each public school corporation in the
 7 county.
 8 (6) The local step ahead council.
 9 (7) Any public or private agency that:
 10 (A) provides services to families and children in the county
 11 that requests information about the plan; or
 12 (B) the team has identified as a provider of services relevant
 13 to the plan.

14 SECTION 62. IC 31-37-24-16 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. The team ~~or~~
 16 ~~the county fiscal body~~ shall publicize to residents of the county the
 17 existence and availability of the plan.

18 SECTION 63. IC 31-40-1-1 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This article
 20 applies to a financial burden sustained by a county **or the division** as
 21 the result of costs paid by the county **or the division** under section 2 of
 22 this chapter, including costs resulting from the institutional placement
 23 of a child adjudicated a delinquent child or a child in need of services.

24 SECTION 64. IC 31-40-1-2, AS AMENDED BY P.L.273-1999,
 25 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) **As used in this section,**
 27 **"per diem" means the amount payable by a county, as determined**
 28 **by the division or by the county office, with the approval of the**
 29 **division, for the cost of support and maintenance of a child placed**
 30 **by, or with the approval of, a juvenile court in a facility other than**
 31 **the home of the child's parent or guardian, including the cost of**
 32 **those items that are included in foster care maintenance payments**
 33 **(as defined in 42 U.S.C. 675(4)), or that would be included if the**
 34 **child were eligible for assistance under Title IV-E of the Social**
 35 **Security Act (42 U.S.C. 670 et seq.).**

36 (b) The county shall pay from the county family and children's fund
 37 the cost of:

- 38 (1) **any per diem payable by the county and** any services
 39 ordered by the juvenile court for any child or the child's parent,
 40 guardian, or custodian, ~~other than secure detention~~; **except as**
 41 **provided in subsection (c); and**
 42 (2) returning a child under IC 31-37-23.

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1 **(c) The county shall pay from the county general fund, and not**
 2 **from the county family and children's fund, the cost of any per**
 3 **diem payable by the county for a child adjudicated a delinquent**
 4 **child under IC 31-37, or for a child for whom a program of**
 5 **informal adjustment has been implemented under IC 31-37-9, if**
 6 **the child is placed in a secure facility that is not a secure private**
 7 **facility.**

8 ~~(b)~~ **(d)** The county fiscal body shall provide sufficient money to
 9 meet the court's requirements.

10 SECTION 65. IC 31-40-1-3, AS AMENDED BY P.L.273-1999,
 11 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) A parent or guardian of
 13 the estate of a child adjudicated a delinquent child or a child in need of
 14 services is financially responsible as provided in this chapter (or
 15 IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

16 (b) Each parent of a child alleged to be a child in need of services
 17 or alleged to be a delinquent child shall, before a dispositional hearing,
 18 furnish the court with an accurately completed and current child
 19 support obligation worksheet on the same form that is prescribed by the
 20 Indiana supreme court for child support orders.

21 (c) At:

- 22 (1) a detention hearing;
 23 (2) a hearing that is held after the payment of costs by a county
 24 under section 2 of this chapter (or IC 31-6-4-18(b) before its
 25 repeal);
 26 (3) the dispositional hearing; or
 27 (4) any other hearing to consider modification of a dispositional
 28 decree;

29 the juvenile court shall order the child's parents or the guardian of the
 30 child's estate to pay for, or reimburse the county **or the division** for the
 31 cost of, services provided to the child or the parent or guardian unless
 32 the court finds that the parent or guardian is unable to pay or that
 33 justice would not be served by ordering payment from the parent or
 34 guardian.

35 SECTION 66. IC 31-40-1-5, AS AMENDED BY P.L.273-1999,
 36 SECTION 121, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) This section applies
 38 whenever the court orders or approves removal of a child from the
 39 home of a child's parent or guardian and placement of the child in a
 40 child caring institution (as defined in IC 12-7-2-29), a foster family
 41 home (as defined in IC 12-7-2-90), or the home of a relative of the
 42 child that is not a foster family home.



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1 (b) If an existing support order is in effect, the court shall order the
 2 support payments to be assigned to the county office **or the division**
 3 for the duration of the placement out of the home of the child's parent
 4 or guardian. The court shall notify the court that:

5 (1) entered the existing support order; or

6 (2) had jurisdiction, immediately before the placement, to modify
 7 or enforce the existing support order;
 8 of the assignment and assumption of jurisdiction by the juvenile court
 9 under this section.

10 (c) If an existing support order is not in effect, the court shall do the
 11 following:

12 (1) Include in the order for removal or placement of the child an
 13 assignment to the county office **or the division**, or confirmation
 14 of an assignment that occurs or is required under applicable
 15 federal law, of any rights to support, including support for the cost
 16 of any medical care payable by the state under IC 12-15, from any
 17 parent or guardian who has a legal obligation to support the child.

18 (2) Order support paid to the county office **or the division** by
 19 each of the child's parents or the guardians of the child's estate to
 20 be based on child support guidelines adopted by the Indiana
 21 supreme court and for the duration of the placement of the child
 22 out of the home of the child's parent or guardian, unless:

23 (A) the court finds that entry of an order based on the child
 24 support guidelines would be unjust or inappropriate
 25 considering the best interests of the child and other necessary
 26 obligations of the child's family; or

27 (B) the county office does not make foster care maintenance
 28 payments to the custodian of the child. For purposes of this
 29 clause, "foster care maintenance payments" means any
 30 payments for the cost of (in whole or in part) and the cost of
 31 providing food, clothing, shelter, daily supervision, school
 32 supplies, a child's personal incidentals, liability insurance with
 33 respect to a child, and reasonable amounts for travel to the
 34 child's home for visitation. In the case of a child caring
 35 institution, the term also includes the reasonable costs of
 36 administration and operation of the institution as are necessary
 37 to provide the items described in this clause.

