

HOUSE BILL No. 1759

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-20; IC 21-9-4-1; IC 21-9-4-5; IC 21-9-10-5.

Synopsis: Indiana education savings authority. Provides that contributions to an Indiana family college savings account up to \$2,000 may be deducted from Indiana adjusted gross income. Reduces the number of appointed directors of the Indiana education savings authority from five to three. Codifies an expired noncode provision that requires the treasurer of state and the board for depositories to provide clerical support, office support, and financial support to the Indiana education savings authority.

Effective: January 1, 2004.

Klinker, Buell, Porter, Scholer

January 21, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1759



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

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

1 SECTION 1. IC 6-3-2-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004]: **Sec. 20. (a) Each taxable year, an individual**
4 **who makes a contribution to a college choice 529 investment plan**
5 **established under IC 21-9 for the benefit of a dependent of the**
6 **individual may deduct from the individual's adjusted gross income**
7 **(as defined in IC 6-3-1-3.5(a)) the lesser of:**

8 (1) **the amount of the contribution made by the individual**
9 **during the taxable year; or**

10 (2) **two thousand dollars (\$2,000).**

11 (b) **Notwithstanding subsection (a), a husband and wife filing a**
12 **joint adjusted gross income tax return for a particular taxable year**
13 **may not claim a deduction under this section of more than two**
14 **thousand dollars (\$2,000).**

15 SECTION 2. IC 21-9-4-1 IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2004]: **Sec. 1. (a) The board of directors**
17 **of the authority is established. The board consists of the following:**



- 1 (1) The following four (4) ex officio members or directors:
 2 (A) The treasurer of state.
 3 (B) The state superintendent of public instruction.
 4 (C) The Indiana commissioner of higher education.
 5 (D) The budget director.
 6 (2) ~~Five (5)~~ **Three (3)** appointed members or directors who:
 7 (A) are appointed by the governor; and
 8 (B) have knowledge, skill, and experience in academic,
 9 business, financial, or education fields.
 10 (b) During a member's term of service on the board, an appointed
 11 member of the board may not be an official or employee of the state.
 12 (c) Not more than ~~three (3)~~ **two (2)** of the appointed members of the
 13 board may belong to the same political party.
 14 (d) An appointed member serves a four (4) year term. An appointed
 15 member shall hold over after the expiration of the member's term until
 16 the member's successor is appointed and qualified.
 17 (e) The governor may reappoint an appointed member of the board.
 18 (f) A vacancy shall be filled for the balance of an unexpired term in
 19 the same manner as the original appointment.
 20 (g) The treasurer of state shall serve as chairman of the board. The
 21 board shall annually elect one (1) of its ex officio members as vice
 22 chairman, and may elect any other officer that the board desires.
 23 (h) The governor may remove an appointed member for
 24 misfeasance, malfeasance, willful neglect of duty, or other cause after
 25 notice and a public hearing, unless the member expressly waives the
 26 notice and hearing in writing.
 27 SECTION 3. IC 21-9-4-5 IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) ~~Five (5)~~ **Four (4)**
 29 members of the board are a quorum for:
 30 (1) the transaction of business at a meeting of the board; or
 31 (2) the exercise of a power or function of the authority.
 32 (b) This subsection applies to a meeting of the board at which at
 33 least ~~five (5)~~ **four (4)** members of the board are physically present at
 34 the place where the meeting is conducted. A member of the board may
 35 participate in a meeting of the board by using a means of
 36 communication that permits:
 37 (1) the member;
 38 (2) all other members participating in the meeting; and
 39 (3) all members of the public physically present at the place
 40 where the meeting is conducted;
 41 to simultaneously communicate with each other during the meeting. A
 42 member who participates in a meeting described in this subsection is

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1 considered to be present at the meeting. If a meeting is held under this
 2 subsection, the memoranda of the meeting prepared under
 3 IC 5-14-1.5-4 must state the name of each member who was physically
 4 present at the place where the meeting was conducted, who participated
 5 in the meeting by using a means of communication described in this
 6 subsection, and who was absent from the meeting.

7 (c) The affirmative vote of a majority of all the members of the
 8 board who are present is necessary for the authority to take action. A
 9 vacancy in the membership of the board does not impair the right of a
 10 quorum to exercise all the rights and perform all the duties of the
 11 authority. An action taken by the board under this article may be
 12 authorized by:

- 13 (1) resolution at any regular or special meeting; or
- 14 (2) unanimous consent of all the members who have not
 15 abstained.

16 A resolution takes effect immediately upon adoption and need not be
 17 published or posted.

18 (d) The board shall meet at the call of the chairman and as provided
 19 in the bylaws of the authority.

20 (e) Meetings of the board may be held anywhere in Indiana.

21 SECTION 4. IC 21-9-10-5 IS ADDED TO THE INDIANA CODE
 22 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 23 **JANUARY 1, 2004]: Sec. 5. The treasurer of state and the board for**
 24 **depositories shall cooperate and provide to the Indiana education**
 25 **savings authority the following:**

- 26 **(1) Clerical and professional staff and related support.**
- 27 **(2) Office space and services.**
- 28 **(3) Reasonable financial support for the development of rules,**
 29 **policies, programs, and guidelines, including authority**
 30 **operations and travel.**

31 SECTION 5. [EFFECTIVE JANUARY 1, 2004] **IC 6-3-2-20, as**
 32 **added by this act, applies to taxable years beginning after**
 33 **December 31, 2003.**

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