
HOUSE BILL No. 1312

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3; IC 4; IC 5; IC 6; IC 8; IC 9; IC 10; IC 12; IC 13; IC 14; IC 15; IC 16; IC 20; IC 21; IC 22; IC 23; IC 31; IC 32; IC 36.

Synopsis: Eliminates the authority of the state to impose a property tax. Eliminates the authority of a political subdivision to impose a property tax (except for police and fire services). Authorizes political subdivisions to impose a police and fire service fee in lieu of a property tax. Authorizes a county to impose a local government income tax to provide revenues for the political subdivisions (except school corporations) in the county. Transfers financial responsibility for certain welfare programs from local government to the state. Allows a school corporation to impose a local income tax for education of not more than 1.2%. Provides a state tuition support formula equal to the difference between the school corporation's expenditure limit and the amount that the school corporation can raise from a local income tax for education of 1.2%. Decreases the sales tax and provides an additional distribution to political subdivisions in the amount of 20% of the local government income tax imposed for the political subdivision. Establishes the state emergency reserve fund and transfers money from the state general fund to the state emergency reserve fund. Makes conforming changes to convert the school budget year from a calendar year to a school year. Makes related changes. Makes an appropriation.

Effective: Upon passage; July 1, 2004; January 1, 2005.

Buck, Thomas

January 15, 2004, read first time and referred to Committee on Ways and Means.

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Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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HOUSE BILL No. 1312



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

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

1 SECTION 1. IC 3-5-3-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The legislative body of a
3 county may establish a county election and registration fund for the
4 purpose of paying for all the expenses specified in section 1 of this
5 chapter. ~~The legislative body may annually levy a tax on all taxable~~
6 ~~property in the county, in the manner that other taxes are levied,~~
7 ~~sufficient to meet the average annual expenses specified in section 1 of~~
8 ~~this chapter. The county shall deposit the revenues from this tax into~~
9 ~~the fund.~~

10 SECTION 2. IC 3-11-6-1 IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The legislative body of a
12 county may establish a cumulative fund ~~under IC 6-1.1-41~~ to provide
13 funds for the purchase of voting machines, ballot card voting systems,
14 or electronic voting systems.

15 SECTION 3. IC 3-11-6-9 IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2005]: Sec. 9. **A county may transfer**
17 **money from its general fund** to provide for a cumulative fund. ~~a~~



1 county may levy a tax in compliance with IC 6-1.1-41 on all taxable
2 property within the county. The tax may not exceed one and
3 sixty-seven hundredths cents (\$0.0167) on each one hundred dollars
4 (\$100) of assessed valuation.

5 SECTION 4. IC 4-4-8-9 IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2005]: Sec. 9. Any qualified entity
7 receiving a loan under this chapter may levy an annual tax on personal
8 and real property located within its geographical limits **appropriate**
9 **money** for industrial development purposes in addition to any other tax
10 authorized by statute to be levied for such purposes, at such rate as will
11 produce sufficient revenue to pay the annual installment and interest on
12 any loan made under this chapter. Such a **tax appropriation** may be in
13 addition to the maximum annual rates prescribed by IC 6-1.1-18,
14 IC 6-1.1-18.5, IC 6-1.1-19, and other statutes: **IC 21-10 or IC 36-1.3**
15 **(as appropriate).**

16 SECTION 5. IC 4-9.1-1-8 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. For the purpose
18 of meeting casual deficits in the state revenue, the board may negotiate
19 such loans as may be necessary to meet the demands of the state. The
20 loan may not be made for a longer period than four (4) years after the
21 end of the fiscal year in which the loan is made. To evidence the loan,
22 the board may execute certificates of indebtedness or promissory notes,
23 which certificates or notes must recite that they are issued to meet
24 casual deficits in the state revenue.

25 If there are not sufficient funds coming into the general fund of the
26 state to pay the certificates or notes when due, the board may,
27 notwithstanding IC 6-1.1-18-2, levy a tax on all the taxable property of
28 the state, sufficient to pay the amount of the indebtedness.

29 SECTION 6. IC 4-10-13-5, AS AMENDED BY P.L.90-2002,
30 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2005]: Sec. 5. (a) The department of local government
32 finance shall prepare and publish each year the following report which
33 must contain the following property tax data by counties or by
34 appropriate taxing jurisdictions:

- 35 (1) The tax rates of the various taxing jurisdictions.
36 (2) An abstract of taxable real property including a recital of the
37 number of parcels and the gross assessed valuation of nonfarm
38 residential property including improvements thereon, the number
39 of parcels and the gross assessed valuation of commercial and
40 industrial real property, including improvements thereon, the
41 number of parcels and the gross assessed valuation of unimproved
42 real property, the number of parcels and the gross assessed

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1 valuation of agricultural acreage including improvements thereon,
 2 and the total amount of the gross assessed valuation of real estate
 3 and the total assessed valuation of improvements thereon. The
 4 abstract shall also include a recital of the total amount of net
 5 valuation of real property.

6 (3) The total assessed valuation of personal property belonging to
 7 steam and electric railways and to public utilities.

8 (4) The total number of taxpayers and the total assessed valuation
 9 of household goods and personal effects, excluding boats subject
 10 to the boat excise tax under IC 6-6-11.

11 (5) The total number of units assessed and the assessed valuation
 12 of each of the following items of personal property:

13 (A) Privately owned, noncommercial passenger cars.

14 (B) Commercial passenger cars.

15 (C) Trucks and tractors.

16 (D) Motorcycles.

17 (E) Buses.

18 (F) Mobile homes.

19 (G) Boats.

20 (H) Airplanes.

21 (I) Farm machinery.

22 (J) Livestock.

23 (K) Crops.

24 (6) The total number of taxpayers and the total valuation of
 25 inventories and other personal property belonging to retail
 26 establishments, wholesale establishments, manufacturing
 27 establishments, and commercial establishments.

28 **(7) The names of the political subdivisions that have elected to**
 29 **fund police and fire services under IC 36-8.5.**

30 (b) The department of local government finance is hereby
 31 authorized to prescribe and promulgate the forms as are necessary for
 32 the obtaining of such information from local assessing officials. The
 33 local assessing officials are directed to comply with this section.

34 SECTION 7. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) The commission may not
 36 issue a recognized meeting permit unless the applicant has filed with
 37 the commission:

38 (1) a financial statement prepared and certified by a certified
 39 public accountant in accordance with sound accounting practices,
 40 showing the net worth of the applicant;

41 (2) a statement from the department of state revenue and the
 42 treasurer of state that there are no pari-mutuel taxes or other

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1 obligations owed by the applicant to the state or any of its
 2 departments or agencies;
 3 (3) a statement from the county treasurer of the county in which
 4 the applicant proposes to conduct horse racing meetings that there
 5 are no real or personal property taxes **or taxes imposed under**
 6 **IC 6-3.5** owed by any of the principals seeking the permit; and
 7 (4) a statement of obligations that are owed or being contested,
 8 including salaries, purses, entry fees, laboratory fees, and debts
 9 owed to vendors and suppliers.

10 (b) In addition to the requirements of subsection (a), the commission
 11 may not issue a recognized meeting permit for a recognized meeting to
 12 occur in a county unless IC 4-31-4 has been satisfied.

13 SECTION 8. IC 4-31-9-8 IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2004]: Sec. 8. No tax or fee, except as provided
 15 in this article, shall be assessed or collected from a permit holder by a
 16 political subdivision having the power to assess or collect a tax or fee.
 17 This section does not apply to **fees under IC 36-8.5** or real or personal
 18 property taxes imposed by a local taxing unit.

19 SECTION 9. IC 4-33-6.5-15, AS ADDED BY P.L.92-2003,
 20 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2004]: Sec. 15. A riverboat operated under an operating agent
 22 contract under this article is not exempt from property taxes imposed
 23 under IC 6-1.1 **or taxes imposed under IC 6-3.5.**

24 SECTION 10. IC 4-33-13-6 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) Money paid
 26 to a unit of local government under this chapter:
 27 (1) must be paid to the fiscal officer of the unit and may be
 28 deposited in the unit's general fund or riverboat fund established
 29 under IC 36-1-8-9, or both; **and**
 30 ~~(2) may not be used to reduce the unit's maximum or actual levy~~
 31 ~~under IC 6-1.1-18.5; and~~
 32 ~~(3)~~ **(2)** may be used for any legal or corporate purpose of the unit,
 33 including the pledge of money to bonds, leases, or other
 34 obligations under IC 5-1-14-4.

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

39 SECTION 11. IC 5-1-7-2 IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The contract entered into
 41 by the board of commissioners of any county and any such bondholder
 42 shall be signed by the parties to such contract, shall be attested on

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1 behalf of the county by the county auditor, and shall stipulate and agree
 2 that the board of commissioners of the county will pay all interest on
 3 such matured bond to the date of the maturity thereof, and that a new
 4 bond (referred to in this chapter as a redemption bond) in the same
 5 amount as the matured bond, will be issued to pay and retire such
 6 matured bond, and that such redemption bond will be and continue to
 7 be a valid and binding obligation of the county and that during the
 8 period fixed in the contract not exceeding ten (10) years the board of
 9 commissioners will pay annually to the owner of such redemption
 10 bond, one-tenth (1/10) of the principal amount of such redemption
 11 bond and, in addition thereto, will pay semiannually all interest which
 12 shall have accrued thereon to the date when such payment is to be
 13 made. The date on which such partial payments of the principal of such
 14 bond will be made shall be fixed and prescribed in such contract and
 15 may be on June 1 or December 1 of the year next succeeding the year
 16 in which such contract is executed and signed and June 1 or December
 17 1 of each and every year thereafter until paid. The interest accrued on
 18 such bond shall be paid semiannually on June 1 and December 1,
 19 beginning on the same date as the first partial payment on such bond.
 20 The board of commissioners shall further agree to ~~levy a tax on the~~
 21 ~~taxable property of such county in~~ **annually appropriate** an amount
 22 sufficient to make the payments on such redemption bonds as they fall
 23 due, together with all interest which shall have accrued thereon. Any
 24 bondholder who elects to avail himself of the provisions of this chapter
 25 shall agree that in consideration of the privilege hereby afforded he will
 26 not maintain or attempt to maintain a suit for the collection or the
 27 enforcement of the lien of any such bond, other than in accordance with
 28 the remedies afforded by the provisions of this chapter. The form of the
 29 contract herein contemplated shall be prescribed by the state board of
 30 accounts with the approval of the attorney general. At the time when
 31 the contract is executed and the redemption bond is issued, the matured
 32 bond shall be surrendered to the county auditor and shall be canceled
 33 by writing across the face of the matured bond the words "Canceled by
 34 issuing to _____ a redemption bond in the same principal sum as this
 35 bond, due and payable on the _____ day of _____, ~~19_____.~~
 36 **20_____.**"

37 SECTION 12. IC 5-1-13-3 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3.
 39 Notwithstanding any other law, income from the investment of
 40 proceeds of the sale of bonds issued by any political subdivision that
 41 are payable from property taxes **or other money** shall be applied to the
 42 improvement or the public purpose for which the bonds were issued or

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1 shall be used to pay interest on the bonds and in no event may such
2 income be used for any other purpose except as provided in section 2
3 of this chapter.

4 SECTION 13. IC 5-1-14-7, AS AMENDED BY P.L.170-2002,
5 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2005]: Sec. 7. (a) This section applies to:

- 7 (1) each county having a population of more than one hundred
- 8 seventy thousand (170,000) but less than one hundred eighty
- 9 thousand (180,000); and
- 10 (2) each second class city located in such a county.

11 (b) As used in this section, "stadium" means a structure used for
12 athletic, recreational, cultural, and community events.

13 (c) Notwithstanding any other law, a stadium constitutes a:

- 14 (1) government building under IC 36-9-13;
- 15 (2) structure under IC 36-1-10;
- 16 (3) park purpose under IC 36-10-1;
- 17 (4) park improvement under IC 36-10-4; and
- 18 (5) redevelopment project or purpose under IC 36-7-14.

19 (d) ~~Notwithstanding any other law;~~ A legislative body of a city may
20 ~~levy a tax in the park district established under IC 36-10-4~~ **appropriate**
21 **money** to pay lease rentals to a lessor of a stadium under IC 36-1-10 or
22 IC 36-9-13.

23 SECTION 14. IC 5-1-16-40 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 40. (a) Any lease
25 executed under section 38 or 39 of this chapter may provide for the
26 payment of the lease rental in any one (1) of the following ways as
27 established in the lease:

- 28 (1) Entirely from ~~the levy of taxes~~ **distributed to the hospital by**
29 **a political subdivision.**
- 30 (2) Entirely from the net revenues of the hospital of which the
31 leased building is a part.
- 32 (3) In part from ~~the levy of taxes and in part from the net revenues~~
33 **amounts** described in ~~subdivision~~ **subdivisions (1) and (2).**

34 (b) If any lease provides for the payment of lease rental in whole or
35 in part from net revenues of the hospital, the lease may further provide
36 that the county and the board of trustees or board of managers of the
37 hospital set aside and hold as a reserve for such purpose excess net
38 revenues over and above the amount required to pay lease rental
39 payable from net revenues. The reserve fund may not exceed an
40 amount equal to the amount of lease rental payable from net revenues
41 for two (2) years. The reserve fund shall be held and used only for the
42 purpose of paying lease rental payable from net revenues, if such net

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1 revenues at any time are insufficient to pay lease rentals. The amount
 2 in the reserve fund may be invested in the manner and to the extent
 3 provided in the lease. All interest or other income from the investment
 4 shall become part of the reserve fund unless the reserve fund contains
 5 the maximum amount required to be in the reserve fund. The following
 6 occur if the reserve fund contains the maximum amount required to be
 7 in the reserve fund:

8 (1) If any of the lease rental is payable from taxes, the interest or
 9 other income shall be transferred to the fund to be used for the
 10 payment of the lease rental provided to be paid from taxes.

11 (2) If none of the lease rental is payable from taxes, the interest or
 12 other income shall become a part of the reserve fund.

13 SECTION 15. IC 5-10.3-11-4, AS AMENDED BY P.L.38-2001,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2005]: Sec. 4. (a) Monies from the pension relief fund
 16 shall be paid annually by the state board under the procedures specified
 17 in this section.

18 (b) Before April 1 of each year, each unit of local government must
 19 certify to the state board:

20 (1) the amount of payments made during the preceding year for
 21 benefits under its pension funds covered by this chapter, referred
 22 to in this section as "pension payments";

23 (2) the data determined necessary by the state board to perform an
 24 actuarial valuation of the unit's pension funds covered by this
 25 chapter; and

26 (3) the names required to prepare the list specified in subsection
 27 (c).

28 A unit is ineligible to receive a distribution under this section if it does
 29 not supply before April 1 of each year (i) the complete information
 30 required by this subsection; or (ii) a substantial amount of the
 31 information required if it is accompanied by an affidavit of the chief
 32 executive officer of the unit detailing the steps which have been taken
 33 to obtain the information and the reasons the complete information has
 34 not been obtained. This subsection supersedes the reporting
 35 requirement of IC 5-10-1.5 as it applies to pension funds covered by
 36 this chapter.

37 (c) Before July 1 of each year, the state board shall prepare a list of
 38 all police officers and firefighters, active, retired, and deceased if their
 39 beneficiaries are eligible for benefits, who are members of a police or
 40 fire pension fund that was established before May 1, 1977. The list may
 41 not include police officers, firefighters, or their beneficiaries for whom
 42 no future benefits will be paid. The state board shall then compute the

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1 present value of the accrued liability to provide the pension and other
2 benefits to each person on the list.

3 (d) Before July 1 of each year, the state board shall determine the
4 total pension payments made by all units of local government for the
5 preceding year and shall estimate the total pension payments to be
6 made to all units in the calendar year in which the July 1 occurs and in
7 the following calendar year.

8 (e) Each calendar year, the state board shall, with respect to the
9 following calendar year, determine for each unit of local government
10 an amount (D_y). The state board shall, in two (2) equal installments
11 before July 1 and before October 2, distribute to each eligible unit of
12 local government the amount (D_y) determined for the unit with respect
13 to the following calendar year. The amount (D_y) shall be determined by
14 the following STEPS:

15 STEP ONE. Subtract the total distribution made to units (D_{y-1}) in the
16 preceding calendar year from the total pension payments made by units
17 (P_{y-1}) in the preceding calendar year.

18 STEP TWO. Multiply the STEP ONE difference by $(1+k)$ as (k) is
19 determined in STEP THREE.

20 STEP THREE. Determine the annual percentage increase (k) in the
21 STEP ONE difference which will allow the present value of all future
22 estimated distributions, as computed under STEP FOUR, from the
23 pension relief fund to equal the "k portion" of the pension relief fund
24 balance plus the present value of all future receipts to the "k portion"
25 of the fund, but which will not allow the "k portion" of the pension
26 relief fund balance to be negative. These present values shall be
27 determined based on the current long term actuarial assumptions. The
28 "k portion" of the pension relief fund balance is the total pension relief
29 fund balance less the "m portion" of the fund. The percentage increase
30 (k) shall be computed to the nearest one thousandth of one percent
31 (.001%). All years, after the year 2000, in which the receipts to the
32 fund plus the net pension payments by all the units equal or exceed the
33 total pension payments shall be ignored for the purposes of these
34 calculations.

35 STEP FOUR. Subtract the STEP TWO product from the estimated
36 total pension payments to be made by all units (P_y) in the calendar year
37 for which the distribution is to be made.

38 STEP FIVE. Multiply the STEP FOUR difference by one-half (1/2)
39 of the sum of two quotients, (1) the quotient of the unit's number of
40 police officers and firefighters on December 31 of the year before the
41 year of the distribution who are members of a pension fund established
42 before May 1, 1977, who are retired, and who are deceased if their

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1 beneficiaries are eligible for benefits (unit) divided by the total number
 2 of these police officers and firefighters (total units) on December 31 of
 3 the year before the year of the distribution in all units plus (2) the
 4 quotient of the unit's pension payments (payments) divided by the total
 5 pension payments (total payments) by all units.

6 Expressed mathematically:

$$7 \quad D_y = (P_y - ((P_{y-1} - D_{y-1}) \times (1 + k))) \times 1/2$$

$$8 \quad (\text{unit}/(\text{total unit}) + \text{payment}/(\text{total payment})).$$

9 (f) If in any year the distribution made to a unit of local government
 10 is larger than the unit's pension payments to its retirees and their
 11 beneficiaries for that year, the excess may not be distributed to the unit
 12 but must be transferred to the 1977 police officers' and firefighters'
 13 pension and disability fund and the unit's contributions to that fund
 14 shall be reduced for that year by the amount of the transfer.

15 (g) If in any year after 2000, the STEP FOUR difference under
 16 subsection (e) is smaller than the revenue to the pension relief fund in
 17 that year, then the revenue plus interest plus the fund balance in that
 18 year shall be used in STEP FIVE of subsection (e) instead of the STEP
 19 FOUR difference.

20 (h) The state board shall have its actuary report annually on the
 21 appropriateness of the actuarial assumptions used in determining the
 22 distribution amount under subsection (e). At least every five (5) years,
 23 the state board shall have its actuary recompute the value of (k) under
 24 STEP TWO of subsection (e).

25 (i) Each calendar year the state board shall determine the amounts
 26 to be allocated to the "m portion" of the pension relief fund under the
 27 following STEPS, which shall be completed before July 1 of each year:

28 STEP ONE. The state board shall determine the following:

29 (1) "Excess earnings", which are the state board's projection of
 30 earnings for the calendar year from investments of the "k portion" of
 31 the fund that exceed the amount of earnings that would have been
 32 earned if the rate of earnings was the rate assumed by the actuary of the
 33 state board in his calculation of (k) under STEP THREE of subsection
 34 (e).

35 (2) "Prior deficit amount", which is:

36 (A) the amount of earnings that would have been earned under
 37 the rate assumed by the actuary of the state board in his
 38 calculation of (k) under STEP THREE of subsection (e);
 39 minus

40 (B) the amount of earnings received;

41 for a calendar year after 1981 in which (B) is less than (A).

42 STEP TWO. The state board shall distribute to the "m portion" the

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1 excess earnings less any prior deficit amounts.

2 (j) The "m portion" of the fund shall be any direct allocations plus:

3 (1) amounts allocated under subsection (i); and

4 (2) any earnings on the "m portion" less amounts previously

5 distributed under subsection (l).

6 (k) The state board shall determine, based on actual experience and

7 reasonable projections, the units eligible for distribution from the "m

8 portion" of the pension relief fund according to the following STEPS:

9 STEP ONE. Determine the amount of pension payments to be paid

10 by the unit in the calendar year, net of the amount of the distribution to

11 be received by the unit under subsection (e) in that year, plus

12 contributions to be made under IC 36-8-8 in that year.

13 STEP TWO. Divide the amount determined under STEP ONE by

14 the amount of the maximum permissible ad valorem property tax levy

15 for the unit as determined under IC 6-1.1-18.5 for the calendar year.

16 STEP THREE. If the quotient determined under STEP TWO is

17 equal to or greater than one-tenth (0.1), the unit shall receive a

18 distribution under subsection (l).

19 (l) For a calendar year, the state board shall, before July 1 of the

20 year, distribute from the "m portion" of the pension relief fund to the

21 extent there are assets in the "m portion" to each eligible unit an

22 amount, not less than zero (0), determined according to the following

23 STEPS:

24 STEP ONE. For the first of consecutive years that a unit is eligible

25 to receive a distribution under this subsection, determine the amount

26 of pension payments paid by the unit in the calendar year two (2) years

27 preceding the calendar year net of the amount of distributions received

28 by the unit under subsection (e) in the calendar year two (2) years

29 preceding the calendar year.

30 STEP TWO. For the first of consecutive years that a unit is eligible

31 to receive a distribution under this subsection, divide the amount

32 determined under STEP ONE by the amount of the maximum

33 permissible ad valorem property tax levy for the unit as determined

34 under IC 6-1.1-18.5 for the calendar year two (2) years preceding the

35 calendar year **or that would have applied if most property taxes had**

36 **not been eliminated.**

37 STEP THREE. For the first and all subsequent consecutive years

38 that a unit is eligible to receive a distribution under this subsection,

39 multiply the amount of the maximum permissible ad valorem property

40 tax levy for the unit as determined under IC 6-1.1-18.5 for the calendar

41 year **(or that would have applied for the unit if most property taxes**

42 **had not been eliminated)** by the quotient determined under STEP

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STEP FOUR. Subtract the amount determined under STEP THREE from the amount of pension payments to be paid by the unit in the calendar year, net of distributions to be received under subsection (e) for the calendar year.