38 (3) If the court:

39 (A) does not enter a support order; or

40 (B) enters an order that is not based on the child support
 41 guidelines;

42 the court shall make findings as required by 45 CFR 302.56(g).

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1 (d) Payments in accordance with a support order assigned under
 2 subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f)
 3 before its repeal) shall be paid through the clerk of the circuit court as
 4 trustee for remittance to the county office.

5 (e) The Title IV-D agency shall establish, modify, or enforce a
 6 support order assigned or entered by a court under this section in
 7 accordance with IC 12-17-2 and 42 U.S.C. 654. The county office shall,
 8 if requested, assist the Title IV-D agency in performing its duties under
 9 this subsection.

10 (f) If the juvenile court terminates placement of a child out of the
 11 home of the child's parent or guardian, the court shall:

12 (1) notify the court that:

13 (A) entered a support order assigned to the county office under
 14 subsection (b); or

15 (B) had jurisdiction, immediately before the placement, to
 16 modify or enforce the existing support order;
 17 of the termination of jurisdiction of the juvenile court with respect
 18 to the support order;

19 (2) terminate a support order entered under subsection (c) that
 20 requires payment of support by a custodial parent or guardian of
 21 the child, with respect to support obligations that accrue after
 22 termination of the placement; or

23 (3) continue in effect, subject to modification or enforcement by
 24 a court having jurisdiction over the obligor, a support order
 25 entered under subsection (c) that requires payment of support by
 26 a noncustodial parent or guardian of the estate of the child.

27 (g) The court may at or after a hearing described in section 3 of this
 28 chapter order the child's parent or the guardian of the child's estate to
 29 reimburse the county office **or the division** for all or any portion of the
 30 expenses for services provided to or for the benefit of the child that are
 31 paid from the county family and children's fund during the placement
 32 of the child out of the home of the parent or guardian, in addition to
 33 amounts reimbursed through payments in accordance with a support
 34 order assigned or entered as provided in this section, subject to
 35 applicable federal law.

36 SECTION 67. IC 36-2-6-3 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) This section
 38 does not apply to **the following**:

39 (1) Claims for salaries fixed in a definite amount by ordinance or
 40 statute, per diem of jurors, and salaries of officers of a court.

41 (2) **Claims that will be paid from a county family and**
 42 **children's fund.**

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1 (b) The county auditor shall publish all claims that have been filed
 2 for the consideration of the county executive and shall publish all
 3 allowances made by courts of the county. Claims filed for the
 4 consideration of the executive shall be published at least three (3) days
 5 before each session of the executive, and court allowances shall be
 6 published at least three (3) days before the issuance of warrants in
 7 payment of those allowances. In publication of itemized statements
 8 filed by assistant highway supervisors for consideration of the
 9 executive, the auditor shall publish the name of each party and the total
 10 amount due each party named in the itemized statements. Notice of
 11 claims filed for consideration of the county executive must state their
 12 amounts and to whom they are made. Claims and allowances subject
 13 to this section shall be published as prescribed by IC 5-3-1, except that
 14 only one (1) publication in two (2) newspapers is required.

15 (c) A member of the county executive who considers or allows a
 16 claim, or a county auditor who issues warrants in payment of
 17 allowances made by the county executive or a court of the county,
 18 before compliance with subsection (b), commits a Class C infraction.

19 (d) A county auditor shall publish one (1) time in accordance with
 20 IC 5-3-1 a notice of all allowances made by a circuit or superior court.
 21 The notice must be published within sixty (60) days after the
 22 allowances are made and must state their amount, to whom they are
 23 made, and for what purpose they are made.

24 SECTION 68. THE FOLLOWING ARE REPEALED [EFFECTIVE
 25 JANUARY 1, 2003]: IC 6-1.1-18.6; IC 12-19-5; IC 12-19-7-4;
 26 IC 12-19-7-5; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-16;
 27 IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20;
 28 IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24;
 29 IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28;
 30 IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32;
 31 IC 12-19-7-33; IC 31-34-24-13; IC 31-37-24-13.

32 SECTION 69. [EFFECTIVE JANUARY 1, 2003] **(a) The division
 33 of family and children shall reimburse each county for one
 34 hundred percent (100%) of the proportionate share of operating
 35 costs of the county auditor and county treasurer for the support of
 36 the county family and children's fund, based upon an approved
 37 indirect cost plan.**

38 **(b) This SECTION expires July 1, 2004.**

39 SECTION 70. [EFFECTIVE JANUARY 1, 2002] **(a) Before
 40 September 1, 2002, the state board of accounts shall verify the
 41 amount expended by each county from the county's family and
 42 children's fund in 2001 for payment of expenses of support,**

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1 maintenance, or services for delinquent children that would have
2 been payable from the county general fund under IC 31-40-1-2, as
3 amended by this act, if IC 31-40-1-2(c), as added by this act, had
4 been in effect for 2001.
5 (b) In determining the amount expended by each county as
6 described in subsection (a), the state board of accounts shall
7 consult with the director of the county office of family and
8 children, the judge of each court having juvenile jurisdiction, and
9 the county auditor.
10 (c) The state board of tax commissioners shall, for property
11 taxes first due and payable in 2003 and thereafter, increase the
12 maximum permissible property tax levy of a county by the amount
13 of expenses verified for the county under subsection (a).
14 SECTION 71. An emergency is declared for this act.

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