SECTION 16. IC 5-19-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. The following words and phrases, as used in this chapter, shall, for the purposes of this chapter, unless a different meaning appears from the context, have the following meanings:

(a) The singular shall include the plural and the plural shall include the singular as requisite.

(b) The term "state" shall mean and include the state of Indiana, the governor of the state of Indiana, any agency of the state of Indiana designated by the governor to receive federal aid, and any officer, board, bureau, commission, division, or department. The term "governor" shall mean the governor of the state of Indiana.

(c) The term "political subdivision" shall mean and include any county of Indiana, any civil township of Indiana, any civil incorporated city or town of Indiana, any school corporation of any township, city, or town of Indiana, or any other territorial subdivision of the state recognized or designated in any law, any public utility entity not privately owned, any public sewage disposal entity, any public flood control or levee district or entity, any public drainage district or entity, any public sanitary district or entity, and any public improvement district authority or entity ~~authorized to levy taxes or assessments.~~ **within the meaning of IC 36-1-2-13.**

SECTION 17. IC 6-1.1-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. **(a) Before January 1, 2006**, the state may not impose ~~a~~ **an ad valorem property** tax rate on tangible property in excess of thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed valuation. The state tax rate is not subject to review by county boards of tax adjustment or county auditors.

(b) The state may not impose an ad valorem property tax rate on tangible property after December 31, 2005.

(c) This section does not apply to political subdivisions of the state.

SECTION 18. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax

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1 replacement amount, which is the estimated property tax replacement.
 2 (b) The department of local government finance shall certify to the
 3 department the amount of homestead credits provided under
 4 IC 6-1.1-20.9 which are allowed by the county for the particular
 5 calendar year.
 6 (c) If there are one (1) or more taxing districts in the county that
 7 contain all or part of an economic development district that meets the
 8 requirements of section 5.5 of this chapter, the department of local
 9 government finance shall estimate an additional distribution for the
 10 county in the same report required under subsection (a). This additional
 11 distribution equals the sum of the amounts determined under the
 12 following STEPS for all taxing districts in the county that contain all
 13 or part of an economic development district:
 14 STEP ONE: Estimate that part of the sum of the amounts under
 15 section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable
 16 to the taxing district.
 17 STEP TWO: Divide:
 18 (A) that part of the estimated property tax replacement amount
 19 attributable to the taxing district; by
 20 (B) the STEP ONE sum.
 21 STEP THREE: Multiply:
 22 (A) the STEP TWO quotient; times
 23 (B) the taxes levied in the taxing district that are allocated to
 24 a special fund under IC 6-1.1-39-5.
 25 **(d) The department of local government finance shall estimate**
 26 **an additional distribution for the county in the same report**
 27 **required under subsection (a). The additional distribution is equal**
 28 **to twenty percent (20%) of the certified distribution for a county**
 29 **under IC 6-3.5-9.**
 30 (e) The sum of the amounts determined under subsections (a)
 31 through (c) is the particular county's estimated distribution for the
 32 calendar year.
 33 SECTION 19. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
 34 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
 35 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) Each year the
 37 department shall allocate from the property tax replacement fund an
 38 amount equal to the sum of:
 39 (1) each county's total eligible property tax replacement amount
 40 for that year; plus
 41 (2) the total amount of homestead tax credits that are provided
 42 under IC 6-1.1-20.9 and allowed by each county for that year;

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plus
(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(4) Twenty percent (20%) of the county's certified distribution under IC 6-3.5-9.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final

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1 determination of distribution shall be based on the auditor's abstract
2 filed with the auditor of state, adjusted for postabstract adjustments
3 included in the December settlement sheet for the year, and such
4 additional information as the department may require.

5 (d) All distributions provided for in this section shall be made on
6 warrants issued by the auditor of state drawn on the treasurer of state.
7 If the amounts allocated by the department from the property tax
8 replacement fund exceed in the aggregate the balance of money in the
9 fund, then the amount of the deficiency shall be transferred from the
10 state general fund to the property tax replacement fund, and the auditor
11 of state shall issue a warrant to the treasurer of state ordering the
12 payment of that amount. However, any amount transferred under this
13 section from the general fund to the property tax replacement fund
14 shall, as soon as funds are available in the property tax replacement
15 fund, be retransferred from the property tax replacement fund to the
16 state general fund, and the auditor of state shall issue a warrant to the
17 treasurer of state ordering the replacement of that amount.

18 (e) Except as provided in subsection (i), the department shall not
19 distribute under subsection (b) and section 10 of this chapter the money
20 attributable to the county's property reassessment fund if:

21 (1) by the date the distribution is scheduled to be made, ~~the~~ the
22 county auditor has not sent a certified statement required to be
23 sent by that date under IC 6-1.1-17-1 to the department of local
24 government finance; ~~or~~

25 (2) by the deadline under IC 36-2-9-20, the county auditor has
26 not transmitted data as required under that section; **or**

27 ~~(3) the county assessor has not forwarded to the department~~
28 **of local government finance the duplicate copies of all approved**
29 **exemption applications required to be forwarded by that date**
30 **under IC 6-1.1-11-8(a).**

31 (f) Except as provided in subsection (i), if the elected township
32 assessors in the county, the elected township assessors and the county
33 assessor, or the county assessor has not transmitted to the department
34 of local government finance by October 1 of the year in which the
35 distribution is scheduled to be made the data for all townships in the
36 county required to be transmitted under IC 6-1.1-4-25(b), the state
37 board or the department shall not distribute under subsection (b) and
38 section 10 of this chapter a part of the money attributable to the
39 county's property reassessment fund. The portion not distributed is the
40 amount that bears the same proportion to the total potential distribution
41 as the number of townships in the county for which data was not
42 transmitted by ~~August 1~~ **October 1** as described in this section bears to

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1 the total number of townships in the county.

2 (g) Money not distributed ~~under subsection (e)~~ for the reasons
3 stated in subsection (e)(1) and (e)(2) shall be distributed to the county
4 when:

5 (1) the county auditor sends to the department of local
6 government finance the certified statement required to be sent
7 under IC 6-1.1-17-1; and

8 (2) the county assessor forwards to the department of local
9 government finance the approved exemption applications
10 required to be forwarded under IC 6-1.1-11-8(a);

11 with respect to which the failure to send or forward resulted in the
12 withholding of the distribution under subsection (e).

13 (h) Money not distributed under subsection (f) shall be distributed
14 to the county when the elected township assessors in the county, the
15 elected township assessors and the county assessor, or the county
16 assessor transmits to the department of local government finance the
17 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
18 which the failure to transmit resulted in the withholding of the
19 distribution under subsection (f).

20 (i) The restrictions on distributions under subsections (e) and (f) do
21 not apply if the department of local government finance determines
22 that:

23 (1) the failure of:
24 (A) a county auditor to send a certified statement; or
25 (B) a county assessor to forward copies of all approved
26 exemption applications;

27 as described in subsection (e); or
28 (2) the failure of an official to transmit data as described in
29 subsection (f);

30 is justified by unusual circumstances.

31 SECTION 20. IC 6-1.1-21-13 IS ADDED TO THE INDIANA
32 CODE AS A NEW SECTION TO READ AS FOLLOWS
33 [EFFECTIVE JANUARY 1, 2005]: **Sec. 13. (a) A county auditor
34 receiving an additional distribution under section 4(a)(4) of this
35 chapter shall distribute the additional distribution to political
36 subdivisions in the county to which IC 21-10 or IC 36-1.3 (as
37 appropriate) applies.**

38 (b) The county auditor shall distribute the result determined
39 under STEP FIVE of the following formula to each political
40 subdivision:

41 **STEP ONE: Determine the budget that is subject to IC 21-10
42 or IC 36-1.3 (as appropriate) for the political subdivision in**

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- 1 **the year of the distribution.**
- 2 **STEP TWO: Determine the STEP ONE amounts for all**
- 3 **political subdivisions in the county.**
- 4 **STEP THREE: Divide the STEP ONE amount by the STEP**
- 5 **TWO amount.**
- 6 **STEP FOUR: Determine the revenue available for**
- 7 **distribution.**
- 8 **STEP FIVE: Multiply the STEP THREE result by the STEP**
- 9 **FOUR amount.**

10 **(c) If a political subdivision that is eligible for a distribution**
 11 **under this section is located in more than one (1) county,**
 12 **distributions shall be made to the political subdivision based on the**
 13 **assessed value of the property that is both in the political**
 14 **subdivision and in the county relative to the assessed value of the**
 15 **property that is both in the political subdivision and located in any**
 16 **county.**

17 **(d) The revenue a county auditor receives under this section**
 18 **may be used by a political subdivision to fund any lawful purpose**
 19 **of the political subdivision or pledged by the receiving political**
 20 **subdivision to repay an obligation of the political subdivision or a**
 21 **tax increment financing district or economic development district**
 22 **that is located at least in part in the boundaries of the political**
 23 **subdivision. The revenue shall be treated as general money under**
 24 **IC 21-10 or IC 36-1.3 (as appropriate). For purposes of the**
 25 **distribution of excise taxes under IC 6-6-5 and other miscellaneous**
 26 **revenue that is distributed based on the property tax levy of a**
 27 **political subdivision, the amount distributed under this section**
 28 **shall be treated as property taxes.**

29 SECTION 21. IC 6-2.5-2-2, AS AMENDED BY P.L.192-2002(ss),
 30 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2004]: Sec. 2. (a) **On a retail unitary transaction before**
 32 **February 1, 2005,** the state gross retail tax is measured by the gross
 33 retail income received by a retail merchant in a retail unitary
 34 transaction and is imposed at the following rates:

STATE	GROSS RETAIL INCOME		
GROSS	FROM THE		
RETAIL	RETAIL UNITARY		
TAX	TRANSACTION		
\$ 0		less than	\$0.09
\$ 0.01	at least \$ 0.09	but less than	\$0.25
\$ 0.02	at least \$ 0.25	but less than	\$0.42
\$ 0.03	at least \$ 0.42	but less than	\$0.59

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1 \$ 0.04 at least \$ 0.59 but less than \$0.75
 2 \$ 0.05 at least \$ 0.75 but less than \$0.92
 3 \$ 0.06 at least \$ 0.92 but less than \$1.09

4 On a retail unitary transaction **before February 1, 2005**, in which the
 5 gross retail income received by the retail merchant is one dollar and
 6 nine cents (\$1.09) or more, the state gross retail tax is six percent (6%)
 7 of that gross retail income. **On a retail unitary transaction after**
 8 **January 31, 2005, the state gross retail tax is measured by the gross**
 9 **retail income received by a retail merchant in a retail unitary**
 10 **transaction and is imposed at the following rates:**

11 STATE	GROSS RETAIL INCOME		
12 GROSS	FROM THE		
13 RETAIL	RETAIL UNITARY		
14 TAX	TRANSACTION		
15 \$ 0		less than	\$0.10
16 \$ 0.01	at least \$ 0.10	but less than	\$0.28
17 \$ 0.02	at least \$ 0.28	but less than	\$0.46
18 \$ 0.03	at least \$ 0.46	but less than	\$0.64
19 \$ 0.04	at least \$ 0.64	but less than	\$0.82
20 \$ 0.05	at least \$ 0.82	but less than	\$1.00

21 **On a retail unitary transaction after January 31, 2005, in which the**
 22 **gross retail income received by the retail merchant is one dollar**
 23 **(\$1.00) or more, the state gross retail tax is five and five-tenths**
 24 **percent (5.5%) of that gross retail income.**

25 (b) If the tax, computed under subsection (a), results in a fraction of
 26 one-half cent (\$0.005) or more, the amount of the tax shall be rounded
 27 to the next additional cent.

28 SECTION 22. IC 6-2.5-4-4.5, AS ADDED BY P.L.224-2003,
 29 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2004]: Sec. 4.5. (a) A person is a retail merchant making a
 31 retail transaction when the person furnishes rooms or lodgings to
 32 another person on a complimentary basis if:

- 33 (1) the rooms or lodgings are furnished for periods of less than
- 34 thirty (30) days; and
- 35 (2) the rooms or lodgings are located in a hotel, motel, inn, tourist
- 36 camp, tourist cabin, or other place where rooms or lodgings are
- 37 regularly furnished for consideration.

38 (b) The state gross retail tax applicable to a retail transaction
 39 described in subsection (a) is measured by the amount of gross retail
 40 income attributed to the transaction under this subsection. The amount
 41 of gross retail income attributed to a retail transaction described in
 42 subsection (a) is equal to the amount of gross retail income received by

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1 the retail merchant from renting a comparable room or lodging on the
2 date the complimentary room or lodging is provided. The state gross
3 retail tax imposed on a retail transaction described in subsection (a) is
4 **before February 1, 2005**, six percent (6%), **and after January 31,**
5 **2005, five and five-tenths percent (5.5%)** of the gross retail income
6 attributed to the transaction.

7 SECTION 23. IC 6-2.5-6-7, AS AMENDED BY P.L.192-2002(ss),
8 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2004]: Sec. 7. Except as otherwise provided in IC 6-2.5-7 or
10 in this chapter, a retail merchant shall pay to the department, for a
11 particular reporting period, an amount equal to the product of:

- 12 (1) **before February 1, 2005**, six percent (6%), **and after**
13 **January 31, 2005, five and five-tenths percent (5.5%);**
14 multiplied by
- 15 (2) the retail merchant's total gross retail income from taxable
16 transactions made during the reporting period.

17 The amount determined under this section is the retail merchant's state
18 gross retail and use tax liability regardless of the amount of tax he
19 actually collects.

20 SECTION 24. IC 6-2.5-6-8, AS AMENDED BY P.L.192-2002(ss),
21 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2004]: Sec. 8. (a) For purposes of determining the amount of
23 state gross retail and use taxes which he must remit under section 7 of
24 this chapter, a retail merchant may exclude from his gross retail income
25 from retail transactions made during a particular reporting period, an
26 amount equal to the product of:

- 27 (1) the amount of that gross retail income; multiplied by
- 28 (2) the retail merchant's "income exclusion ratio" for the tax year
29 which contains the reporting period.

30 (b) A retail merchant's "income exclusion ratio" for a particular tax
31 year equals a fraction, the numerator of which is the retail merchant's
32 estimated total gross retail income for the tax year from unitary retail
33 transactions which produce gross retail income of less than:

- 34 (1) **for retail transactions before February 1, 2005**, nine cents
35 (\$0.09) each; **and**
- 36 (2) **for retail transactions after January 31, 2005, ten cents**
37 **(\$0.10) each;**

38 and the denominator of which is the retail merchant's estimated total
39 gross retail income for the tax year from all retail transactions.

40 (c) In order to minimize a retail merchant's recordkeeping
41 requirements, the department shall prescribe a procedure for
42 determining the retail merchant's income exclusion ratio for a tax year,

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1 based on a period of time, not to exceed fifteen (15) consecutive days,
 2 during the first quarter of the retail merchant's tax year. However, the
 3 period of time may be changed if the change is requested by the retail
 4 merchant because of his peculiar accounting procedures or marketing
 5 factors. In addition, if a retail merchant has multiple sales locations or
 6 diverse types of sales, the department shall permit the retail merchant
 7 to determine the ratio on the basis of a representative sampling of the
 8 locations and types of sales.

9 SECTION 25. IC 6-2.5-6-10, AS AMENDED BY P.L.192-2002(ss),
 10 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2004]: Sec. 10. (a) In order to compensate retail merchants for
 12 collecting and timely remitting the state gross retail tax and the state
 13 use tax, every retail merchant, except a retail merchant referred to in
 14 subsection (c), is entitled to deduct and retain from the amount of those
 15 taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this
 16 chapter, if timely remitted, a retail merchant's collection allowance.

17 (b) The allowance equals, **before February 1, 2005**, eighty-three
 18 hundredths percent (0.83%) **and, after January 31, 2005, nine**
 19 **hundred five thousandths percent (0.905%)** of the retail merchant's
 20 state gross retail and use tax liability accrued during a reporting period.

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

23 SECTION 26. IC 6-2.5-7-3, AS AMENDED BY P.L.192-2002(ss),
 24 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2004]: Sec. 3. (a) With respect to the sale of gasoline which
 26 is dispensed from a metered pump, a retail merchant shall collect, for
 27 each unit of gasoline sold, state gross retail tax in an amount equal to
 28 the product, rounded to the nearest one-tenth of one cent (\$0.001), of:

29 (1) the price per unit before the addition of state and federal taxes;
 30 multiplied by

31 (2) **before February 1, 2005**, six percent (6%), **and after**
 32 **January 31, 2005, five and five-tenths percent (5.5%)**.

33 The retail merchant shall collect the state gross retail tax prescribed in
 34 this section even if the transaction is exempt from taxation under
 35 IC 6-2.5-5.

36 (b) With respect to the sale of special fuel or kerosene which is
 37 dispensed from a metered pump, unless the purchaser provides an
 38 exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant
 39 shall collect, for each unit of special fuel or kerosene sold, state gross
 40 retail tax in an amount equal to the product, rounded to the nearest
 41 one-tenth of one cent (\$0.001), of:

42 (1) the price per unit before the addition of state and federal taxes;

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1 multiplied by
 2 (2) **before February 1, 2005**, six percent (6%), **and after**
 3 **January 31, 2005, five and five-tenths percent (5.5%)**.
 4 Unless the exemption certificate is provided, the retail merchant shall
 5 collect the state gross retail tax prescribed in this section even if the
 6 transaction is exempt from taxation under IC 6-2.5-5.
 7 SECTION 27. IC 6-2.5-7-5, AS AMENDED BY P.L.192-2002(ss),
 8 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2004]: Sec. 5. (a) Each retail merchant who dispenses
 10 gasoline or special fuel from a metered pump shall, in the manner
 11 prescribed in IC 6-2.5-6, report to the department the following
 12 information:
 13 (1) The total number of gallons of gasoline sold from a metered
 14 pump during the period covered by the report.
 15 (2) The total amount of money received from the sale of gasoline
 16 described in subdivision (1) during the period covered by the
 17 report.
 18 (3) That portion of the amount described in subdivision (2) which
 19 represents state and federal taxes imposed under this article,
 20 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.
 21 (4) The total number of gallons of special fuel sold from a
 22 metered pump during the period covered by the report.
 23 (5) The total amount of money received from the sale of special
 24 fuel during the period covered by the report.
 25 (6) That portion of the amount described in subdivision (5) that
 26 represents state and federal taxes imposed under this article,
 27 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.
 28 (b) Concurrently with filing the report, the retail merchant shall
 29 remit the state gross retail tax in an amount which equals, **before**
 30 **February 1, 2005**, five and sixty-six hundredths percent (5.66%) of the
 31 gross receipts **and, after January 31, 2005, five and twenty-one**
 32 **hundredths percent (5.21%)**, including state gross retail taxes but
 33 excluding Indiana and federal gasoline and special fuel taxes, received
 34 by the retail merchant from the sale of the gasoline and special fuel that
 35 is covered by the report and on which the retail merchant was required
 36 to collect state gross retail tax. The retail merchant shall remit that
 37 amount regardless of the amount of state gross retail tax which he has
 38 actually collected under this chapter. However, the retail merchant is
 39 entitled to deduct and retain the amounts prescribed in subsection (c),
 40 IC 6-2.5-6-10, and IC 6-2.5-6-11.
 41 (c) A retail merchant is entitled to deduct from the amount of state
 42 gross retail tax required to be remitted under subsection (b) an amount

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equal to:

- (1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus
- (2) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

SECTION 28. IC 6-2.5-10-1, AS AMENDED BY P.L.192-2002(ss), SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit **the following percentage of those collections in the following manner: funds:**

- (1) ~~Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21:~~
 - (A) before March 1, 2005, fifty percent (50%); and**
 - (B) after February 28, 2005, forty-five and five hundred seven thousandths percent (45.507%).**
- (2) ~~Forty-nine and one hundred ninety-two thousandths percent (49.192%) of the collections shall be paid into the state general fund:~~
 - (A) before March 1, 2005, forty-nine and one hundred ninety-two thousandths percent (49.192%); and**
 - (B) after February 28, 2005, fifty-three and six hundred twelve thousandths percent (53.612%).**
- (3) ~~Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8:~~
 - (A) before March 1, 2005, six hundred thirty-five thousandths percent (0.635%); and**
 - (B) after February 28, 2005, six hundred ninety-two thousandths percent (0.692%).**
- (4) ~~Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2:~~
 - (A) before March 1, 2005, thirty-three thousandths percent (0.033%); and**
 - (B) after February 28, 2005, thirty-six thousandths percent (0.036%).**
- (5) ~~Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established~~

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1 under IC 8-3-1.5-20.5:

2 (A) before March 1, 2005, fourteen hundredths percent
3 (0.14%); and

4 (B) after February 28, 2005, one hundred fifty-three
5 thousandths percent (0.153%).

6 SECTION 29. IC 6-3-7-3, AS AMENDED BY P.L.192-2002(ss),
7 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2005]: Sec. 3. ~~(a)~~ All revenues derived from collection
9 of the adjusted gross income tax imposed on corporations shall be
10 deposited in the state general fund.

11 ~~(b)~~ All revenues derived from collection of the adjusted gross
12 income tax imposed on persons shall be deposited as follows:

13 (1) Eighty-six percent (86%) in the state general fund:

14 (2) Fourteen percent (14%) in the property tax replacement fund:

15 SECTION 30. IC 6-3.5-1.1-1.5 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JANUARY 5, 2005]: Sec. 1.5. (a) Any reference in this
18 chapter relating to certified shares that refers to a levy or property
19 tax imposed in a civil taxing district shall be treated as a reference
20 to the amount raised by a local government income tax under
21 IC 6-3.5-9 for the taxing district.

22 (b) Any amount distributable under this chapter to a civil taxing
23 unit or school corporation for additional property tax replacement
24 credits that exceeds the amount of property tax imposed in the
25 political subdivision shall be distributed to civil taxing units as
26 certified shares.

27 SECTION 31. IC 6-3.5-6-1.5 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 5, 2005]: Sec. 1.5. (a) Any reference in this
30 chapter that refers to a levy or property tax imposed in a civil
31 taxing district shall be treated as a reference to the amount raised
32 by a local government income tax under IC 6-3.5-9 for the taxing
33 district.

34 (b) Any amount distributable under this chapter to a civil taxing
35 unit or school corporation for additional homestead credits that
36 exceeds the amount of property tax imposed on homesteads in the
37 political subdivision shall be distributed to civil taxing units in the
38 same manner as other money distributed under this chapter.

39 SECTION 32. IC 6-3.5-7-1.3 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JANUARY 5, 2005]: Sec. 1.3. (a) Any reference in this
42 chapter that refers to a levy or property tax imposed in a civil

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1 taxing district shall be treated as a reference to the amount raised
2 by a local government income tax under IC 6-3.5-9 for the taxing
3 district.

4 (b) Any amount distributable under this chapter to a civil taxing
5 unit or school corporation for additional homestead credits that
6 exceeds the amount of property tax imposed on homesteads in the
7 political subdivision shall be distributed to civil taxing units in the
8 same manner as other money distributed under this chapter.

9 SECTION 33. IC 6-3.5-9 IS ADDED TO THE INDIANA CODE
10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]:

12 **Chapter 9. Local Government Income Tax**

13 **Sec. 1. The following definitions apply throughout this chapter:**

14 (1) "Adjusted gross income" has the meaning set forth in
15 IC 6-3-1-3.5.

16 (2) "Civil taxing unit" means a political subdivision to which
17 IC 21-10 or IC 36-1.3 (as appropriate) applies. The term does
18 not include a school corporation.

19 (3) "County income tax council" means a council established
20 by section 2 of this chapter.

21 (4) "County taxpayer", as it relates to a particular county,
22 means a resident person or corporation (as defined in IC 6-3)
23 who resides in that county as determined under section 18 of
24 this chapter.

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

26 (6) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

27 (7) "Resident county taxpayer", as it relates to a particular
28 county, means a county taxpayer who resides in that county.

29 (8) "School corporation" has the meaning set forth in
30 IC 6-1.1-1-16.

31 **Sec. 2. (a) A county income tax council is established for each**
32 **county in Indiana. The membership of each county's county**
33 **income tax council consists of the fiscal body of the county and the**
34 **fiscal body of each city or town that lies either partially or entirely**
35 **within that county.**

36 (b) Using procedures described in this chapter, a county income
37 tax council may adopt ordinances to:

38 (1) impose the local government income tax in the county;

39 (2) subject to section 10 of this chapter, rescind the local
40 government income tax in the county;

41 (3) increase the local government income tax rate for the
42 county; or

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(4) subject to section 11 of this chapter, decrease the local government income tax rate for the county.

(c) An ordinance adopted in a particular year under this chapter to impose or rescind the local government income tax or to increase the tax rate is effective July 1 of that year.

(d) The local government income tax may not be imposed or increased under this chapter to a rate that when added to all other revenues (as defined in IC 36-1.3-2-11), excluding revenues from exempted sources (as defined in IC 36-1.3-2-7), will exceed the sum of the expenditure limits for all civil taxing units in the county, as determined under IC 21-10 or IC 36-1.3 (as appropriate). However, the county income tax council shall increase the tax rate as required and only for the time necessary to meet a fiscal emergency of a civil taxing unit approved by the department of local government finance under IC 21-10 or IC 36-1.3 (as appropriate). If a tax rate is increased under this chapter to meet a fiscal emergency, the revenue raised by the increase shall be applied to the fiscal emergency or to repay interest and principal on bonds or anticipation warrants issued to meet the fiscal emergency.

(e) The county income tax council shall give notice of an action under this chapter to the department of local government finance not more than five (5) business days after adopting an ordinance under this chapter.

(f) After a hearing, the department of local government finance may reduce a tax rate imposed or increased under this chapter before June 1 preceding the date when the change becomes effective in order to implement subsection (d). If the department of local government finance reduces a tax rate under this subsection, the department of local government finance shall give notice of the action to the department, the county income tax council, and the county auditor for the county.

Sec. 3. (a) In the case of a political subdivision that lies within more than one (1) county, the county auditor of each county shall base the allocations required by subsection (b) on the population of that part of the city or town that lies within the county for which the allocations are being made.

(b) Every county income tax council has a total of one hundred (100) votes. Every member of the county income tax council is allocated a percentage of the total one hundred (100) votes that may be cast. The percentage that a city or town is allocated for a year equals the same percentage that the population of the city or

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1 town bears to the population of the county. The percentage that the
2 county is allocated for a year equals the same percentage that the
3 population of all areas in the county not located in a city or town
4 bears to the population of the county. On or before January 1 of
5 each year, the county auditor shall certify to each member of the
6 county income tax council the number of votes, rounded to the
7 nearest one-hundredth (0.01), the member has for that year.

8 Sec. 4. (a) A member of the county income tax council may
9 exercise its votes by passing a resolution and transmitting the
10 resolution to the county auditor. However, in the case of an
11 ordinance to impose, rescind, increase, decrease, or freeze the
12 county rate of the local government income tax, the member must
13 transmit the resolution to the county auditor by the appropriate
14 time described in section 8, 9, 10, or 11 of this chapter. The form of
15 a resolution is as follows:

16 "The _____ (name of civil taxing unit's fiscal body) casts
17 its _____ votes _____ (for or against) the proposed ordinance
18 of the _____ County Income Tax Council, which reads
19 as follows:"

20 (b) A resolution passed by a member of the county income tax
21 council exercises all votes of the member on the proposed
22 ordinance, and those votes may not be changed during the year.

23 Sec. 5. Any member of a county income tax council may present
24 an ordinance for passage. To do so, the member must pass a
25 resolution to propose the ordinance to the county income tax
26 council and distribute a copy of the proposed ordinance to the
27 county auditor. The county auditor shall treat any proposed
28 ordinance presented under this section as a casting of all that
29 member's votes in favor of that proposed ordinance. Subject to the
30 limitations of section 6 of this chapter, the county auditor shall
31 deliver copies of a proposed ordinance the auditor receives to all
32 members of the county income tax council within ten (10) days
33 after receipt. Once a member receives a proposed ordinance from
34 the county auditor, the member shall vote on it within thirty (30)
35 days after receipt. If a member does not vote within thirty (30)
36 days, the county auditor shall record the member as having voted
37 against the proposed ordinance.

38 Sec. 6. (a) A county income tax council may pass only one (1)
39 ordinance described in section 2(b) of this chapter in one (1) year.
40 Once an ordinance described in section 2(b) of this chapter is
41 passed, the county auditor shall:

42 (1) cease distributing proposed ordinances of those types for

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1 the rest of the year; and
2 (2) withdraw from the membership any other of those types
3 of proposed ordinances.

4 Any votes subsequently received by the county auditor on proposed
5 ordinances of those types during that same year are void.

6 (b) The county income tax council may not vote on nor may the
7 county auditor distribute to the members of the county income tax
8 council any proposed ordinance during a year if previously during
9 that same year the county auditor received and distributed to the
10 members of the county income tax council a proposed ordinance
11 that if passed, would have substantially the same effect.

12 Sec. 7. (a) Before a member of a county income tax council may
13 propose an ordinance or vote on a proposed ordinance, the
14 member must hold a public hearing on the proposed ordinance and
15 provide the public with notice of the date, time, and place where
16 the public hearing will be held.

17 (b) The notice required by subsection (a) must be given in
18 accordance with IC 5-3-1.

19 (c) The form of the notice required by this section must be in
20 substantially the following form:

21 "NOTICE OF LOCAL OPTION
22 INCOME TAX ORDINANCE VOTE

23 The fiscal body of the _____ (insert name of civil taxing
24 unit) hereby declares that on _____ (insert date) at ____
25 (insert the time of day) a public hearing will be held at
26 _____ (insert location) concerning the following
27 resolution to propose an ordinance (or proposed ordinance)
28 that is before the members of the county income tax council.
29 Members of the public are invited to attend the hearing for
30 the purpose of expressing their views.

31 (Insert a copy of the proposed ordinance or resolution to
32 propose an ordinance.)".

33 Sec. 8. (a) The county income tax council of a county may
34 impose a local government income tax on the adjusted gross
35 income of county taxpayers effective July 1 of that same year.

36 (b) To impose the local government income tax, a county income
37 tax council must, after January 1 but before April 1 of the year,
38 pass an ordinance. The ordinance must substantially state the
39 following:

40 "The _____ County Income Tax Council imposes the local
41 government income tax on the county taxpayers of _____
42 County. The local government income tax is imposed at a rate

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1 of _____ (insert rate) on the resident county taxpayers of
 2 the county. This tax takes effect July 1 of this year.".

3 (c) The county auditor shall record all votes taken on ordinances
 4 presented for a vote under this section and immediately send a
 5 certified copy of the results to the department by certified mail.

6 Sec. 9. (a) If on January 1 of a calendar year a local government
 7 income tax rate is in effect for resident county taxpayers, the
 8 county income tax council may after January 1 and before April 1
 9 of that year pass an ordinance to increase the tax rate for resident
 10 county taxpayers. If a county income tax council passes an
 11 ordinance under this section, the local government income tax rate
 12 for resident county taxpayers increases as provided in the
 13 ordinance.

14 (b) The county auditor shall record any vote taken on an
 15 ordinance proposed under the authority of this section and
 16 immediately send a certified copy of the results to the department
 17 by certified mail.

18 Sec. 10. (a) A local government income tax imposed by a county
 19 income tax council under this chapter remains in effect until
 20 rescinded.

21 (b) Subject to subsection (c), the county income tax council may
 22 rescind the local government income tax by passing an ordinance
 23 to rescind the tax after January 1 but before June 1 of a year.

24 (c) A county income tax council may not rescind the local
 25 government income tax or take action that would result in a civil
 26 taxing unit in the county having a smaller distributive share than
 27 the distributive share to which it was entitled when it pledged local
 28 government income tax, if the civil taxing unit or any commission,
 29 board, department, or authority that is authorized by statute to
 30 pledge local government income tax has pledged local government
 31 income tax for any purpose permitted by IC 5-1-14 or any other
 32 statute.

33 (d) The county auditor shall record all votes taken on a
 34 proposed ordinance presented for a vote under the authority of this
 35 section and shall immediately send a certified copy of the results to
 36 the department by certified mail.

37 Sec. 11. (a) A county income tax council may adopt an ordinance
 38 to decrease the local government income tax rate in effect.

39 (b) To decrease the local government income tax rate, the
 40 county income tax council must adopt an ordinance after January
 41 1 but before April 1 of a year. The ordinance must substantially
 42 state the following:

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"The _____ County Income Tax Council decreases the local government income tax rate from _____ percent (___%) to _____ percent (___ %). This ordinance takes effect July 1 of this year."

(c) A county income tax council may not decrease the local government income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the local government income tax has pledged the local government income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) An ordinance adopted under this section takes effect July 1 of the year in which the ordinance is adopted.

(e) The county auditor shall record the votes taken on an ordinance under this section and shall send a certified copy of the ordinance to the department by certified mail not more than thirty (30) days after the ordinance is adopted.

Sec. 12. If for any taxable year a county taxpayer is subject to different tax rates for the local government income tax imposed by a particular county, the taxpayer's local government income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede July 1 by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow June 30 by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

Sec. 13. If a local government income tax is not in effect during a county taxpayer's entire taxable year, the amount of local government income tax that the county taxpayer owes for that taxable year equals the product of:

(1) the amount of local government income tax the county taxpayer would owe if the tax had been imposed during the county taxpayer's entire taxable year; multiplied by

(2) a fraction. The numerator of the fraction equals the number of days in the county taxpayer's taxable year during which the local government income tax was in effect. The denominator of the fraction equals the total number of days in the county taxpayer's taxable year.

However, if the taxpayer files state income tax returns on a

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1 calendar year basis, the fraction to be applied under this section is
2 one-half (1/2).

3 **Sec. 14. (a)** A special account within the state general fund shall
4 be established for each county that adopts a local government
5 income tax. Revenue derived from the imposition of the local
6 government income tax shall be deposited in that county's account
7 in the state general fund.

8 (b) Income earned on money held in an account under
9 subsection (a) becomes a part of that account.

10 (c) Revenue remaining in an account established under
11 subsection (a) at the end of a state fiscal year does not revert to the
12 state general fund.

13 **Sec. 15. (a)** Revenue derived from the imposition of a local
14 government income tax shall, in the manner prescribed by this
15 section, be distributed to the county that imposed it. The amount
16 that is to be distributed to a county during an ensuing calendar
17 year equals the amount of local government income tax revenue
18 that the department, after reviewing the recommendation of the
19 budget agency, estimates will be received from that county during
20 the twelve (12) month period beginning July 1 of the immediately
21 preceding calendar year and ending June 30 of the ensuing
22 calendar year.

23 (b) Before June 16 of each calendar year, the department, after
24 reviewing the recommendation of the budget agency, shall estimate
25 and certify to the county auditor of each adopting county the
26 amount of local government income tax revenue that will be
27 collected from that county during the twelve (12) month period
28 beginning July 1 of that calendar year and ending June 30 of the
29 immediately succeeding calendar year. The amount certified is the
30 county's certified distribution for the immediately succeeding
31 calendar year. The amount certified may be adjusted under
32 subsection (c) or (d).

33 (c) The department may certify to an adopting county an
34 amount that is greater than the estimated twelve (12) month
35 revenue collection if the department, after reviewing the
36 recommendation of the budget agency, determines that there will
37 be a greater amount of revenue available for distribution from the
38 county's account established under section 14 of this chapter.

39 (d) The department may certify an amount less than the
40 estimated twelve (12) month revenue collection if the department,
41 after reviewing the recommendation of the budget agency,
42 determines that a part of those collections needs to be distributed

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1 during the current calendar year so that the county will receive the
2 full certified distribution for the current calendar year.

3 (e) One-twelfth (1/12) of each adopting county's certified
4 distribution for a calendar year shall be distributed from the
5 account established under section 14 of this chapter to the
6 appropriate county treasurer on the first day of each month of that
7 calendar year.

8 (f) Upon receipt, each monthly payment of a county's certified
9 distribution shall be allocated among, distributed to, and used by
10 the civil taxing units of the county as provided in sections 16 and 17
11 of this chapter.

12 (g) All distributions from an account established under section
13 14 of this chapter shall be made by warrants issued by the auditor
14 of state to the treasurer of state ordering the appropriate
15 payments.

16 Sec. 16. (a) The revenue a county auditor receives under this
17 chapter may be used by a civil taxing unit to fund any lawful
18 purpose of the civil taxing unit or pledged by the receiving civil
19 taxing unit to repay an obligation of the civil taxing unit or a tax
20 increment financing district or economic development district that
21 is located at least in part in the boundaries of the civil taxing unit.
22 The revenue shall be treated as general money under IC 21-10 or
23 IC 36-1.3 (as appropriate). For purposes of the distribution of
24 excise taxes under IC 6-6-5 and other miscellaneous revenue that
25 is distributed based on the property tax levy of a political
26 subdivision, the amount distributed under this section shall be
27 treated as property taxes.

28 (b) The amount of distributive shares that each civil taxing unit
29 in a county is entitled to receive during a month equals the product
30 of:

31 (1) the amount of revenue that is to be distributed as
32 distributive shares during that month; multiplied by

33 (2) a fraction. The numerator of the fraction equals the
34 revenues (as defined in IC 36-1.3-2-11), excluding revenues
35 from exempted sources (as defined in IC 35-1.3-2-7), minus
36 any distribution under this chapter that is available to the
37 civil taxing unit during the calendar year in which the month
38 falls. The denominator of the fraction equals the revenues (as
39 defined in IC 36-1.3-2-11), excluding revenues from exempted
40 sources (as defined in IC 36-1.3-2-7), minus any distributions
41 under this chapter that are available to all civil taxing units of
42 the county during the calendar year in which the month falls.

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1 (c) The department of local government finance shall provide
2 each county auditor with the fractional amount of distributive
3 shares that each civil taxing unit in the auditor's county is entitled
4 to receive monthly under this section.

5 Sec. 17. In the case of a civil taxing unit that includes a
6 consolidated city, the civil taxing unit's fiscal body may distribute
7 any revenue it receives under this chapter to any governmental
8 entity located in its county.

9 Sec. 18. (a) For purposes of this chapter, an individual shall be
10 treated as a resident of the county in which the individual:

- 11 (1) maintains a home, if the individual maintains only one (1)
- 12 home in Indiana;
- 13 (2) if subdivision (1) does not apply, is registered to vote;
- 14 (3) if subdivision (1) or (2) does not apply, registers the
- 15 individual's personal automobile; or
- 16 (4) if subdivision (1), (2), or (3) does not apply, spends the
- 17 majority of the individual's time in Indiana during the taxable
- 18 year in question.

19 (b) For purposes of this chapter, a person other than an
20 individual shall be treated as a resident of the county where the
21 person owns tangible property. If the person owns tangible
22 property in more than one (1) county, the adjusted gross income of
23 the person that is allocated to Indiana under IC 6-3 shall be
24 allocated among all the counties where the person owns property
25 under STEP FIVE of the following formula:

- 26 STEP ONE: Determine the adjusted gross income of the
- 27 person that is allocated to Indiana under IC 6-3.
- 28 STEP TWO: Determine the assessed value of all of the
- 29 person's tangible property in Indiana.
- 30 STEP THREE: Determine the assessed value of all of the
- 31 person's tangible property in the county.
- 32 STEP FOUR: Divide the STEP THREE amount by the STEP
- 33 TWO amount.
- 34 STEP FIVE: Multiply the STEP ONE amount by the STEP
- 35 FOUR quotient.

36 Sec. 19. (a) Using procedures provided under this chapter, the
37 county income tax council of an adopting county may pass an
38 ordinance to enter into reciprocity agreements with the taxing
39 authority of a city, town, municipality, county, or other similar
40 local governmental entity of another state. The reciprocity
41 agreements must provide that the income of resident county
42 taxpayers is exempt from income taxation by the other local

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1 governmental entity to the extent income of the residents of the
2 other local governmental entity is exempt from the local
3 government income tax in the adopting county.

4 (b) A reciprocity agreement adopted under this section may not
5 become effective until it is also made effective in the other local
6 governmental entity that is a party to the agreement.

7 (c) The form and effective date of a reciprocity agreement
8 described in this section must be approved by the department.

9 Sec. 20. (a) Except as otherwise provided in subsection (b) and
10 the other provisions of this chapter, all provisions of the adjusted
11 gross income tax law (IC 6-3) concerning:

- 12 (1) definitions;
- 13 (2) declarations of estimated tax;
- 14 (3) filing of returns;
- 15 (4) deductions or exemptions from adjusted gross income;
- 16 (5) remittances;
- 17 (6) incorporation of the provisions of the Internal Revenue
18 Code;
- 19 (7) penalties and interest; and
- 20 (8) exclusion of military pay credits for withholding;

21 apply to the imposition, collection, and administration of the tax
22 imposed by this chapter.

23 (b) IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do
24 not apply to the tax imposed by this chapter.

25 (c) Notwithstanding subsections (a) and (b), each employer shall
26 report to the department and the county auditor for the adopting
27 county the amount of withholdings attributable to each county.
28 This report shall be submitted at the same time the employer
29 submits the employer's other withholding report to the
30 department.

31 Sec. 21. (a) Except as provided in subsection (b), if for a
32 particular taxable year a county taxpayer is liable for an income
33 tax imposed by a county, city, town, or other local governmental
34 entity located outside Indiana, the taxpayer is entitled to a credit
35 against the local government income tax liability for that same
36 taxable year. The amount of the credit equals the amount of tax
37 imposed by the other governmental entity on income derived from
38 sources outside Indiana and subject to the local government
39 income tax. However, the credit provided by this section may not
40 reduce a county taxpayer's local government income tax liability
41 to an amount less than would have been owed if the income subject
42 to taxation by the other governmental entity had been ignored.

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1 (b) The credit provided by this section does not apply to a
2 county taxpayer to the extent that the other governmental entity
3 provides for a credit to the taxpayer for the amount of local
4 government income taxes owed under this chapter.

5 (c) To claim the credit provided by this section, a county
6 taxpayer must provide the department with satisfactory evidence
7 that the taxpayer is entitled to the credit.

8 Sec. 22. (a) If for a particular taxable year a county taxpayer is,
9 or a county taxpayer and the taxpayer's spouse who file a joint
10 return are, allowed a credit for the elderly or the totally disabled
11 under Section 22 of the Internal Revenue Code, the county
12 taxpayer is, or the county taxpayer and the taxpayer's spouse are,
13 entitled to a credit against the local government income tax liability
14 for that same taxable year. The amount of the credit equals the
15 lesser of:

16 (1) the product of:

17 (A) the credit for the elderly or the totally disabled for that
18 same taxable year; multiplied by

19 (B) a fraction, the numerator of which is the local
20 government income tax rate imposed against the county
21 taxpayer or the county taxpayer and the taxpayer's spouse,
22 and the denominator of which is fifteen-hundredths (0.15);
23 or

24 (2) the amount of local government income tax imposed on the
25 county taxpayer or the county taxpayer and the taxpayer's
26 spouse.

27 (b) If a county taxpayer and the taxpayer's spouse file a joint
28 return and are subject to different local government income tax
29 rates for the same taxable year, they shall compute the credit
30 under this section by using the formula provided by subsection (a),
31 except that they shall use the average of the two (2) local
32 government income tax rates imposed against them as the
33 numerator in subsection (a)(1)(B).

34 Sec. 23. Notwithstanding any other law, if a civil taxing unit
35 desires to issue obligations or enter into leases payable wholly or
36 in part by the local government income tax, the obligations of the
37 civil taxing unit or any lessor may be sold at public sale in
38 accordance with IC 5-1-11 or at negotiated sale.

39 SECTION 34. IC 6-3.5-10 IS ADDED TO THE INDIANA CODE
40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 5, 2005]:

42 Chapter 10. Local Income Tax for Education

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1 **Sec. 1. The following definitions apply throughout this chapter:**

2 (1) "Adjusted gross income" has the meaning set forth in
3 IC 6-3-1-3.5.

4 (2) "Department" refers to the department of state revenue.

5 (3) "Resident taxpayer", as it relates to a particular school
6 corporation, means an individual who resides in that school
7 corporation.

8 (4) "School corporation" has the meaning set forth in
9 IC 36-1-2-17.

10 (5) "School year" means a twelve (12) month period
11 beginning July 1 of a calendar year.

12 **Sec. 2. (a) Using procedures described in this chapter, a**
13 **governing body for a school corporation may adopt ordinances to:**

14 (1) impose the local income tax for education in the school
15 district;

16 (2) subject the to section 6 of this chapter, rescind the local
17 income tax for education in the school district;

18 (3) increase the local income tax for education rate for the
19 school district; or

20 (4) subject to section 7 of this chapter, decrease the local
21 income tax for education rate in the school district.

22 **(b) An ordinance adopted in a particular year under this**
23 **chapter to impose or rescind the local income tax for education or**
24 **to increase the tax rate is effective July 1 of that year.**

25 **(c) The local income tax for education may not be set at or**
26 **increased to a rate that exceeds the lesser of the following:**

27 (1) One and two-tenths percent (1.2%).

28 (2) A rate that will result in total revenue that, when added to
29 all other general money (as defined in IC 21-10-1-6) will
30 exceed the sum of the expenditure limit for the school
31 corporation as determined under IC 21-10.

32 **However, the governing body of a school corporation shall increase**
33 **the rate as required and only for the time necessary to meet a fiscal**
34 **emergency of a school corporation approved by the department of**
35 **local government finance under IC 21-10. If a tax is increased**
36 **under this chapter to meet a fiscal emergency, the money raised by**
37 **the increase shall be applied to the fiscal emergency or to repay**
38 **interest and principal on bonds or anticipation warrants issued to**
39 **meet the fiscal emergency.**

40 **(d) The governing body of a school corporation shall give notice**
41 **of an action under this chapter to the department of local**
42 **government finance and the department not more than five (5)**

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1 business days after adopting an ordinance under this chapter.
 2 (e) After a hearing, the department of local government finance
 3 may reduce a rate imposed or increased under this chapter before
 4 June 1 preceding the date when the change becomes effective in
 5 order to implement subsection (c). If the department of local
 6 government finance reduces a tax rate under this subsection, the
 7 department of local government finance shall give notice of the
 8 action to the department, the school corporation, and the county
 9 auditor for each county in which the school corporation is located.
 10 (f) The adoption of an ordinance under this chapter shall be
 11 reported to the department not more than thirty (30) days after the
 12 ordinance is adopted.

13 Sec. 3. (a) Before a governing body of a school corporation may
 14 propose an ordinance or vote on a proposed ordinance, the
 15 governing body must hold a public hearing on the proposed
 16 ordinance and provide the public with notice of the time and place
 17 of the public hearing.

18 (b) The notice required by subsection (a) must be given in
 19 accordance with IC 5-3-1.

20 (c) The notice required by this section must be in substantially
 21 the following form:

22 "NOTICE OF LOCAL INCOME
 23 TAX FOR EDUCATION ORDINANCE VOTE
 24 The governing body of the _____ (insert name of school
 25 corporation) declares that on _____ (insert date) at ____
 26 (insert the time of day) a public hearing will be held at _____
 27 (insert location) concerning the following resolution to propose an
 28 ordinance (or proposed ordinance) that is before the members of
 29 the governing body of a school corporation. Members of the public
 30 are cordially invited to attend the hearing to express their views.

31 (Insert a copy of the proposed ordinance or resolution to
 32 propose an ordinance.)".

33 Sec. 4. (a) The governing body of a school corporation may
 34 impose the local income tax for education on the adjusted gross
 35 income of resident taxpayers residing in the school corporation
 36 effective January 1 of the next year.

37 (b) To impose the local income tax for education, a governing
 38 body of a school corporation must, after July 1 but before October
 39 1 of the year, pass an ordinance. The ordinance must substantially
 40 state the following:

41 "The _____ governing body of a school corporation
 42 imposes the local income tax for education on the resident

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1 taxpayers of _____ School Corporation. The local income
2 tax for education is imposed at a rate of _____ on the
3 resident taxpayers of the school corporation. This tax takes
4 effect January 1 of next year."

5 **Sec. 5. If on July 1 of a calendar year the local income tax for**
6 **education rate is in effect for resident taxpayers, the governing**
7 **body of a school corporation may after July 1 and before October**
8 **1 of that year pass an ordinance to increase the tax rate for**
9 **resident taxpayers. If a governing body of a school corporation**
10 **passes an ordinance under this section, the local income tax for**
11 **education rate for resident taxpayers increases as provided in the**
12 **ordinance.**

13 **Sec. 6. (a) The local income tax for education imposed by a**
14 **governing body of a school corporation under this chapter remains**
15 **in effect until rescinded.**

16 **(b) Subject to subsection (c), the governing body of a school**
17 **corporation may rescind the local income tax for education by**
18 **passing an ordinance to rescind the tax after July 1 but before**
19 **December 1 of a year.**

20 **(c) A governing body of a school corporation may not rescind**
21 **the local income tax for education or take any action that would**
22 **result in the school corporation having a smaller distributive share**
23 **than the distributive share to which it was entitled when it pledged**
24 **local income tax for education if the school corporation has**
25 **pledged local income tax for education for any purpose permitted**
26 **by IC 5-1-14 or any other statute.**

27 **Sec. 7. (a) The governing body of a school corporation may**
28 **adopt an ordinance to decrease the local income tax for education**
29 **rate in effect.**

30 **(b) To decrease the local income tax for education rate, the**
31 **governing body of a school corporation must adopt an ordinance**
32 **after July 1 but before October 1 of a year. The ordinance must**
33 **substantially state the following:**

34 **"The _____ governing body of a school corporation**
35 **decreases the local income tax for education rate from**
36 **_____ percent (___ %) to _____ percent (___ %). This**
37 **ordinance takes effect January 1 of next year."**

38 **(c) A governing body of a school corporation may not decrease**
39 **the local income tax for education if the school corporation has**
40 **pledged the local income tax for education for any purpose**
41 **permitted by IC 5-1-14 or any other statute.**

42 **(d) An ordinance adopted under this subsection takes effect**

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1 **January 1 of the calendar year immediately following the calendar**
 2 **year in which the ordinance is adopted.**

3 **Sec. 8. If for any reason a resident taxpayer is subject to**
 4 **different tax rates for the local income tax for education imposed**
 5 **by a particular school corporation, the taxpayer's local income tax**
 6 **for education rate for that school corporation and that taxable year**
 7 **is the rate determined in the last STEP of the following STEPS:**

8 **STEP ONE: Multiply the number of months in the taxpayer's**
 9 **taxable year that precede January 1 by the rate in effect**
 10 **before the rate change.**

11 **STEP TWO: Multiply the number of months in the taxpayer's**
 12 **taxable year that follow December 31 by the rate in effect**
 13 **after the rate change.**

14 **STEP THREE: Divide the sum of the amounts determined**
 15 **under STEPS ONE and TWO by twelve (12).**

16 **Sec. 9. If the local income tax for education is not in effect**
 17 **during a resident taxpayer's entire taxable year, the amount of**
 18 **local income tax for education that the resident taxpayer owes for**
 19 **that taxable year equals the product of:**

20 **(1) the amount of local income tax for education the resident**
 21 **taxpayer would owe if the tax had been imposed during the**
 22 **resident taxpayer's entire taxable year; multiplied by**

23 **(2) a fraction, the numerator of which equals the number of**
 24 **days in the resident taxpayer's taxable year during which the**
 25 **local income tax for education was in effect, and the**
 26 **denominator of which equals the total number of days in the**
 27 **resident taxpayer's taxable year.**

28 **Sec. 10. (a) A special account within the state general fund shall**
 29 **be established for each school corporation that adopts the local**
 30 **income tax for education. Any revenue derived from the imposition**
 31 **of the local income tax for education by a school corporation shall**
 32 **be deposited in that school corporation's account in the state**
 33 **general fund.**

34 **(b) Any income earned on money held in an account under**
 35 **subsection (a) becomes a part of that account.**

36 **(c) Any revenue remaining in an account established under**
 37 **subsection (a) at the end of a fiscal year does not revert to the state**
 38 **general fund.**

39 **Sec. 11. (a) Revenue derived from the imposition of the local**
 40 **income tax for education shall, in the manner prescribed by this**
 41 **section, be distributed to the school corporation that imposed the**
 42 **tax. The amount that is to be distributed to a school corporation**

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1 during an ensuing school year equals the amount of local income
 2 tax for education revenue that the department, after reviewing the
 3 recommendation of the budget agency, estimates will be received
 4 from that school corporation during the twelve (12) month period
 5 beginning January 1 of a calendar year.

6 (b) Before December 16 of each calendar year, the department,
 7 after reviewing the recommendation of the budget agency, shall
 8 estimate and certify to the county auditor of each adopting school
 9 corporation and the school corporation the amount of local income
 10 tax for education revenue that will be collected from that school
 11 corporation during the twelve (12) month period beginning
 12 January 1 of the next calendar year. The amount certified is the
 13 school corporation's certified distribution for the immediately
 14 succeeding school year beginning on July 1 of the next calendar
 15 year. The amount certified may be adjusted under subsection (c)
 16 or (d).

17 (c) The department may certify to an adopting school
 18 corporation an amount that is greater than the estimated twelve
 19 (12) month revenue collection if the department, after reviewing
 20 the recommendation of the budget agency, determines that there
 21 will be a greater amount of revenue available for distribution from
 22 the school corporation's account established under section 10 of
 23 this chapter.

24 (d) The department may certify an amount less than the
 25 estimated twelve (12) month revenue collection if the department,
 26 after reviewing the recommendation of the budget agency,
 27 determines that a part of those collections needs to be distributed
 28 during the current school year so that the school corporation will
 29 receive its full certified distribution for the current school year.

30 (e) One-twelfth (1/12) of each adopting school corporation's
 31 certified distribution for a school year shall be distributed from its
 32 account established under section 10 of this chapter to the school
 33 corporation on the first day of each month of the school year.

34 (f) All distributions from an account established under section
 35 10 of this chapter shall be made by warrants issued by the auditor
 36 of state to the treasurer of state ordering the appropriate
 37 payments.

38 **Sec. 12.** The revenue a school corporation receives under this
 39 chapter may be used to fund any lawful purpose of the school
 40 corporation and may be deposited in any fund, subject to the
 41 provisions of the school corporation's budget adopted under
 42 IC 21-10. The revenue shall be treated as general money under

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1 **IC 21-10.**

2 **Sec. 13. For purposes of this chapter, an individual is treated as**
 3 **a resident of the school corporation in which the individual:**

- 4 (1) maintains a home, if the individual maintains only one (1)
 5 in Indiana;
 6 (2) if subdivision (1) does not apply, is registered to vote;
 7 (3) if subdivision (1) or (2) does not apply, registers the
 8 individual's personal automobile; or
 9 (4) if subdivision (1), (2), or (3) does not apply, spends the
 10 majority of the individual's time spent in Indiana during the
 11 taxable year in question.

12 **Sec. 14. (a) Using procedures provided under this chapter, the**
 13 **governing body of a school corporation may pass an ordinance to**
 14 **enter into reciprocity agreements with the taxing authority of any**
 15 **city, town, municipality, county, or other similar local**
 16 **governmental entity of any other state. The reciprocity agreements**
 17 **must provide that the income of resident taxpayers is exempt from**
 18 **income taxation by the other local governmental entity to the**
 19 **extent income of the residents of the other local governmental**
 20 **entity is exempt from the local income tax for education in the**
 21 **adopting school corporation.**

22 (b) A reciprocity agreement adopted under this section may not
 23 become effective until it is also made effective in the other local
 24 governmental entity that is a party to the agreement.

25 (c) The form and effective date of a reciprocity agreement
 26 described in this section must be approved by the department.

27 **Sec. 15. (a) Except as provided in subsection (b) and the other**
 28 **provisions of this chapter, all provisions of the adjusted gross**
 29 **income tax law (IC 6-3) concerning:**

- 30 (1) definitions;
 31 (2) declarations of estimated tax;
 32 (3) filing of returns;
 33 (4) deductions or exemptions from adjusted gross income;
 34 (5) remittances;
 35 (6) incorporation of the provisions of the Internal Revenue
 36 Code;
 37 (7) penalties and interest; and
 38 (8) exclusion of military pay credits for withholding;

39 **apply to the imposition, collection, and administration of the tax**
 40 **imposed by this chapter.**

41 (b) IC 6-3-1-3.5(a)(5), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do
 42 not apply to the tax imposed by this chapter.

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1 (c) The tax imposed under this chapter is a listed tax for the
2 purposes of IC 6-8.1.

3 (d) Notwithstanding subsections (a) and (b), each employer shall
4 report to the department and the school corporation the amount of
5 withholdings attributable to each school corporation. This report
6 shall be submitted at the same time that the employer submits the
7 employer's other withholding report to the department.

8 Sec. 16. (a) Except as provided in subsection (b), if for a
9 particular taxable year a resident taxpayer is liable for an income
10 tax imposed by a school corporation located outside Indiana, that
11 resident taxpayer is entitled to a credit against the local income tax
12 for education liability for that same taxable year. The amount of
13 the credit equals the amount of tax imposed by the other
14 governmental entity on income derived from sources outside
15 Indiana and subject to the local income tax for education.
16 However, the credit provided by this section may not reduce a
17 resident taxpayer's local income tax for education liability to an
18 amount less than would have been owed if the income subject to
19 taxation by the other governmental entity had been ignored.

20 (b) The credit provided by this section does not apply to a
21 resident taxpayer to the extent that the other governmental entity
22 provides for a credit to the taxpayer for the amount of local income
23 tax for education owed under this chapter.

24 (c) To claim the credit provided by this section, a resident
25 taxpayer must provide the department with satisfactory evidence
26 that the taxpayer is entitled to the credit.

27 Sec. 17. (a) If for a particular taxable year a resident taxpayer
28 is, or a resident taxpayer and the taxpayer's spouse who file a joint
29 return are, allowed a credit for the elderly or the totally disabled
30 under Section 22 of the Internal Revenue Code, the resident
31 taxpayer is, or the resident taxpayer and the taxpayer's spouse are,
32 entitled to a credit against the local income tax for education
33 liability for that same taxable year. The amount of the credit
34 equals the lesser of:

35 (1) the product of:

36 (A) the credit for the elderly or the totally disabled for that
37 same taxable year; multiplied by

38 (B) a fraction, the numerator of which is the local income
39 tax for education rate imposed against the resident
40 taxpayer, or the resident taxpayer and the taxpayer's
41 spouse, and the denominator of which is fifteen-hundredths
42 (0.15); or

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(2) the amount of local income tax for education imposed on the resident taxpayer, or the resident taxpayer and the taxpayer's spouse.

(b) If a resident taxpayer and the taxpayer's spouse file a joint return and are subject to different local income tax for education rates for the same taxable year, they shall compute the credit under this section by using the formula provided by subsection (a), except that they shall use the average of the two (2) local income tax for education rates imposed against them as the numerator in subsection (a)(1)(B).

Sec. 18. Notwithstanding any other law, if a school corporation desires to issue obligations, or enter into leases, payable wholly or in part by the local income tax for education, the obligations of the school corporation or any lessor may be sold at public sale in accordance with IC 5-1-11 or at negotiated sale.

SECTION 35. IC 8-1-11.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 10. For the purpose of raising money to pay all bonds issued as provided in section 8 of this chapter, and the interest thereon, to the extent that moneys are not available therefor in the judgment of the board of directors for utilities from the operations of said utility plant or plants so owned by said city, the board of directors for utilities, as an official board of said utility district, is hereby empowered to ~~levy, and shall levy each year,~~ a special **tax assessment** upon all the property of said utility district in such manner as to meet and pay the principal of said bonds as they severally mature, together with all accruing interest thereon. Said board of directors shall cause said **tax special assessment** so levied each year to be certified to the city controller of said city and the auditor of the county in which said utility district is located, on or before the first day of October of each year. Such ~~tax so levied and certified~~ **special assessment** shall be estimated and entered upon the tax duplicate by the auditor, and shall be collected and enforced by the county treasurer in the same manner as state and county taxes are estimated, entered, collected and enforced; and as such tax is so collected by the county treasurer, it shall be accumulated and kept in a separate fund to be known as the "Utility District Bond Fund," and shall be applied to the payment of the aforesaid utility district bonds and interest as they severally mature, and for no other purpose whatsoever: Provided, That all accumulations of said fund prior to their use for the payment of such bonds and interest shall be deposited, at interest, with the depository or depositories of other public funds in such city, and all interest collected thereon shall belong to such fund.

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1 SECTION 36. IC 8-1-11.1-11 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. Within sixty
 3 (60) days after the end of each calendar year, if there be at any time any
 4 bonds outstanding issued on account of said utility district, payable in
 5 whole or in part through a tax levy against the property in said utility
 6 district, said board of directors for utilities shall cause any surplus
 7 earnings arising from the operation of any such utility property, which
 8 are not pledged to secure the payment of any obligation of, or on
 9 account of said utility district, and which are not, in the opinion of such
 10 board of directors, necessary to provide against possible unfavorable
 11 results from operation, or to provide for contemplated betterments,
 12 extensions, improvements, or additions, to be paid over to the county
 13 treasurer and to be added to and become a part of said utility district
 14 bond fund, and to be used for the same purposes and in the same
 15 manner as funds derived from levy of ~~taxes~~, **special assessments**, as in
 16 this chapter hereinbefore provided. In event there are no such utility
 17 district bonds at the time outstanding, any such surplus operating
 18 revenues not needed for the purposes aforesaid shall be paid over to
 19 and become a part of the general funds of such city.

20 SECTION 37. IC 8-1.5-2-26 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 26. (a) To pay the
 22 principal and interest on bonds issued for the construction, acquisition,
 23 extension, or improvement of a municipally owned utility, the
 24 municipal legislative body may levy an annual tax of sufficient amount
 25 on all taxable property of the municipality.

26 (b) If the legislative body:
 27 (1) has contracted with a person for supplying utility services or
 28 has agreed to lease or purchase utility services; and
 29 (2) has, in the contract, agreed to pay a stated rental, a stipulated
 30 purchase price, or other compensation to the person, or has issued
 31 bonds to pay for stock in the company or to purchase the plant;
 32 it may levy an annual ~~tax~~ **special assessment** for payment of the rent
 33 or other consideration or purchase price to be paid for utility services,
 34 or for the purchase price of a plant, and to pay the principal and interest
 35 on the bonds.

36 (c) ~~The tax under this section shall be levied and collected as other~~
 37 ~~municipal taxes are levied and collected, and the proceeds shall be~~
 38 ~~used only for the purpose for which the tax was levied:~~

39 SECTION 38. IC 8-1.5-4-19 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) To raise
 41 the necessary revenues to pay for the bonds issued, and interest on the
 42 bonds, the board:

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1 (1) may levy a special ~~benefit tax~~ **assessment** upon all the
 2 property of the waterworks district in the amount necessary to
 3 meet and pay the principal of the bonds as they severally mature,
 4 together with all accruing interest; and

5 (2) shall certify the ~~tax~~ **special assessment** levied each year to the
 6 fiscal officers of the municipality and of the county in which the
 7 waterworks district is located, at the same time the levy of the
 8 municipality is certified.

9 The ~~tax~~ **special assessment** levied and certified shall be estimated and
 10 entered upon the tax duplicate and shall be collected and enforced in
 11 the same manner as state and county taxes are estimated, entered,
 12 collected, and enforced.

13 (b) In fixing the amount of the necessary ~~levy~~, **special assessment**,
 14 the board:

15 (1) shall consider the amount of revenues derived by the board
 16 from the operation of the waterworks plant and system under its
 17 jurisdiction above the amount of revenues required to pay the cost
 18 of operation and maintenance of the waterworks plant and system;
 19 and

20 (2) may, in lieu of making the ~~levy~~ **special assessment** in this
 21 section, set aside, by resolution, a specific amount of the surplus
 22 revenues to be collected before maturity of the principal and
 23 interest of the bonds payable in the following calendar year.

24 (c) The special ~~tax~~ **assessments** shall be accumulated and kept in a
 25 separate fund to be known as the "waterworks district bond fund", and
 26 applied to the payment of the district bonds and interest as they
 27 severally mature and are payable. All accumulations in the fund before
 28 their use for the payment of bonds and interest shall be deposited at
 29 interest with the depository of other public funds of the municipality,
 30 and all interest collected belongs to that fund.

31 (d) If the board adopts the resolution, the board may not use any part
 32 of the amount set aside out of its net revenues for any purpose other
 33 than the monthly payment of the bonds and interest to the sinking fund.
 34 Any amount of net revenues derived from the operation of the
 35 waterworks plant and system under the jurisdiction of the board, not
 36 required for the payment of the principal and interest on the
 37 outstanding waterworks district bonds, shall be paid over to the
 38 municipality and deposited in the sinking fund established for the
 39 purpose of redeeming and retiring outstanding bonds that the
 40 municipality may have issued for the benefit of its waterworks plant.
 41 This section does not relieve the municipality from the obligation to
 42 pay outstanding bonds according to their terms and conditions.

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1 SECTION 39. IC 8-1.5-5-5 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) The
 3 legislative body shall, in the ordinance adopting the provisions of this
 4 chapter, create a special taxing district that includes the following:

5 (1) For a consolidated city, all of the territory of the county
 6 containing the consolidated city.

7 (2) For all other municipalities, all territory within the corporate
 8 boundaries of the municipality.

9 (b) As to each municipality to which this chapter applies, including
 10 a consolidated city, all the territory within the district constitutes a
 11 special taxing district for the purpose of providing for the collection
 12 and disposal of storm water of the district in a manner that protects the
 13 public health and welfare and for the purpose of levying special benefit
 14 taxes for purposes of storm water collection and disposal. All area in
 15 the district and all area added to the district is considered to have
 16 received a special benefit from the storm water collection and disposal
 17 facilities of the district equal to or greater than the special ~~taxes~~
 18 **assessments** imposed on the area by this chapter in order to pay all or
 19 part of the costs of such facilities.

20 SECTION 40. IC 8-1.5-5-22 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 22. (a) To raise
 22 the necessary revenues to pay for the bonds issued and the interest on
 23 the bonds, the board:

24 (1) after approval by the legislative body of the municipality, shall
 25 levy a special ~~benefit tax~~ **assessments** upon all the property of the
 26 storm water district in the amount necessary to meet and pay the
 27 principal of the bonds as they severally mature, together with all
 28 accruing interest; and

29 (2) shall certify the ~~tax~~ **special assessment** levied each year to the
 30 fiscal officers of the municipality and of the county in which the
 31 storm water district is located, at the same time the ~~levy taxes~~ of
 32 the municipality ~~is~~ **are** certified.

33 The ~~tax~~ **special assessment** levied and certified shall be estimated and
 34 entered upon the tax duplicate and shall be collected and enforced in
 35 the same manner as state and county taxes are estimated, entered, and
 36 enforced.

37 (b) In fixing the amount of the necessary ~~levy~~, **special assessment**,
 38 the board:

39 (1) shall consider the amount of revenues derived by the board
 40 from the operation of the storm water system under its jurisdiction
 41 above the amount of revenues required to pay the cost of
 42 operation and maintenance of the storm water system; and

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1 (2) may, in lieu of making the ~~levy~~ **special assessment** in this
2 section, set aside by resolution a specific amount of the surplus
3 revenues to be collected before maturity of the principal and
4 interest of the bonds payable in the following calendar year.

5 (c) The special ~~tax~~ **assessments** shall be deposited in the bond and
6 interest redemption account.

7 SECTION 41. IC 8-1.5-5-23 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 23. (a) The board
9 may not issue any bonds authorized by this chapter until it has secured
10 the approval for the issuance of the bonds from the legislative body of
11 the municipality.

12 (b) IC 6-1.1-20 ~~applies~~ **and IC 36-3.1 apply** to the issuance of
13 bonds under this chapter which are or may be payable from the special
14 ~~benefit property tax~~ **assessments**.

15 SECTION 42. IC 8-6-2.1-19 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. Any part of
17 the city's portion of the total cost of the improvement which is
18 necessary for the city to pay prior to the collection of benefit
19 assessments under this chapter and prior to the issue and sale of bonds
20 under this chapter, shall be paid as follows: the board shall, from time
21 to time, certify the items of expense to the controller or clerk-treasurer,
22 directing him to pay those amounts, and the controller or
23 clerk-treasurer shall draw his warrant or warrants, and the warrant or
24 warrants shall be paid out of the general fund of the city without
25 appropriation being made by the common council; or, in case there is
26 no money in the general fund of the city not otherwise appropriated, the
27 city controller or clerk-treasurer shall recommend to the common
28 council the temporary transfer from other funds of the city a sufficient
29 amount to meet the items of expense, or the making of a temporary loan
30 for this purpose, and the common council shall at once make the
31 transfer of funds, or authorize the temporary loan in the same manner
32 that other temporary loans are made by the city. The fund or funds of
33 the city from which the payments are made shall be fully reimbursed
34 and repaid by the board out of the special fund created by the sale of
35 bonds and from benefit assessments or out of funds coming to the city
36 from equitable settlements between the parties. The board may cause
37 the amount for the temporary advancements on work to be provided for
38 in the budget ~~and tax levy~~ of the city for the year when the funds are
39 anticipated to be needed.

40 SECTION 43. IC 8-6-2.1-29 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 29. (a) In order to
42 raise money to pay the city's portion of the total cost of an improvement

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1 and in anticipation of the special ~~benefit tax~~ **assessments** to be levied,
 2 the board shall issue, in the name of the city, at one (1) time, or from
 3 time to time as the proceeds are needed, the bonds of the grade
 4 separation or railroad relocation and reconstruction district not to
 5 exceed in aggregate amount the balance of the city's portion of the total
 6 cost after deducting from the city's portion the total amount of benefits,
 7 if any, which have been assessed by the board and finally confirmed or
 8 adjudged against lots and parcels of land exclusive of improvements
 9 lying within two thousand (2,000) feet of any grade crossing eliminated
 10 or altered by the improvement, or within two thousand (2,000) feet of
 11 any lands or rights-of-way abandoned in whole or in part for railroad
 12 use or from which railroad facilities are to be removed.

13 (b) The bonds may be issued in any denomination not exceeding one
 14 thousand dollars (\$1,000) each in not less than forty (40) nor more than
 15 sixty (60) equal series, as the board determines, and shall be payable
 16 one (1) series each six (6) months beginning on the first day of July of
 17 the first year following the date of their issue. If the bond issue is
 18 ordered in any calendar year after the date of the annual tax levy, then
 19 the first series shall mature on the first day of July of the second year
 20 and the balance of the bonds at the designated regular intervals. The
 21 bonds shall be negotiable as inland bills of exchange and shall bear
 22 interest payable on the first days of January and July of each year, the
 23 first interest to be payable on the first maturity date of the bonds.

24 (c) Upon adoption of a resolution ordering bonds, the board shall
 25 certify a copy of the resolution to the controller or clerk-treasurer of the
 26 city in which the grade separation district is located; that officer shall
 27 prepare the bonds, and the mayor of the city shall execute the bonds
 28 and the city controller or clerk-treasurer shall attest the execution. The
 29 bonds shall be exempt from taxation for all purposes. All bonds issued
 30 by the board shall be sold by the city controller or clerk-treasurer to the
 31 highest bidder, but not at less than par and accrued interest to date of
 32 delivery, after giving notice of sale of the bonds by publication in
 33 accordance with IC 5-3-1. The publication shall be made not less than
 34 fifteen (15) days prior to the date fixed for the sale of the bonds.

35 (d) The bonds are not a corporate obligation or indebtedness of the
 36 city, but constitute an indebtedness of the district as a special taxing
 37 district, and the bonds and interest shall be payable only out of a
 38 special **tax assessments** levied upon all property of the special taxing
 39 district, as in this chapter provided, and the bonds shall recite the terms
 40 upon their face, together with the purposes for which they are issued.

41 (e) No suit to question the validity of the bonds issued for the
 42 special taxing district, or to prevent their issue, may be maintained after

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1 the date set for the sale of the bonds, and all bonds after that date are
2 incontestable for any cause.

3 SECTION 44. IC 8-6-2.1-31 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 31. (a) In order to
5 raise money to pay all bonds issued under section 29 of this chapter,
6 including interest, the common council of the city shall levy each year
7 a special **tax assessment** upon all of the taxable property, both real and
8 personal, located within the territorial limits of the special taxing
9 district, in such manner as to pay the principal of the bonds as they
10 severally mature, together with all accruing interest.

11 (b) The **tax special assessment** levied shall be collected by the
12 county treasurer in the same manner as ~~other~~ taxes are collected. As the
13 **tax special assessment** is distributed to the controller or clerk-treasurer
14 it shall be deposited in a separate fund, to be known as the grade
15 separation or railroad relocation and reconstruction bond fund, and
16 shall be applied to the payment of the special taxing district bonds and
17 interest as they severally mature, and to no other purposes. All
18 accumulation of the fund prior to its use for the payment of the bonds
19 and interest shall be deposited in the depository or depositories of other
20 public funds in the city.

21 SECTION 45. IC 8-9.5-7-17 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) This
23 section provides for the assessment of benefits and damages to property
24 within the automated transit district. For the purpose of providing all
25 or part of the cost of payment of principal and interest on bonded
26 indebtedness, and expenses of planning, construction, operation,
27 maintenance, and repair of the automated transit system and related
28 parking facilities and services after the completion of the same,
29 including as a part of such cost the general expenses of the
30 commission, the commission may make an annual assessment of
31 benefits and damages. The assessment shall be against the site value of
32 the lands only.

33 (b) The commission shall annually prepare a schedule which
34 describes each tract of land in the district that it determines to be
35 benefited by the automated transit system, and states the percentage of
36 the total benefit that is received by each tract of land. In order to
37 prepare this schedule, the commission shall appoint three (3) persons,
38 who are licensed real estate brokers, as appraisers to make an
39 examination of the property within the improvement district. Upon
40 request from the appraisers, the commission may retain or employ
41 qualified personnel to render any necessary technical or consulting
42 assistance, and may supply the appraisers with any information

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1 available or obtainable which will assist in making the assessment.
 2 Upon such examination, such appraisers shall make an assessment of
 3 all special benefits and damages, if any, which will accrue from the
 4 construction and operation of the automated transit system, as to each
 5 parcel of real estate. All property within the district (or owned or
 6 operated by the district), except common green areas, shall be
 7 conclusively presumed to be benefited by the existence of the district
 8 to the extent determined under this section as its assessed benefit. A
 9 copy of the roll of all owners of real estate, signed by all three (3)
 10 appraisers, showing the assessment of benefits and damages, if any,
 11 shall be filed by the appraisers with the commission not less than thirty
 12 (30) days after their appointment, unless the commission shall extend
 13 the time.

14 (c) Promptly after the filing of an assessment, the commission shall
 15 cause a notice to be mailed, by United States mail, first class postage
 16 prepaid, to each owner of real estate to be assessed. The notices shall
 17 be deposited in the mail twenty-one (21) days before the hearing date,
 18 shall set forth the amount of the proposed assessment, shall state that
 19 the proposed assessments on each parcel of real estate in the district are
 20 on file and can be seen in the office of the commission, and shall set
 21 forth the date when the commission will, at its office, receive written
 22 remonstrances against the assessment on the parcel and hear all owners
 23 of real estate assessed who have filed written remonstrances prior to
 24 the date fixed for the hearing. It shall be sufficient if the notices to the
 25 owners are addressed as the names and addresses appear upon the tax
 26 duplicates in the records of the county auditor.

27 (d) At the time so fixed in such notice, the commission shall hear all
 28 owners of real estate assessed who have filed written remonstrances
 29 prior to the date of the hearing. The hearing may be continued from
 30 time to time as long as may be necessary to hear such owners.

31 (e) The commission shall complete such assessment roll by
 32 rendering its decision by increasing, or decreasing, or by confirming
 33 each assessment by setting opposite each name, parcel and appraisers'
 34 assessment, the amount of the assessment as determined by the
 35 commission. If the total of the assessments exceeds the amount needed,
 36 the commission shall further make pro rata reduction in each
 37 assessment. The signing of such roll by a majority of the commission
 38 members, and the delivery thereof to the fiscal officer of the city shall
 39 constitute a final and conclusive determination of the benefits or
 40 damages, if any, assessed. However, any owner who had previously
 41 filed a written remonstrance as provided in this section with the board
 42 or any owner whose assessment was increased above the amount fixed

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1 by the appraisers, whether he filed such a written remonstrance or not,
2 may appeal. Such appeal shall be taken as provided in IC 34-13-6, and
3 shall proceed to trial, hearing, and final judgment in the manner and
4 with the effect as provided in IC 34-13-6 as to all parties.

5 (f) If the final determination of the commission results in the total
6 funds being inadequate to cover the cost of the improvement, the
7 deficiency may be supplied by other sources as provided in this
8 chapter.

9 (g) Each **special** assessment shall be a lien on the real estate
10 assessed, second only to taxes levied on such property.

11 (h) The commission shall annually transmit to the county auditor the
12 schedule of assessment of benefits. The county auditor shall enter the
13 assessment of benefits on the tax duplicates, and the county treasurer
14 shall collect and enforce the amount of the assessed benefit in the same
15 manner as property taxes are entered, collected, and enforced.

16 (i) The county treasurer charged with the duty of collecting such
17 taxes shall, between the first and tenth days of each month, notify the
18 commission of the amount of such special taxes collected during the
19 preceding month, and upon the date of notification above referred to
20 such county treasurer shall credit the amount so collected to a fund of
21 such district to be designated as the " _____
22 Automated Transit District Fund", and such fund shall be used and
23 expended for no other purpose than as stated in this section. The
24 commission shall have full, complete, and exclusive authority to
25 expend for and on behalf of the district all sums of money thus realized.
26 The commission may, by resolution, authorize and make temporary
27 loans in anticipation of the collection of the special benefit taxes
28 actually levied and in the course of collection under this section, which
29 loans shall mature and be paid within the year in which made, and shall
30 bear interest payable at the maturity of the loan. Such temporary loans
31 shall be evidenced by warrants.

32 SECTION 46. IC 8-10-5-17 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) The board
34 of directors of any port authority may, by resolution, recommend to any
35 municipal corporation or county that a cumulative channel
36 maintenance fund be established under IC 6-1.1-41 to provide funds for
37 dredging channels, cleaning channels and shores of debris and any
38 other pollutants, and providing or repairing of bulkheads, pilings,
39 docks, and wharves, and the purchase and development of land
40 adjoining channels within the jurisdiction of the port authority and
41 which land is necessary to the fulfillment of the plan adopted by the
42 port authority for the future development, construction, and

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1 improvement of its facilities. The purchased and developed land shall
2 be available to the residents of the taxing district without further
3 charge.

4 (b) **A county, city, or town fiscal body may appropriate an**
5 **amount** to provide for the cumulative channel maintenance fund. a
6 county, city, or town fiscal body may levy a tax in compliance with
7 ~~IC 6-1.1-41~~ not to exceed three and thirty-three hundredths cents
8 (~~\$0.0333~~) on each one hundred dollars (\$100) on all taxable property
9 within the county, town, or city.

10 (c) The tax, when collected, shall be held in a special fund to be
11 known as the cumulative channel maintenance fund.

12 SECTION 47. IC 8-16-2-7 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. For the purpose
14 of raising money to pay said bonds and interest thereon, as provided in
15 this chapter, the proper officers of every county issuing bonds under
16 authority of this chapter shall, as soon as said bonds are sold and
17 annually thereafter at the time the general tax levy is made, levy a tax,
18 in addition to all other taxes authorized by law to be levied by such
19 county, upon the property within said county subject to taxation, in
20 such manner as to meet the principal and interest of said bonds as they
21 become due; and such tax shall be levied and collected as other taxes
22 are levied and collected; and shall be applied to the payment of such
23 bonds and interest provided; that if any other funds provided by law for
24 the payment of said bonds and interest shall come to the hands of the
25 proper officer of said county and be available for payment on said
26 bonds and interest, the tax in this section provided for may be abated
27 to the extent only that such other funds provided by law may be
28 actually available for payment of such bonds and interest at the time for
29 making any such annual tax levy: **impose a tax under IC 6-3.5-9.**

30 SECTION 48. IC 8-16-3-3, AS AMENDED BY P.L.90-2002,
31 SECTION 322, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. ~~(a) County executives and~~
33 **municipal legislative bodies may appropriate money** to provide for
34 the cumulative bridge fund. ~~county executives and municipal~~
35 ~~legislative bodies may levy a tax in compliance with IC 6-1.1-41~~ not to
36 exceed ten cents (~~\$0.10~~) on each one hundred dollars (\$100) assessed
37 valuation of all taxable personal and real property within the county or
38 municipality.

39 (b) The tax, when collected, shall be held in a special fund to be
40 known as the bridge fund.

41 (c) An appropriation from the bridge fund may be made without the
42 approval of the department of local government finance if:

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- 1 (1) the county executive requests the appropriation; and
- 2 (2) the appropriation is for the purpose of constructing;
- 3 maintaining; or repairing bridges; approaches; or grade
- 4 separations:

5 SECTION 49. IC 8-16-3.1-4, AS AMENDED BY P.L.178-2002,
 6 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2005]: Sec. 4. (a) The executive of any eligible county
 8 may provide a major bridge fund. ~~in compliance with IC 6-1.1-41 to~~
 9 ~~make available funding for the construction of major bridges:~~

10 (b) The executive of any eligible county may levy a tax in
 11 compliance with ~~IC 6-1.1-41~~ not to exceed three and thirty-three
 12 hundredths cents (~~\$0.0333~~) on each one hundred dollars (\$100)
 13 assessed valuation of all taxable personal and real property within the
 14 county to provide for the major bridge fund:

15 SECTION 50. IC 8-16-3.5-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. (a) A county
 17 may lease a bridge and pay the lease rental from the cumulative bridge
 18 fund. ~~and levy under IC 8-16-3:~~

19 (b) ~~A contract of lease may not be entered into unless there is first~~
 20 ~~filed with the county executive a petition for a longer lease; signed by~~
 21 ~~fifty (50) or more taxpaying citizens of the county; and the county~~
 22 ~~executive has; after investigation; determined that a need exists for the~~
 23 ~~bridge. The total annual dollar obligation under all contracts of lease~~
 24 ~~for bridges made by a county may not exceed the county's estimated~~
 25 ~~annual revenue from a cumulative bridge fund levy of twenty cents~~
 26 ~~(\$0.20) on each one hundred dollars (\$100) on all taxable personal and~~
 27 ~~real property within the county:~~

28 SECTION 51. IC 8-18-22-6 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) Except as
 30 provided in subsection (b), the county fiscal body may pledge revenues
 31 for the payment of principal and interest on the bonds and for other
 32 purposes under the ordinance as provided by IC 5-1-14-4, including
 33 revenues from the following sources:

- 34 (1) The motor vehicle highway account.
- 35 (2) The local road and street account.
- 36 (3) The county motor vehicle excise surtax.
- 37 (4) The county wheel tax.
- 38 (5) The county adjusted gross income tax.
- 39 (6) The county option income tax.
- 40 (7) The economic development income tax.
- 41 (8) Assessments.
- 42 (9) Any other unappropriated or unencumbered money.

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1 (b) The county fiscal body may not pledge to levy ad valorem
2 property taxes for these purposes. ~~except for revenues from the~~
3 ~~following:~~

4 ~~(1) IC 8-16-3.~~

5 ~~(2) IC 8-16-3.1.~~

6 (c) If the county fiscal body has pledged revenues from the county
7 option income tax as set forth in subsection (a), the county income tax
8 council (as defined in IC 6-3.5-6-1) may covenant that the council will
9 not repeal or modify the tax in a manner that would adversely affect
10 owners of outstanding bonds issued under this chapter. The county
11 income tax council may make the covenant by adopting an ordinance
12 using procedures described in IC 6-3.5-6.

13 (d) If the county fiscal body has pledged revenues from the
14 economic development income tax as set forth in subsection (a), the
15 county income tax council (if the council is the body that imposed the
16 tax) may covenant that the council will not repeal or modify the tax in
17 a manner that would adversely affect owners of outstanding bonds
18 issued under this chapter. The county income tax council may make the
19 covenant by adopting an ordinance using procedures described in
20 IC 6-3.5-6.

21 SECTION 52. IC 8-18-22-14 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 14. IC 6-1.1-20
23 ~~does~~ and IC 21-10 or IC 36-1.3 (as appropriate) do not apply to the
24 issuance of bonds under this chapter.

25 SECTION 53. IC 8-22-2-4, AS AMENDED BY P.L.137-2000,
26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2005]: Sec. 4. The board shall choose, annually, at its
28 first regular meeting in January, one (1) of its members president, and
29 another of its members vice president to perform the duties of the
30 president during the absence or disability of the president. The eligible
31 entity shall provide a suitable office for the board in the entity, or, at
32 the option of the board, at the airport, at the expense of the department
33 of aviation, where its maps, plans, documents, records, and accounts
34 shall be kept, subject to public inspection at all reasonable times.
35 Before February 2 each year the board shall make a report to the
36 executive of its proceedings with a full statement of its receipts and
37 disbursements for the preceding year, including a report of the
38 acquisition of air navigation facilities and of other property that has
39 come under the control of the board, improvements made, general
40 character of the work of the board, and progress of aviation and air
41 commerce under its control. Money received by the board shall be paid
42 into the entity's treasury and credited to the department of aviation, and

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1 all expenditures relating to the property and business under the control
 2 of the department, except as otherwise provided, may be provided for
 3 by ~~special levy of~~ taxes under section 7 of this chapter, and shall be
 4 paid from the entity's treasury when ordered by the board. A majority
 5 of the members constitutes a quorum, and an action of the board must
 6 be taken by a majority of the members at a regular or duly called
 7 special meeting. In case of a tie vote on any question, the executive
 8 shall decide. The board shall fix a time for holding regular meetings.
 9 Regular or special meetings shall be held at the office of the board or
 10 at another public place in any county where the board owns or operates
 11 an airport. Special meetings of the board may be called at any time by
 12 its president, or by any two (2) of its members, upon a written request
 13 to the secretary. Whenever in the opinion of the president or of any two
 14 (2) members, a special meeting is necessary, he or they shall cause the
 15 secretary to notify the members by mailing written notice of the time
 16 of the meeting, at least one (1) day before the meeting. A member may
 17 waive notice in writing and the presence of a member at a special
 18 meeting is considered a waiver of notice.

19 SECTION 54. IC 8-22-2-7 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) The board
 21 may, in the name of the eligible entity, take action to recover damages
 22 for the breach of an agreement, express or implied, relating to the
 23 operation, control, leasing, management, or improvement of the
 24 property under its control, to impose the penalties for the violation of
 25 ordinances of the entity or of its rules or regulations, and for injury to
 26 the personal or real property under its control, and to recover
 27 possession of any such property. All rules and regulations that the
 28 board adopts under this chapter shall be published in accordance with
 29 IC 5-3-1.

30 (b) ~~In addition to other taxes of the eligible entity,~~ A tax may be
 31 levied **under IC 6-3.5-9** annually by the fiscal body for aviation
 32 purposes, and the entity's treasurer shall collect the taxes as other taxes
 33 are collected. When the taxes are collected they shall be deposited in
 34 the treasury of the entity in a separate fund known as the "aviation
 35 fund". Only one (1) tax levy for aviation purposes may be imposed
 36 upon the assessed property in a county, city, or town unless that unit
 37 approves by ordinance the levy of more than one (1) tax for aviation
 38 purposes. The fiscal body of the entity may appropriate and transfer to
 39 the aviation fund any sum or sums out of the general funds of the
 40 entity, in accordance with statutes providing for additional
 41 appropriations for the entities, and the fiscal body may borrow money
 42 and issue bonds of the entity for aviation purposes and shall turn the

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1 proceeds from the bonds into the aviation fund of the entity.

2 (c) The board of aviation commissioners shall prepare and file with
3 the executive of the eligible entity annually, at the time the executive
4 designates, a full and detailed estimate of the appropriations required
5 during the ensuing year for the maintenance and operation of the
6 airports and landing fields showing the number of employees,
7 including manager and secretary, and the amount of salary and wages
8 recommended for each. Expenditures for the maintenance and
9 operation of the airports or landing fields are limited to the
10 appropriations of money made in advance by the fiscal body upon
11 furnished estimates. Purchases and expenditures shall be made and
12 allowable claims shall be paid by the board in the same manner as
13 provided for the allowance of other claims against the entity. The fiscal
14 body of the entity may appropriate a sufficient amount for the help,
15 supplies, and equipment necessary for the equipment and maintenance
16 of the airports or landing fields. The fiscal body of the entity may
17 appropriate a sufficient amount as a rotary fund to be used by the board
18 for the purchase of fuels and lubricants to be sold to the general public
19 in the operation of the airport. All funds received from the sale of fuels
20 and lubricants purchased with funds from a rotary fund shall be turned
21 over at least once a month to the treasurer of the entity to remain in the
22 rotary fund to be checked against by the board as other appropriations
23 are disbursed, for the sole purpose of purchasing fuels and lubricants
24 for sale to the public in the operation of the airport. At the end of each
25 fiscal year, the board shall make a detailed statement to the fiscal body
26 showing the amount of money received and paid over to the treasurer
27 to the credit of the rotary fund and also showing the amount of fuels
28 and lubricants on hand. If at the end of a fiscal year the accumulated
29 rotary fund plus value of inventory of fuels and lubricants on hand
30 exceeds the total previous appropriation to the fund by twenty-five
31 percent (25%), the excess shall be turned over to the aviation fund. The
32 board may incur obligations or liability of any sort on behalf of the
33 entity only if it falls within the appropriation specifically made for that
34 purpose. All money remaining in the treasury to the credit of the board
35 at the end of the calendar year belongs to the general aviation fund to
36 be used by the board for aviation purposes. All funds received by the
37 board from whatever source, except funds received from the sale of
38 fuels and lubricants purchased by funds from the rotary fund, shall be
39 deposited in the treasury of the entity to the credit of the aviation fund.

40 (d) The board may create a reserve or depreciation account for the
41 purpose of capital improvements or replacements out of operating
42 profits from the operation of the airport.

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1 SECTION 55. IC 8-22-2-14 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 14. Eligible
 3 entities may jointly acquire, construct, develop, improve, equip, or
 4 extend airports or property to be used for aviation purposes and
 5 maintain, operate, manage, and control it and levy and collect taxes
 6 **under IC 6-3.5-9** for this purpose. Two (2) or more entities may
 7 cooperate for this purpose by contributing to the total cost and sharing
 8 the benefits and bearing the obligations accruing from it on terms that
 9 they agree upon and evidence by contract. The joint activity is subject
 10 to the same provisions and requirements provided for such activity if
 11 carried on by any one (1) of the entities individually, except that the
 12 joint board of aviation commissioners may be composed of more than
 13 four (4) but not more than seven (7) members and the maximum
 14 allowance may be increased correspondingly. In case of failure of
 15 agreement between two (2) or more entities upon petition filed by one
 16 (1) or more of the entities involved, the aeronautics commission of
 17 Indiana, after investigation and hearing, shall determine and prescribe
 18 reasonable and equitable participation including representation on the
 19 joint governing board and shall prescribe other rules and regulations as
 20 necessary.

21 SECTION 56. IC 8-22-3-10 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 10. (a) A member
 23 of the board may introduce a draft of a proposed ordinance at a meeting
 24 of the board. A person who introduces a draft shall provide at the time
 25 of introduction a written copy of the draft. The board shall assign to
 26 each draft a distinguishing number and the date when introduced.

27 (b) Not more than seven (7) days after the introduction of a draft of
 28 an ordinance nor less than seven (7) days before the final passage of a
 29 draft of an ordinance, the board shall publish a notice that the proposed
 30 ordinance is pending final action by the board. The notice shall be
 31 published in each county within the jurisdiction of the board in
 32 accordance with IC 5-3-1. Notice of an ordinance establishing a budget
 33 must be in accordance with IC 6-1.1-17, **IC 21-10, or IC 36-1.3 (as**
 34 **appropriate).**

35 (c) The board shall include in the notice reference to the subject
 36 matter of the proposed ordinance and the time and place a hearing will
 37 be had and shall indicate that the proposed ordinance is available for
 38 public inspection at the office of the board. The board may include in
 39 one (1) notice a reference to the subject matter of each draft that is
 40 pending and for which notice has not already been given.

41 (d) An ordinance is not invalid because the reference to the subject
 42 matter of the draft was inadequate if it was sufficient to advise the

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1 public of the general subject matter of the proposed ordinance.

2 (e) The board shall, not later than the date of notice, place five (5)
3 copies of the proposed draft on file in the office of the board for public
4 inspection.

5 (f) At a meeting for which notice has been given as required by this
6 section, the board may take final action on the proposed ordinance or
7 may postpone final consideration of it to a designated meeting in the
8 future without giving additional notice.

9 (g) Before adopting an ordinance, the board must give an
10 opportunity to persons present at the meeting to give testimony,
11 evidence, or argument for or against the proposed ordinance in person
12 or by counsel, under reasonable rules as to the number of persons who
13 may be heard and time limits that the board adopts.

14 (h) When an ordinance is adopted, the board shall also designate the
15 effective date of the ordinance. If the board fails to designate the
16 effective date of the ordinance in the record of the proceedings of the
17 board, the ordinance takes effect on the fourteenth day after its passage.

18 (i) When the board adopts an ordinance, the board shall have copies
19 of it made available to the public.

20 (j) The board may provide for the printing of the ordinances of the
21 authority in pamphlet form or for bound volumes and may distribute
22 them without charge, or may charge the cost of printing and
23 distribution.

24 SECTION 57. IC 8-22-3-11, AS AMENDED BY P.L.98-2001,
25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2005]: Sec. 11. The board may do all acts necessary or
27 reasonably incident to carrying out the purposes of this chapter,
28 including the following:

29 (1) As a municipal corporation, to sue and be sued in its own
30 name.

31 (2) To have all the powers and duties conferred by statute upon
32 boards of aviation commissioners. The board supersedes all
33 boards of aviation commissioners within the district. The board
34 has exclusive jurisdiction within the district.

35 (3) To protect all property owned or managed by the board.

36 (4) To adopt an annual budget and levy taxes in accordance with
37 this chapter.

38 (A) The board may not levy taxes on property in excess of the
39 following rate schedule, except as provided in sections 17 and
40 25 of this chapter:

41	Total Assessed	Rate Per \$100 Of
42	Property Valuation	Assessed Valuation

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1	\$300 million or less	\$0.10
2	More than \$300 million	
3	but not more than \$450 million	\$0.0833
4	More than \$450 million	
5	but not more than \$600 million	\$0.0667
6	More than \$600 million	
7	but not more than \$900 million	\$0.05
8	More than \$900 million	\$0.0333
9	(B) Clause (A) does not apply to an authority that was	
10	established under IC 19-6-2 or IC 19-6-3 (before their repeal on	
11	April 1, 1980):	
12	(C) The board of an authority that was established under	
13	IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes on	
14	property not in excess of six and sixty-seven hundredths cents	
15	(\$0.0667) on each one hundred dollars (\$100) of assessed	
16	valuation: under IC 6-3.5-9.	
17	(5) To incur indebtedness in the name of the authority in	
18	accordance with this chapter.	
19	(6) To adopt administrative procedures, rules, and regulations.	
20	(7) To acquire property, real, personal, or mixed, by deed,	
21	purchase, lease, condemnation, or otherwise and dispose of it for	
22	use or in connection with or for administrative purposes of the	
23	airport; to receive gifts, donations, bequests, and public trusts and	
24	to agree to conditions and terms accompanying them and to bind	
25	the authority to carry them out; to receive and administer federal	
26	or state aid; and to erect buildings or structures that may be needed	
27	to administer and carry out this chapter.	
28	(8) To determine matters of policy regarding internal organization	
29	and operating procedures not specifically provided for otherwise.	
30	(9) To adopt a schedule of reasonable charges and to collect them	
31	from all users of facilities and services within the district.	
32	(10) To purchase supplies, materials, and equipment to carry out	
33	the duties and functions of the board in accordance with	
34	procedures adopted by the board.	
35	(11) To employ personnel that are necessary to carry out the duties,	
36	functions, and powers of the board.	
37	(12) To establish an employee pension plan. The board may, upon	
38	due investigation, authorize and begin a fair and reasonable	
39	pension or retirement plan and program for personnel, the cost to	
40	be borne by either the authority or by the employee or by both, as	
41	the board determines. If the authority was established under	
42	IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must	

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1 be borne by the authority, and ordinances creating the plan or
 2 making changes in it must be approved by the mayor of the city.
 3 The plan may be administered and funded by a trust fund or by
 4 insurance purchased from an insurance company licensed to do
 5 business in Indiana or by a combination of them. The board may
 6 also include in the plan provisions for life insurance, disability
 7 insurance, or both.

8 (13) To sell surplus real or personal property in accordance with
 9 law. If the board negotiates an agreement to sell trees situated in
 10 woods or forest areas owned by the board, the trees are considered
 11 to be personal property of the board for severance or sale.

12 (14) To adopt and use a seal.

13 (15) To acquire, establish, construct, improve, equip, maintain,
 14 control, lease, and regulate municipal airports, landing fields, and
 15 other air navigation facilities, either inside or outside the district;
 16 to acquire by lease (with or without the option to purchase)
 17 airports, landing fields, or navigation facilities, and any structures,
 18 equipment, or related improvements; and to erect, install,
 19 construct, and maintain at the airport or airports facilities for the
 20 servicing of aircraft and for the comfort and accommodation of air
 21 travelers and the public. The Indiana department of transportation
 22 must grant its approval before land may be purchased for the
 23 establishment of an airport or landing field and before an airport or
 24 landing field may be established.

25 (16) To fix and determine exclusively the uses to which the airport
 26 lands may be put. All uses must be necessary or desirable to the
 27 airport or the aviation industry and must be compatible with the
 28 uses of the surrounding lands as far as practicable.

29 (17) To elect a secretary from its membership, or to employ a
 30 secretary, an airport director, superintendents, managers, a
 31 treasurer, engineers, surveyors, attorneys, clerks, guards,
 32 mechanics, laborers, and all employees the board considers
 33 expedient, and to prescribe and assign their respective duties and
 34 authorities and to fix and regulate the compensation to be paid to
 35 the persons employed by it in accordance with the authority's
 36 appropriations. All employees shall be selected irrespective of their
 37 political affiliations.

38 (18) To make all rules and regulations, consistent with laws
 39 regarding air commerce, for the management and control of its
 40 airports, landing fields, air navigation facilities, and other property
 41 under its control.

42 (19) To acquire by lease the use of an airport or landing field for

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1 aircraft pending the acquisition and improvement of an airport or
 2 landing field.

3 (20) To manage and operate airports, landing fields, and other air
 4 navigation facilities acquired or maintained by an authority; to
 5 lease all or part of an airport, landing field, or any buildings or
 6 other structures, and to fix, charge, and collect rentals, tolls, fees,
 7 and charges to be paid for the use of the whole or a part of the
 8 airports, landing fields, or other air navigation facilities by aircraft
 9 landing there and for the servicing of the aircraft; to construct
 10 public recreational facilities that will not interfere with air
 11 operational facilities; to fix, charge, and collect fees for public
 12 admissions and privileges; and to make contracts for the operation
 13 and management of the airports, landing fields, and other air
 14 navigation facilities; and to provide for the use, management, and
 15 operation of the air navigation facilities through lessees, its own
 16 employees, or otherwise. Contracts or leases for the maintenance,
 17 operation, or use of the airport or any part of it may be made for a
 18 term not exceeding fifteen (15) years and may be extended for
 19 similar terms of years, except that any parcels of the land of the
 20 airport may be leased for any use connected with the operation and
 21 convenience of the airport for an initial term not exceeding forty
 22 (40) years and may be extended for a period not to exceed ten (10)
 23 years. If a person whose character, experience, and financial
 24 responsibility has been determined satisfactory by the board offers
 25 to erect a permanent structure that facilitates and is consistent with
 26 the operation, use, and purpose of the airport on land belonging to
 27 the airport, a lease may be entered into for a period not to exceed
 28 ninety-nine (99) years. However, the board must pass an ordinance
 29 to enter into such a lease. The board may not grant an exclusive
 30 right for the use of a landing area under its jurisdiction. However,
 31 this does not prevent the making of leases in accordance with other
 32 provisions of this chapter. All contracts and leases are subject to
 33 restrictions and conditions that the board prescribes. The authority
 34 may lease its property and facilities for any commercial or
 35 industrial use it considers necessary and proper, including the use
 36 of providing airport motel facilities.

37 (21) To sell machinery, equipment, or material that is not required
 38 for aviation purposes. The proceeds shall be deposited with the
 39 treasurer of the authority.

40 (22) To negotiate and execute contracts for sale or purchase, lease,
 41 personal services, materials, supplies, equipment, or any other
 42 transaction or business relative to an airport under the board's

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1 control and operation. However, whenever the board determines to
 2 sell part or all of aviation lands, buildings, or improvements owned
 3 by the authority, the sale must be in accordance with law.
 4 (23) To vacate all or parts of roads, highways, streets, or alleys,
 5 whether inside or outside the district, in the manner provided by
 6 statute.
 7 (24) To annex lands to itself if the lands are owned by the authority
 8 or are streets, roads, or other public ways.
 9 (25) To approve any state, county, city, or other highway, road,
 10 street or other public way, railroad, power line, or other
 11 right-of-way to be laid out or opened across an airport or in such
 12 proximity as to affect the safe operation of the airport.
 13 (26) To construct drainage and sanitary sewers with connections
 14 and outlets as are necessary for the proper drainage and
 15 maintenance of an airport or landing field acquired or maintained
 16 under this chapter, including the necessary buildings and
 17 improvements and for the public use of them in the same manner
 18 that the authority may construct sewers and drains. However, with
 19 respect to the construction of drains and sanitary sewers beyond
 20 the boundaries of the airport or landing field, the board shall
 21 proceed in the same manner as private owners of property and may
 22 institute proceedings and negotiate with the departments, bodies,
 23 and officers of an eligible entity to secure the proper orders and
 24 approvals; and to order a public utility or public service
 25 corporation or other person to remove or to install in underground
 26 conduits wires, cables, and power lines passing through or over the
 27 airport or landing field or along the borders or within a reasonable
 28 distance that may be determined to be necessary for the safety of
 29 operations, upon payment to the utility or other person of due
 30 compensation for the expense of the removal or reinstallation. The
 31 board must consent before any franchise may be granted by state
 32 or local authorities for the construction of or maintenance of
 33 railway, telephone, telegraph, electric power, pipe, or conduit line
 34 upon, over, or through land under the control of the board or within
 35 a reasonable distance of land that is necessary for the safety of
 36 operation. The board must also consent before overhead electric
 37 power lines carrying a voltage of more than four thousand four
 38 hundred (4,400) volts and having poles, standards, or supports over
 39 thirty (30) feet in height within one-half (1/2) mile of a landing
 40 area acquired or maintained under this chapter may be installed.
 41 (27) To contract with any other state agency or instrumentality or
 42 any political subdivision for the rendition of services, the rental or

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1 use of equipment or facilities, or the joint purchase and use of
2 equipment or facilities that are necessary for the operation,
3 maintenance, or construction of an airport operated under this
4 chapter.

5 (28) To provide air transportation in furtherance of the duties and
6 responsibilities of the board.

7 (29) To promote or encourage aviation-related trade or commerce
8 at the airports that it operates.

9 SECTION 58. IC 8-22-3-16, AS AMENDED BY P.L.90-2002,
10 SECTION 328, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) The board may issue
12 general obligation bonds of the authority for the purpose of procuring
13 funds to pay the cost of acquiring real property, or constructing,
14 enlarging, improving, remodeling, repairing, or equipping buildings,
15 structures, runways, or other facilities, for use as or in connection with
16 or for administrative purposes of the airport. The issuance of the bonds
17 must be authorized by ordinance of the board providing for the amount,
18 terms, and tenor of the bonds and for the time and character of notice
19 and the mode of making sale. If one (1) airport is owned by the
20 authority, an ordinance authorizing the issuance of bonds for a separate
21 second airport is subject to approval as provided in this section. The
22 bonds bear interest and are payable at the times and places that the
23 board determines but running not more than twenty-five (25) years
24 after the date of their issuance, and they must be executed in the name
25 of the authority by the president of the board and attested by the
26 secretary who shall affix to each of the bonds the official seal of the
27 authority. The interest coupons attached to the bonds may be executed
28 by placing on them the facsimile signature of the president of the
29 board.

30 (b) The issuance of general obligation bonds must be approved by
31 resolution of the following body:

32 (1) When the authority is established by an eligible entity, by its
33 fiscal body.

34 (2) When the authority is established by two (2) or more eligible
35 entities acting jointly, by the fiscal body of each of those entities.

36 (3) When the authority was established under IC 19-6-2, by the
37 mayor of the consolidated city, and if a second airport is to be
38 funded, also by the city-county council.

39 (4) When the authority was established under IC 19-6-3, by the
40 county council.

41 (c) The airport director shall manage and supervise the preparation,
42 advertisement, and sale of the bonds, subject to the authorizing

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1 ordinance. Before the sale of the bonds, the airport director shall cause
 2 notice of the sale to be published once each week for two (2)
 3 consecutive weeks in two (2) newspapers of general circulation
 4 published in the district, setting out the time and place where bids will
 5 be received, the amount and maturity dates of the issue, the maximum
 6 interest rate, and the terms and conditions of sale and delivery of the
 7 bonds. The bonds shall be sold to the highest bidder, in accordance
 8 with the procedures for selling public bonds. After the bonds have been
 9 properly sold and executed, the airport director shall deliver them to the
 10 treasurer of the authority and take his receipt for them, and shall certify
 11 to the treasurer the amount which the purchaser is to pay for them,
 12 together with the name and address of the purchaser. On payment of
 13 the purchase price the treasurer shall deliver the bonds to the
 14 purchaser, and the treasurer and airport director or superintendent shall
 15 report their actions to the board.

16 (d) The provisions of IC 6-1.1-20, **IC 36-3.1**, and IC 5-1 relating to
 17 the filing of a petition requesting the issuance of bonds and giving
 18 notice of them, the giving of notice of determination to issue bonds, the
 19 giving of notice of hearing on the appropriation of the proceeds of
 20 bonds and the right of taxpayers to appeal and be heard on the
 21 proposed appropriation, the approval of the appropriation by the
 22 department of local government finance, the right of taxpayers to
 23 remonstrate against the issuance of bonds, and the sale of bonds at
 24 public sale for not less than par value are applicable to proceedings
 25 under this chapter for the issuance of general obligation bonds.

26 (e) Bonds issued under this chapter are not a corporate obligation or
 27 indebtedness of any eligible entity but are an indebtedness of the
 28 authority as a municipal corporation. An action to question the validity
 29 of the bonds issued or to prevent their issue must be instituted not later
 30 than the date set for sale of the bonds, and all of the bonds after that
 31 date are incontestable.

32 SECTION 59. IC 8-22-3-17 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) For the
 34 purpose of raising money to pay all bonds issued under section 16 of
 35 this chapter and any interest on them, the principal of and interest on
 36 any outstanding bonds or obligations payable from taxes and assumed
 37 under section 33 of this chapter, and leases entered into under
 38 IC 8-22-3.6, ~~that are payable in whole or in part from a property tax~~
 39 ~~levy~~; the board shall levy each year a special **tax assessment** upon all
 40 of the property, both real and personal, located within the district in a
 41 manner and in an amount to meet and pay the principal of the bonds as
 42 they severally mature, together with all interest accruing on them, and

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1 to pay lease rentals as they become due, after taking into account all
2 other revenues pledged to the payment of the bonds or lease rentals.

3 (b) The board shall file the **tax special assessment** levied each year
4 with the county auditor of the county in which the district is located
5 under IC 6-1.1-17.

6 (c) The tax levied shall be collected and enforced by the treasurer of
7 the county under IC 6-1.1, and as the **tax special assessment** is
8 collected by the treasurer of the county it shall be paid over to the
9 treasurer of the authority. The treasurer shall accumulate and keep the
10 **tax special assessments** in a separate fund to be known as the "airport
11 authority bond fund", which shall be applied to the payment of the
12 bonds and the interest on them as they severally mature and to the
13 payment of lease rentals and to no other purposes.

14 (d) The bonds issued under this chapter and the interest on them are
15 exempt from taxation for all purposes except the financial institutions
16 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
17 IC 6-4.1.

18 SECTION 60. IC 8-22-3-25, AS AMENDED BY P.L.224-2003,
19 SECTION 281, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JANUARY 1, 2005]: Sec. 25. ~~(a) Subject to subsection~~
21 ~~(c);~~ The board may provide a cumulative building fund ~~in compliance~~
22 ~~with IC 6-1.1-41~~ to provide for the acquisition of real property, and the
23 construction, enlarging, improving, remodeling, repairing, or equipping
24 of buildings, structures, runways, or other facilities for use in
25 connection with the airport needed to carry out this chapter and to
26 facilitate and support commercial intrastate air transportation.

27 (b) The board may levy in compliance with ~~IC 6-1.1-41~~ a tax not to
28 exceed:

29 (1) ~~thirty-three hundredths of one cent (\$0.0033)~~ on each one
30 hundred dollars (\$100) of assessed value of taxable property within
31 the district, if an eligible entity other than a city established the
32 district or if the district was established jointly with an eligible
33 entity that is not a city;

34 (2) one and thirty-three hundredths cents (\$0.0133) on each one
35 hundred dollars (\$100) of assessed value of taxable property within
36 the district, if the authority was established under ~~IC 19-6-3~~ (before
37 its repeal on April 1, 1980); and

38 (3) for any other district not described in subdivision (1) or (2); the
39 following:

40	Total Assessed	Rate Per \$100 Of
41	Property Valuation	Assessed Valuation
42	\$300 million or less	\$0.0167

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1	More than \$300 million	
2	but not more than \$450 million	\$0.0133
3	More than \$450 million	
4	but not more than \$600 million	\$0.01
5	More than \$600 million	
6	but not more than \$900 million	\$0.0067
7	More than \$900 million	\$0.0033

8 As the tax is collected it may be invested in negotiable United States
9 bonds or other securities that the federal government has the direct
10 obligation to pay. Any of the funds collected that are not invested in
11 government obligations shall be deposited in accordance with
12 IC 5-13-6 and shall be withdrawn in the same manner as money is
13 regularly withdrawn from the general fund but without further or
14 additional appropriation. The levy authorized by this section is in
15 addition to the levies authorized by section 11 and section 23 of this
16 chapter.

17 (c) Spending under subsection (a) to facilitate and support
18 commercial intrastate air transportation is subject to a maximum of one
19 million dollars (\$1,000,000) cumulatively for all years in which money
20 is spent under that subsection.

21 SECTION 61. IC 8-22-3.5-6 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) After
23 adoption of the resolution under section 5 of this chapter, the
24 commission shall:

- 25 (1) publish notice of the adoption and substance of the resolution
26 in accordance with IC 5-3-1; and
27 (2) file the following information with each taxing unit that has
28 authority to levy property taxes in the geographic area where the
29 airport development zone is located:

- 30 (A) A copy of the notice required by subdivision (1).
31 (B) A statement disclosing the impact of the airport
32 development zone, including the following:
33 (i) The estimated economic benefits and costs incurred by
34 the airport development zone, as measured by increased
35 employment and anticipated growth of real property
36 assessed values.
37 (ii) The anticipated impact on tax revenues of each taxing
38 unit.

39 The notice must state the general boundaries of the area designated as
40 an airport development zone and must state that written remonstrances
41 may be filed with the commission until the time designated for the
42 hearing. The notice must also name the place, date, and time when the

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1 commission will receive and hear remonstrances and objections from
 2 persons interested in or affected by the proceedings pertaining to the
 3 proposed airport development zone designation and will determine the
 4 public utility and benefit of the proposed airport development zone
 5 designation. The commission shall file the information required by
 6 subdivision (2) with the officers of the taxing unit who are authorized
 7 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 or
 8 **IC 36-3.1, as appropriate**, at least ten (10) days before the date of the
 9 public hearing. All persons affected in any manner by the hearing,
 10 including all taxpayers within the taxing district of the airport authority,
 11 shall be considered notified of the pendency of the hearing and of
 12 subsequent acts, hearings, adjournments, and orders of the commission
 13 affecting the airport development zone if the commission gives the
 14 notice required by this section.

15 (b) At the hearing, which may be recessed and reconvened from
 16 time to time, the commission shall hear all persons interested in the
 17 proceedings and shall consider all written remonstrances and
 18 objections that have been filed. After considering the evidence
 19 presented, the commission shall take final action determining the
 20 public utility and benefit of the proposed airport development zone
 21 designation and confirming, modifying and confirming, or rescinding
 22 the resolution. The final action taken by the commission shall be
 23 recorded and is final and conclusive, except that an appeal may be
 24 taken in the manner prescribed by section 7 of this chapter.

25 SECTION 62. IC 8-22-3.6-3, AS AMENDED BY P.L.170-2002,
 26 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2005]: Sec. 3. (a) An authority that is located in a:

- 28 (1) city having a population of more than ninety thousand
 29 (90,000) but less than one hundred five thousand (105,000);
 30 (2) county having a population of more than one hundred five
 31 thousand (105,000) but less than one hundred ten thousand
 32 (110,000); or
 33 (3) county having a population of more than three hundred
 34 thousand (300,000) but less than four hundred thousand
 35 (400,000);

36 may enter into a lease of an airport project with a lessor for a term not
 37 to exceed fifty (50) years and the lease may provide for payments to be
 38 made by the airport authority from property taxes levied under
 39 IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues
 40 available to the airport authority, or any combination of these sources.

41 (b) A lease may provide that payments by the authority to the lessor
 42 are required only to the extent and only for the period that the lessor is

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1 able to provide the leased facilities in accordance with the lease. The
2 terms of each lease must be based upon the value of the facilities leased
3 and may not create a debt of the authority or the eligible entity for
4 purposes of the Constitution of the State of Indiana.

5 (c) A lease may be entered into by the authority only after a public
6 hearing by the board at which all interested parties are provided the
7 opportunity to be heard. After the public hearing, the board may adopt
8 an ordinance authorizing the execution of the lease if it finds that the
9 service to be provided throughout the term of the lease will serve the
10 public purpose of the authority and is in the best interest of the
11 residents of the authority district.

12 (d) Upon execution of a lease providing for payments by the
13 authority in whole or in part from the levy of property taxes under
14 IC 8-22-3-17 or taxes under IC 6-3.5-9, the board shall publish notice
15 of the execution of the lease and its approval in accordance with
16 IC 5-3-1. Fifty (50) or more taxpayers residing in the authority district
17 who will be affected by the lease and who may be of the opinion that
18 no necessity exists for the execution of the lease or that the payments
19 provided for in the lease are not fair and reasonable may file a petition
20 in the office of the county auditor within thirty (30) days after the
21 publication of the notice of execution and approval. The petition must
22 set forth the petitioners' names, addresses, and objections to the lease
23 and the facts showing that the execution of the lease is unnecessary or
24 unwise or that the payments provided for in the lease are not fair and
25 reasonable, as the case may be.

26 (e) Upon the filing of a petition under subsection (d), the county
27 auditor shall immediately certify a copy of the petition, together with
28 any other data necessary to present the questions involved, to the
29 department of local government finance. Upon receipt of the certified
30 petition and information, the department of local government finance
31 shall fix a time and place for a hearing in the authority district, which
32 must be not less than five (5) or more than thirty (30) days after the
33 time is fixed. Notice of the hearing shall be given by the department of
34 local government finance to the members of the board, and to the first
35 fifty (50) petitioners on the petition, by a letter signed by one (1)
36 member of the state board of tax commissioners and enclosed with
37 fully prepaid postage sent to those persons at their usual place of
38 residence, at least five (5) days before the date of the hearing. The
39 decision of the department of local government finance on the appeal,
40 upon the necessity for the execution of the lease, and as to whether the
41 payments under it are fair and reasonable, is final.

42 (f) An authority entering into a lease payable from any sources

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1 permitted under this chapter may:

2 (1) pledge the revenue to make payments under the lease pursuant

3 to IC 5-1-14-4; or

4 (2) establish a special fund to make the payments.

5 (g) Lease rentals may be limited to money in the special fund so that

6 the obligations of the airport authority to make the lease rental

7 payments are not considered debt of the unit or the district for purposes

8 of the Constitution of the State of Indiana.

9 (h) Except as provided in this section, no approvals of any

10 governmental body or agency are required before the authority enters

11 into a lease under this section.

12 (i) An action to contest the validity of the lease or to enjoin the

13 performance of any of its terms and conditions must be brought within

14 thirty (30) days after the later of:

15 (1) the public hearing described in subsection (c); or

16 (2) the publication of the notice of the execution and approval of

17 the lease described in subsection (d), if the lease is payable in

18 whole or in part from tax levies.

19 However, if the lease is payable in whole or in part from tax levies and

20 an appeal has been taken to the department of local government

21 finance, an action to contest the validity or enjoin the performance

22 must be brought within thirty (30) days after the decision of the

23 department of local government finance.

24 (j) If an authority exercises an option to buy an airport project from

25 a lessor, the authority may subsequently sell the airport project, without

26 regard to any other statute, to the lessor at the end of the lease term at

27 a price set forth in the lease or at fair market value established at the

28 time of the sale by the authority through auction, appraisal, or arms

29 length negotiation. If the airport project is sold at auction, after

30 appraisal, or through negotiation, the board shall conduct a hearing

31 after public notice in accordance with IC 5-3-1 before the sale. Any

32 action to contest the sale must be brought within fifteen (15) days of

33 the hearing.

34 SECTION 63. IC 8-22-4-3 IS AMENDED TO READ AS

35 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) A party

36 state is not obligated to appropriate funds of the state for the

37 development, support, and maintenance of the airport authority. All

38 revenue received from the air facility and the property, both real and

39 personal, within the jurisdiction and control of the airport authority

40 must be applied to the maintenance and development of the air facility.

41 All limitations upon expenditures, which may be an element of title to

42 the real estate held by the airport authority, must be observed.

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1 (b) Revenue bonds to be retired exclusively from income received
 2 from the operation of the air facility may be issued by the airport
 3 authority and in the name of the authority in accordance with the
 4 statutes of the state in which the air facility is located that prescribe the
 5 terms and conditions for the issuance of revenue bonds by airport
 6 authorities.

7 (c) The airport authority may secure loans from private financing
 8 and offer as collateral those assets, real, personal or mixed, in
 9 accordance with the statutes of the state in which the airport is located.

10 (d) Each year the airport authority shall prepare a budget of its
 11 estimated expenditures for the fiscal year beginning on January 1 of the
 12 succeeding year and shall before July 2 submit a copy of the report to
 13 the various combining governmental units. The estimated expenditures
 14 must be allocated and pro rated equally between the various combining
 15 governmental units and a statement of the allocated amount must be
 16 included in the copy of the budgetary report submitted to the
 17 combining governmental units. To provide funds to pay its share of the
 18 proposed expenditures, each combining governmental unit may
 19 annually levy a tax on property located within the governmental unit at
 20 a rate sufficient to raise funds to pay its pro rated share of estimated
 21 expenditures. The tax shall be levied and collected ~~in the same manner~~
 22 ~~as other property taxes are levied and collected by the governmental~~
 23 ~~unit and in accordance with the statutes of the state in which the unit~~
 24 ~~is located.~~ **under IC 6-3.5-9.** The money raised by the tax levy shall be
 25 appropriated and distributed to the airport authority by the
 26 governmental unit. Funds so appropriated shall be used exclusively for
 27 the development and maintenance of the air facility.

28 (e) The airport authority may meet any of its obligations, in whole
 29 or in part, with funds made available to it under section 2 of this
 30 chapter. However, the airport authority must take specific action to set
 31 aside those funds before incurring an obligation to be met in whole or
 32 in part in this manner.

33 (f) The expenses and other costs for each member of the airport
 34 authority shall be met by the airport authority in accordance with the
 35 standards and procedures that it establishes under its bylaws, rules, and
 36 regulations.

37 (g) The airport authority shall keep accurate records of all receipts
 38 and disbursements. The receipts and disbursements of the airport
 39 authority are subject to an annual audit and accounting procedures
 40 established under its bylaws. All receipts and disbursements of funds
 41 handled by the airport authority shall be audited by a qualified public
 42 accountant and the report of the audit shall be incorporated into and

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1 become a part of the annual report of the airport authority.
 2 (h) The accounts of the airport authority shall be kept open to
 3 inspection by the general public at any reasonable times.
 4 SECTION 64. IC 9-13-2-128 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 128. "Political
 6 subdivision" means a county, a township, a city, a town, a public school
 7 corporation, or any other subdivision of the state recognized in any law;
 8 including any special taxing district or entity and any public
 9 improvement district authority or entity authorized to levy taxes or
 10 assessments. **has the meaning set forth in IC 36-1-2-13.**
 11 SECTION 65. IC 10-14-4-10, AS ADDED BY P.L.2-2003,
 12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2005]: Sec. 10. The fiscal officer of an entity receiving
 14 a grant under this chapter shall:
 15 (1) establish a separate account within the entity's general fund;
 16 and
 17 (2) deposit any grant proceeds received under this chapter in the
 18 account.
 19 ~~The department of local government finance may not reduce an entity's~~
 20 ~~maximum or actual property tax levy under IC 6-1.1-18.5 on account~~
 21 ~~of grant money deposited in the account.~~
 22 SECTION 66. IC 10-18-2-5, AS ADDED BY P.L.2-2003,
 23 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2005]: Sec. 5. (a) If a county issues bonds for a world
 25 war memorial under this chapter, the county fiscal body, county
 26 executive, and any other county official who fixes rates or levies taxes
 27 shall yearly tax all real and personal property within the county at a rate
 28 on each one hundred dollars (\$100) of taxable property to meet the
 29 interest and principal on world war memorial bonds as they mature.
 30 (b) ~~Taxes levied~~ **Money appropriated** for world war memorial
 31 bonds:
 32 (1) shall be collected by the treasurer of a county or other proper
 33 officer in the same manner as other taxes are collected and
 34 enforced;
 35 (2) shall be kept in a separate fund to be known as the world war
 36 memorial bond fund;
 37 (3) shall be applied to the payment of the bonds issued under this
 38 chapter and interest as the bonds mature; and
 39 (4) shall be deposited in an interest earning account with one (1)
 40 or more of the depositories in the county, with all interest earned
 41 becoming a part of the fund.
 42 SECTION 67. IC 10-18-3-9, AS ADDED BY P.L.2-2003,

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1 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2005]: Sec. 9. **The county or city authorities shall**
3 **appropriate a sufficient amount** for the purpose of raising money to:

4 (1) meet the bonds and interest on the bonds; or

5 (2) establish or erect a memorial without the issuance of bonds.

6 ~~the county or city authorities shall annually, at the time the general tax~~
7 ~~levy is made, levy a special tax on the taxable property of the county or~~
8 ~~city, subject to this chapter. Funds may be raised in yearly amounts~~
9 ~~until a sufficient amount has accrued to enable the board or common~~
10 ~~council to proceed with the erection or establishment of the memorial.~~

11 SECTION 68. IC 10-18-4-6, AS ADDED BY P.L.2-2003,
12 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2005]: Sec. 6. (a) To raise money to pay the bonds and
14 the interest on the bonds issued under this chapter, the legislative body
15 of the city and all other officials, whether city or state, shall ~~levy~~
16 **impose** each year in addition to all other taxes the city may levy; a tax
17 on all property, real or personal, within the city, in the manner and at
18 a rate on each one hundred dollars (\$100) of taxable property in the city
19 as a tax under IC 6-3.5-9 to meet the principal of the bonds as they
20 severally mature and interest accruing on the bonds. ~~The legislative~~
21 ~~body of the city and the fiscal officer of the city shall certify the taxes~~
22 ~~levied each year to the auditor of the county in which the city is located~~
23 ~~or other proper officer not later than the first Monday of September in~~
24 ~~each year or at the time of the certification of the city's annual tax levy.~~

25 (b) Taxes levied and certified under this section shall be collected
26 and enforced in the same manner as other taxes are collected and
27 enforced. ~~As the taxes are collected, The taxes shall be:~~

28 (1) kept in a separate fund to be known as the "World War
29 Memorial bond fund"; and

30 (2) applied to the payment of the bonds issued under this chapter
31 and interest accruing on the bonds as they severally mature, and
32 for no other purpose.

33 All money collected for the payment of the bonds and the interest
34 accruing on the bonds shall be deposited at interest with one (1) or
35 more of the depositories as other public funds of the city. All interest
36 collected becomes a part of the fund.

37 ~~(c)~~ (b) In a city in which there has been established a sinking fund
38 and a board of sinking fund commissioners:

39 (1) the World War Memorial bond fund shall be under the care,
40 custody, control, and jurisdiction of the board of sinking fund
41 commissioners; and

42 (2) all taxes authorized and required to be levied and collected

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1 under this section to pay the bonds as they mature and interest
2 accruing on the bonds shall be used and applied by the board of
3 sinking fund commissioners to pay the bonds as they mature with
4 interest on the bonds.

5 SECTION 69. IC 10-18-4-11, AS ADDED BY P.L.2-2003,
6 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2005]: Sec. 11. (a) If the board of public works of a city
8 has been authorized by an ordinance of the city's legislative body,
9 passed and approved under section 22 of this chapter, appropriating
10 money to be used by the board of public works under this chapter, the
11 board may, with the approval of the mayor of the city, enter into a
12 contract with the county in which the city is located, acting through the
13 board of commissioners of the county, providing for the acquisition
14 jointly by the city and the county by purchase, donation, or
15 condemnation of interests in real property to be added to real property
16 designated for use by the state for World War memorial and other
17 public purposes.

18 (b) The board of public works, with the approval of the mayor, may
19 join with the county, acting through its board of commissioners, by an
20 appropriate contract, deed, or grant, to convey to the state the real
21 property acquired jointly by the city and the county for World War
22 memorial and other public purposes, under the terms and conditions
23 stated in the contract, deed, or grant.

24 (c) The board of public works of a city may contract with the county
25 in which the city is located, acting through its board of commissioners,
26 providing for the acquisition by purchase, donation, or condemnation
27 of interests in real property and the construction of a World War
28 memorial suitable for the city and county and suitable for other public
29 purposes. If the city, through its board of public works and mayor,
30 wants to contract under this chapter with the county in which the city
31 is located for any of the purposes authorized by this chapter, the board
32 of public works must adopt a resolution stating that proposal. A
33 certified copy of the resolution must be delivered to the board of
34 commissioners of the county. The board of commissioners of the
35 county, not later than sixty (60) days after the receipt of the resolution,
36 shall determine by order or resolution whether the county will join with
37 the city in the execution of a contract for a purpose authorized by this
38 chapter.

39 (d) If the city and county determine to join in the acquisition of
40 interests in real property to be added to any real property designated at
41 any time for use by the state for World War memorial and other public
42 purposes as authorized by law, then the board of public works, acting

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1 for the city with the approval of the mayor, shall execute a contract on
 2 behalf of the city with the county, acting through its board of
 3 commissioners. The contract must describe the real property interests
 4 to be acquired jointly by the city and the county and the part of the
 5 acquisition cost to be paid by the city and the part of the acquisition
 6 cost to be paid by the county. The contract may contain other
 7 provisions that the city and the county agree upon and that are not
 8 inconsistent with this chapter. The contract must be executed in
 9 duplicate and be recorded in the minutes of the proceedings of the
 10 board of public works of the city and of the board of county
 11 commissioners of the county.

12 (e) If the county and city determine to establish a joint World War
 13 memorial, then the board of public works, acting for the city with the
 14 approval of the mayor, shall execute a contract on behalf of the city
 15 with the county. The contract must provide as follows:

16 (1) For the acquisition of real property interests and the
 17 construction on the real property of a joint World War memorial
 18 suitable for the county and city.

19 (2) For the definite and respective parts of the total cost of the
 20 World War memorial that will be paid by the county and by the
 21 city and the time and manner of the payments.

22 (3) That the acquisition of the real property and the execution of
 23 all necessary contracts for the construction of the joint World War
 24 memorial shall be made by a board of trustees, consisting of five
 25 (5) members, to be appointed and have the powers and perform
 26 the duties as provided in this chapter.

27 (4) That the total cost of the acquisition of the real property for
 28 the joint World War memorial and the construction of the
 29 memorial may not exceed the sum of the following:

30 (A) The amount appropriated for the memorial by the city and
 31 by the board of commissioners of the county.

32 (B) Any amounts donated, contributed, or received by the city
 33 and by the county for the purpose of the World War memorial.

34 (5) That the necessary cost and expenses for the management,
 35 maintenance, repairs, and improvement of the World War
 36 memorial shall be paid by the county and city in the same
 37 proportion that they contribute to the establishment of the
 38 memorial.

39 (6) Any other provisions that may be agreed upon between the
 40 county and the city consistent with this chapter.

41 (f) The city shall pay for its part due under any contract executed
 42 with the county under this chapter either from the city's general funds

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1 or from the proceeds of bonds sold under this chapter.

2 (g) The legislative body of the city may authorize by ordinance the
3 sale of bonds of the city for the purpose of raising funds to pay the
4 city's part of the cost under a contract that it executes with the county
5 under this chapter.

6 (h) The sale of bonds shall comply with a contract executed by a city
7 with the county in which the city is located for any purpose authorized
8 by this chapter, and the levy of taxes **under IC 6-3.5-9** to pay the
9 bonds, with interest accruing on the bonds, is governed by this chapter.
10 The legislative body of the city and other proper officers shall sell the
11 necessary bonds and levy and collect the necessary taxes to pay the
12 bonds as they mature and the interest accruing on the bonds as
13 provided in this chapter.

14 SECTION 70. IC 12-7-2-31.3 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2005]: **Sec. 31.3. As used in this title,**
17 **"child services" means the following:**

18 (1) **Child welfare services specifically provided for children**
19 **who are:**

20 (A) **adjudicated to be:**

- 21 (i) **children in need of services; or**
- 22 (ii) **delinquent children; or**

23 (B) **recipients of or are eligible for:**

- 24 (i) **informal adjustments;**
- 25 (ii) **service referral agreements; and**
- 26 (iii) **adoption assistance;**

27 **including the costs of using an institution or facility in Indiana**
28 **for providing educational services as described in either**
29 **IC 20-8.1-3-36 (if applicable) or IC 20-8.1-6.1-8 (if applicable),**
30 **all services required under IC 31-40-1-2, and all costs**
31 **required under IC 20-8.1-6.1-7.**

32 (2) **Assistance awarded by a county to a destitute child under**
33 **IC 12-17-1.**

34 (3) **Child welfare services as described in IC 12-17-3.**

35 SECTION 71. IC 12-7-2-31.4 IS ADDED TO THE INDIANA
36 CODE AS A NEW SECTION TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2005]: **Sec. 31.4. As used in this title,**
38 **"children's psychiatric residential treatment services" means**
39 **services that are:**

40 (1) **eligible for federal financial participation under the state**
41 **Medicaid plan; and**

42 (2) **provided to individuals less than twenty-one (21) years of**

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age who are:

- (A) eligible for services under the state Medicaid plan;
- (B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and
- (C) residing in a private psychiatric residential facility for purposes of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.

SECTION 72. IC 12-7-2-95 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 95. (a) "Grant-in-aid", for purposes of the statutes listed in subsection (b), means any money paid by the federal government to the state ~~or any money paid by the state to a county~~ for the purpose of defraying any of the expenses, claims, allowances, assistance, or obligations authorized by this title.

(b) This section applies to the following statutes:

- (1) IC 12-13.
- (2) IC 12-14.
- (3) IC 12-15.
- (4) IC 12-17-1.
- (5) IC 12-17-2.
- (6) IC 12-17-3.
- (7) IC 12-17-9.
- (8) IC 12-17-10.
- (9) IC 12-17-11.
- (10) IC 12-19.

SECTION 73. IC 12-13-5-1, AS AMENDED BY P.L.273-1999, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The division shall administer or supervise the public welfare activities of the state. The division has the following powers and duties:

- (1) The administration of old age assistance, aid to dependent children, and assistance to the needy blind and persons with disabilities, excluding assistance to children with special health care needs.
- (2) The administration of the following:
 - (A) Any public child welfare service.
 - (B) The licensing and inspection under IC 12-17.2 and IC 12-17.4.
 - (C) The care of dependent and neglected children in foster family homes or institutions, especially children placed for

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- 1 adoption or those born out of wedlock.
- 2 (D) The interstate placement of children.
- 3 **(E) Any other child services or children's psychiatric**
- 4 **residential treatment services.**
- 5 ~~(3)~~ The provision of services to county governments, including
- 6 the following:
- 7 (A) Organizing and supervising county offices for the effective
- 8 administration of public welfare functions.
- 9 (B) Compiling statistics and necessary information concerning
- 10 public welfare problems throughout Indiana.
- 11 ~~(C)~~ Researching and encouraging research into crime;
- 12 delinquency, physical and mental disability, and the cause of
- 13 dependency.
- 14 ~~(4)~~ **(3)** Prescribing the form of, printing, and supplying to the
- 15 county departments blanks for applications, reports, affidavits,
- 16 and other forms the division considers necessary and advisable.
- 17 ~~(5)~~ **(4)** Cooperating with the federal Social Security
- 18 Administration and with any other agency of the federal
- 19 government in any reasonable manner necessary and in
- 20 conformity with IC 12-13 through IC 12-19 to qualify for federal
- 21 aid for assistance to persons who are entitled to assistance under
- 22 the federal Social Security Act. The responsibilities include the
- 23 following:
- 24 (A) Making reports in the form and containing the information
- 25 that the federal Social Security Administration Board or any
- 26 other agency of the federal government requires.
- 27 (B) Complying with the requirements that a board or agency
- 28 finds necessary to assure the correctness and verification of
- 29 reports.
- 30 ~~(6)~~ **(5)** Appointing from eligible lists established by the state
- 31 personnel board employees of the division necessary to effectively
- 32 carry out IC 12-13 through IC 12-19. The division may not
- 33 appoint a person who is not a citizen of the United States and who
- 34 has not been a resident of Indiana for at least one (1) year
- 35 immediately preceding the person's appointment unless a
- 36 qualified person cannot be found in Indiana for a position as a
- 37 result of holding an open competitive examination.
- 38 ~~(7)~~ **(6)** Assisting the office of Medicaid policy and planning in
- 39 fixing fees to be paid to ophthalmologists and optometrists for the
- 40 examination of applicants for and recipients of assistance as
- 41 needy blind persons.
- 42 ~~(8)~~ **(7)** When requested, assisting other departments, agencies,

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1 divisions, and institutions of the state and federal government in
 2 performing services consistent with this article.

3 ~~(9)~~ **(8)** Acting as the agent of the federal government for the
 4 following:

5 (A) In welfare matters of mutual concern under IC 12-13
 6 through IC 12-19.

7 (B) In the administration of federal money granted to Indiana
 8 in aiding welfare functions of the state government.

9 ~~(10)~~ **(9)** Administering additional public welfare functions vested
 10 in the division by law and providing for the progressive
 11 codification of the laws the division is required to administer.

12 ~~(11)~~ **(10)** Supervising day care centers and child placing agencies.

13 ~~(12)~~ **(11)** Supervising the licensing and inspection of all public
 14 child caring agencies.

15 ~~(13)~~ **(12)** Supervising the care of delinquent children and children
 16 in need of services.

17 ~~(14)~~ **(13)** Assisting juvenile courts as required by IC 31-30
 18 through IC 31-40.

19 ~~(15)~~ **(14)** Supervising the care of dependent children and children
 20 placed for adoption.

21 ~~(16)~~ **(15)** Compiling information and statistics concerning the
 22 ethnicity and gender of a program or service recipient.

23 ~~(17)~~ **(16)** Providing permanency planning services for children in
 24 need of services, including:

25 (A) making children legally available for adoption; and

26 (B) placing children in adoptive homes;

27 in a timely manner.

28 SECTION 74. IC 12-13-7-8 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) The
 30 treasurer of state may receive money:

31 (1) received from a source other than the federal Social Security
 32 Act;

33 (2) not received from taxes; ~~levied in the county;~~ and

34 (3) that under IC 12-13 through IC 12-19 the division and county
 35 offices are authorized to collect, receive, and administer.

36 (b) The treasurer of state may pay the money received under
 37 subsection (a) into the proper fund or the proper account of the state
 38 general fund, provide for the proper custody of the money, and make
 39 disbursements upon the order of the division and upon warrant of the
 40 auditor of state.

41 SECTION 75. IC 12-13-7-17, AS AMENDED BY P.L.273-1999,
 42 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2005]: Sec. 17. The part of the care and maintenance of
 2 the inmates of the Plainfield Juvenile Correctional Facility and the
 3 Indianapolis Juvenile Correctional Facility that under law is to be
 4 charged back to the counties shall be paid from the county general
 5 fund. ~~and not the county family and children's fund; unless otherwise~~
 6 ~~provided by law.~~

7 SECTION 76. IC 12-15-15-9, AS AMENDED BY P.L.255-2003,
 8 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2005]: Sec. 9. (a) For purposes of this section and
 10 IC 12-16-7.5-4.5, a payable claim is attributed to a county if the
 11 payable claim is submitted to the division by a hospital licensed under
 12 IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the
 13 hospital to an individual who qualifies for the hospital care for the
 14 indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

- 15 (1) who is a resident of the county;
- 16 (2) who is not a resident of the county and for whom the onset of
 17 the medical condition that necessitated the care occurred in the
 18 county; or
- 19 (3) whose residence cannot be determined by the division and for
 20 whom the onset of the medical condition that necessitated the care
 21 occurred in the county.

22 (b) For each state fiscal year ending after June 30, 2003, a hospital
 23 licensed under IC 16-21-2 that submits to the division during the state
 24 fiscal year a payable claim under IC 12-16-7.5 is entitled to a payment
 25 under this section.

26 (c) For a state fiscal year, subject to section 9.6 of this chapter, the
 27 office shall pay to a hospital referred to in subsection (b) an amount
 28 equal to the amount, based on information obtained from the division
 29 and the calculations and allocations made under IC 12-16-7.5-4.5, that
 30 the office determines for the hospital under STEP SIX of the following
 31 STEPS:

32 STEP ONE: Identify:

- 33 (A) each hospital that submitted to the division one (1) or
 34 more payable claims under IC 12-16-7.5 during the state fiscal
 35 year; and
- 36 (B) the county to which each payable claim is attributed.

37 STEP TWO: For each county identified in STEP ONE,
 38 identify:

- 39 (A) each hospital that submitted to the division one (1) or
 40 more payable claims under IC 12-16-7.5 attributed to the
 41 county during the state fiscal year; and
- 42 (B) the total amount of all hospital payable claims submitted

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1 to the division under IC 12-16-7.5 attributed to the county
 2 during the state fiscal year.

3 STEP THREE: For each county identified in STEP ONE, identify
 4 the amount of county funds transferred to the Medicaid indigent
 5 care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).

6 STEP FOUR: For each hospital identified in STEP ONE, with
 7 respect to each county identified in STEP ONE, calculate the
 8 hospital's percentage share of the ~~county's~~ funds transferred to the
 9 Medicaid indigent care trust fund **for the county** under STEP
 10 FOUR of IC 12-16-7.5-4.5(b). Each hospital's percentage share is
 11 based on the total amount of the hospital's payable claims
 12 submitted to the division under IC 12-16-7.5 attributed to the
 13 county during the state fiscal year, calculated as a percentage of
 14 the total amount of all hospital payable claims submitted to the
 15 division under IC 12-16-7.5 attributed to the county during the
 16 state fiscal year.

17 STEP FIVE: Subject to subsection (j), for each hospital identified
 18 in STEP ONE, with respect to each county identified in STEP
 19 ONE, multiply the hospital's percentage share calculated under
 20 STEP FOUR by the amount of the county's funds transferred to
 21 the Medicaid indigent care trust fund under STEP FOUR of
 22 IC 12-16-7.5-4.5(b).

23 STEP SIX: Determine the sum of all amounts calculated under
 24 STEP FIVE for each hospital identified in STEP ONE with
 25 respect to each county identified in STEP ONE.

26 (d) A hospital's payment under subsection (c) is in the form of a
 27 Medicaid add-on payment. The amount of a hospital's add-on payment
 28 is subject to the availability of funding for the non-federal share of the
 29 payment under subsection (e). The office shall make the payments
 30 under subsection (c) before December 15 that next succeeds the end of
 31 the state fiscal year.

32 (e) The non-federal share of a payment to a hospital under
 33 subsection (c) is funded from the funds transferred to the Medicaid
 34 indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) of
 35 each county to which a payable claim under IC 12-16-7.5 submitted to
 36 the division during the state fiscal year by the hospital is attributed.

37 (f) The amount of ~~a county's transferred~~ funds **transferred for a**
 38 **county and** available to be used to fund the non-federal share of a
 39 payment to a hospital under subsection (c) is an amount that bears the
 40 same proportion to the total amount of funds ~~of the county~~ transferred
 41 **for a county** to the Medicaid indigent care trust fund under STEP
 42 FOUR of IC 12-16-7.5-4.5(b) that the total amount of the hospital's

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1 payable claims under IC 12-16-7.5 attributed to the county submitted
 2 to the division during the state fiscal year bears to the total amount of
 3 all hospital payable claims under IC 12-16-7.5 attributed to the county
 4 submitted to the division during the state fiscal year.

5 (g) Any ~~county's~~ funds for a county identified in subsection (f) that
 6 remain after the non-federal share of a hospital's payment has been
 7 funded are available to serve as the non-federal share of a payment to
 8 a hospital under section 9.5 of this chapter.

9 (h) For purposes of this section, "payable claim" has the meaning set
 10 forth in IC 12-16-7.5-2.5(b)(1).

11 (i) For purposes of this section:

12 (1) the amount of a payable claim is an amount equal to the
 13 amount the hospital would have received under the state's
 14 fee-for-service Medicaid reimbursement principles for the
 15 hospital care for which the payable claim is submitted under
 16 IC 12-16-7.5 if the individual receiving the hospital care had been
 17 a Medicaid enrollee; and

18 (2) a payable hospital claim under IC 12-16-7.5 includes a
 19 payable claim under IC 12-16-7.5 for the hospital's care submitted
 20 by an individual or entity other than the hospital, to the extent
 21 permitted under the hospital care for the indigent program.

22 (j) The amount calculated under STEP FIVE of subsection (c) for a
 23 hospital with respect to a county may not exceed the total amount of the
 24 hospital's payable claims attributed to the county during the state fiscal
 25 year.

26 SECTION 77. IC 12-15-15-9.5, AS ADDED BY P.L.255-2003,
 27 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2005]: Sec. 9.5. (a) For purposes of this section and
 29 IC 12-16-7.5-4.5, a payable claim is attributed to a county if the
 30 payable claim is submitted to the division by a hospital licensed under
 31 IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the
 32 hospital to an individual who qualifies for the hospital care for the
 33 indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

34 (1) who is a resident of the county;

35 (2) who is not a resident of the county and for whom the onset of
 36 the medical condition that necessitated the care occurred in the
 37 county; or

38 (3) whose residence cannot be determined by the division and for
 39 whom the onset of the medical condition that necessitated the care
 40 occurred in the county.

41 (b) For each state fiscal year ending after June 30, 2003, a hospital
 42 licensed under IC 16-21-2:

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- 1 (1) that submits to the division during the state fiscal year a
- 2 payable claim under IC 12-16-7.5; and
- 3 (2) whose payment under section 9(c) of this chapter was less
- 4 than the total amount of the hospital's payable claims under
- 5 IC 12-16-7.5 submitted by the hospital to the division during the
- 6 state fiscal year;

7 is entitled to a payment under this section.

8 (c) For a state fiscal year, subject to section 9.6 of this chapter, the
9 office shall pay to a hospital referred to in subsection (b) an amount
10 equal to the amount, based on information obtained from the division
11 and the calculations and allocations made under IC 12-16-7.5-4.5, that
12 the office determines for the hospital under STEP EIGHT of the
13 following STEPS:

14 STEP ONE: Identify each county whose ~~transfer of~~ funds
15 **transferred** to the Medicaid indigent care trust fund under STEP
16 FOUR of IC 12-16-7.5-4.5(b) for the state fiscal year was less
17 than the total amount of all hospital payable claims attributed to
18 the county and submitted to the division during the state fiscal
19 year.

20 STEP TWO: For each county identified in STEP ONE, calculate
21 the difference between the amount of funds of the county
22 transferred to the Medicaid indigent care trust fund under STEP
23 FOUR of IC 12-16-7.5-4.5(b) and the total amount of all hospital
24 payable claims attributed to the county and submitted to the
25 division during the state fiscal year.

26 STEP THREE: Calculate the sum of the amounts calculated for
27 the counties under STEP TWO.

28 STEP FOUR: Identify each hospital whose payment under section
29 9(c) of this chapter was less than the total amount of the hospital's
30 payable claims under IC 12-16-7.5 submitted by the hospital to
31 the division during the state fiscal year.

32 STEP FIVE: Calculate for each hospital identified in STEP FOUR
33 the difference between the hospital's payment under section 9(c)
34 of this chapter and the total amount of the hospital's payable
35 claims under IC 12-16-7.5 submitted by the hospital to the
36 division during the state fiscal year.

37 STEP SIX: Calculate the sum of the amounts calculated for each
38 of the hospitals under STEP FIVE.

39 STEP SEVEN: For each hospital identified in STEP FOUR,
40 calculate the hospital's percentage share of the amount calculated
41 under STEP SIX. Each hospital's percentage share is based on the
42 amount calculated for the hospital under STEP FIVE calculated

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1 as a percentage of the sum calculated under STEP SIX.
2 STEP EIGHT: For each hospital identified in STEP FOUR,
3 multiply the hospital's percentage share calculated under STEP
4 SEVEN by the sum calculated under STEP THREE. The amount
5 calculated under this STEP for a hospital may not exceed the
6 amount by which the hospital's total payable claims under
7 IC 12-16-7.5 submitted during the state fiscal year exceeded the
8 amount of the hospital's payment under section 9(c) of this
9 chapter.

10 (d) A hospital's payment under subsection (c) is in the form of a
11 Medicaid add-on payment. The amount of the hospital's add-on
12 payment is subject to the availability of funding for the non-federal
13 share of the payment under subsection (e). The office shall make the
14 payments under subsection (c) before December 15 that next succeeds
15 the end of the state fiscal year.

16 (e) The non-federal share of a payment to a hospital under
17 subsection (c) is derived from funds transferred to the Medicaid
18 indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) and
19 not expended under section 9 of this chapter. To the extent possible,
20 the funds shall be derived on a proportional basis from the funds
21 transferred by each county identified in subsection (c), STEP ONE:

22 (1) to which at least one (1) payable claim submitted by the
23 hospital to the division during the state fiscal year is attributed;
24 and

25 (2) whose funds transferred to the Medicaid indigent care trust
26 fund under STEP FOUR of IC 12-16-7.5-4.5(b) were not
27 completely expended under section 9 of this chapter.

28 The amount available to be derived from the remaining funds
29 transferred to the Medicaid indigent care trust fund under STEP FOUR
30 of IC 12-16-7.5-4.5(b) to serve as the non-federal share of the payment
31 to a hospital under subsection (c) is an amount that bears the same
32 proportion to the total amount of funds transferred **by for** all the
33 counties identified in subsection (c), STEP ONE, that the amount
34 calculated for the hospital under subsection (c), STEP FIVE, bears to
35 the amount calculated under subsection (c), STEP SIX.

36 (f) Except as provided in subsection (g), the office may not make a
37 payment under this section until the payments due under section 9 of
38 this chapter for the state fiscal year have been made.

39 (g) If a hospital appeals a decision by the office regarding the
40 hospital's payment under section 9 of this chapter, the office may make
41 payments under this section before all payments due under section 9 of
42 this chapter are made if:

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- 1 (1) a delay in one (1) or more payments under section 9 of this
 2 chapter resulted from the appeal; and
 3 (2) the office determines that making payments under this section
 4 while the appeal is pending will not unreasonably affect the
 5 interests of hospitals eligible for a payment under this section.
 6 (h) Any funds transferred to the Medicaid indigent care trust fund
 7 under STEP FOUR of IC 12-16-7.5-4.5(b) remaining after payments
 8 are made under this section shall be used as provided in
 9 IC 12-15-20-2(8)(D).
 10 (i) For purposes of this section:
 11 (1) "payable claim" has the meaning set forth in
 12 IC 12-16-7.5-2.5(b);
 13 (2) the amount of a payable claim is an amount equal to the
 14 amount the hospital would have received under the state's
 15 fee-for-service Medicaid reimbursement principles for the
 16 hospital care for which the payable claim is submitted under
 17 IC 12-16-7.5 if the individual receiving the hospital care had been
 18 a Medicaid enrollee; and
 19 (3) a payable hospital claim under IC 12-16-7.5 includes a
 20 payable claim under IC 12-16-7.5 for the hospital's care submitted
 21 by an individual or entity other than the hospital, to the extent
 22 permitted under the hospital care for the indigent program.
 23 SECTION 78. IC 12-16-7.5-4.5, AS ADDED BY P.L.255-2003,
 24 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2005]: Sec. 4.5. (a) Not later than October 31 following
 26 the end of each state fiscal year, the division shall:
 27 (1) calculate for each county the total amount of payable claims
 28 submitted to the division during the state fiscal year attributed to:
 29 (A) patients who were residents of the county; and
 30 (B) patients:
 31 (i) who were not residents of Indiana;
 32 (ii) whose state of residence could not be determined by the
 33 division; and
 34 (iii) who were residents of Indiana but whose county of
 35 residence in Indiana could not be determined by the
 36 division;
 37 and whose medical condition that necessitated the care or
 38 service occurred in the county;
 39 (2) notify each county of the amount of payable claims attributed
 40 to the county under the calculation made under subdivision (1);
 41 and
 42 (3) with respect to payable claims attributed to a county under

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1 subdivision (1):

2 (A) calculate the total amount of payable claims submitted

3 during the state fiscal year for:

4 (i) each hospital;

5 (ii) each physician; and

6 (iii) each transportation provider; and

7 (B) determine the amount of each payable claim for each

8 hospital, physician, and transportation provider listed in clause

9 (A).

10 (b) Before November 1 following the end of a state fiscal year, the

11 division shall allocate the **state** funds transferred from a ~~county's~~

12 hospital care for the indigent fund **for the county** to the state hospital

13 care for the indigent fund under IC 12-16-14 during or for the state

14 fiscal year as required under the following STEPS:

15 STEP ONE: Determine the total amount of funds transferred from

16 a ~~county's~~ hospital care for the indigent fund ~~by~~ **for** the county to

17 the state hospital care for the indigent fund under IC 12-16-14

18 during or for the state fiscal year.

19 STEP TWO: Of the total amount of payable claims submitted to

20 the division during the state fiscal year attributed to the county

21 under subsection (a), determine the amount of total hospital

22 payable claims, total physician payable claims, and total

23 transportation provider payable claims. Of the amounts

24 determined for physicians and transportation providers, calculate

25 the sum of those amounts as a percentage of an amount equal to

26 the sum of the total payable physician claims and total payable

27 transportation provider claims attributed to all the counties

28 submitted to the division during the state fiscal year.

29 STEP THREE: Multiply three million dollars (\$3,000,000) by the

30 percentage calculated under STEP TWO.

31 STEP FOUR: Transfer to the Medicaid indigent care trust fund

32 for purposes of IC 12-15-20-2(8)(D) an amount equal to the

33 amount calculated under STEP ONE, minus an amount equal to

34 the amount calculated under STEP THREE.

35 STEP FIVE: The division shall retain an amount equal to the

36 amount remaining in the state hospital care for the indigent fund

37 after the transfer in STEP FOUR for purposes of making

38 payments under section 5 of this chapter.

39 (c) The costs of administering the hospital care for the indigent

40 program, including the processing of claims, shall be paid from the

41 funds transferred to the state hospital care for the indigent fund.

42 SECTION 79. IC 12-16-14-1, AS AMENDED BY P.L.181-1999,

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1 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2005]: Sec. 1. A county hospital care for the indigent
3 fund is established ~~in~~ **as a state fund** for each county. The fund
4 consists of the following:

- 5 (1) A tax levy on the property located in each county **before**
6 **January 1, 2005.**
- 7 (2) ~~The financial institutions tax (IC 6-5.5); motor vehicle excise~~
8 ~~taxes (IC 6-6-5); and commercial vehicle excise taxes (IC 6-6-5.5)~~
9 ~~that are allocated to the fund.~~ **Amounts appropriated by the**
10 **general assembly to the fund.**

11 SECTION 80. IC 12-17-1-10, AS AMENDED BY P.L.273-1999,
12 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2005]: Sec. 10. (a) Upon the completion of an
14 investigation under section 9 of this chapter, the county office shall do
15 the following:

- 16 (1) Determine whether the child is eligible for assistance under
17 this chapter and the division's rules.
- 18 (2) Determine the amount of the assistance and the date on which
19 the assistance is to begin.
- 20 (3) Make an award, including any subsequent modification of the
21 award, with which the county office shall comply until the award
22 or modified award is vacated.
- 23 (4) Notify the applicant and the division of the county office's
24 decision in writing.

25 (b) The county office shall provide assistance to the recipient at
26 least monthly upon warrant of the county auditor. The assistance must
27 be:

- 28 (1) made from ~~the county family and children's fund;~~ **money**
29 **appropriated for use by the division;** and
- 30 (2) based upon a verified schedule of the recipients.

31 (c) The director of the county office shall prepare and verify the
32 amount payable to the recipient, in relation to the awards made by the
33 county office. The division shall prescribe the form upon which the
34 schedule under subsection (b)(2) must be filed.

35 SECTION 81. IC 12-17-3-2 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) ~~This section~~
37 ~~does not apply to a county department's:~~

- 38 (1) ~~administrative expenses; or~~
- 39 (2) ~~expenses regarding facilities; supplies; and equipment.~~
- 40 (b) Necessary expenses incurred in the administration of the child
41 welfare services under section 1 of this chapter shall be paid ~~out of the~~
42 ~~county welfare fund or the county family and children's fund~~

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1 ~~(whichever is appropriate):~~ **from state money appropriated for the**
2 **purpose.**

3 SECTION 82. IC 12-17.4-3-3.5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3.5. (a) A county
5 may establish a child caring institution. The child caring institution
6 may be operated by:

- 7 (1) the county; or
 - 8 (2) a public or private agency under contract with the county;
- 9 and must be operated under the rules adopted by the director of the
10 division under IC 12-17.4.

11 (b) This section does not affect the following:
12 (1) IC 31-31-1-1 or IC 31-40, requiring the county fiscal body to
13 appropriate sufficient money to pay for services, **other than child**
14 **services or children's psychiatric residential treatment**
15 **services**, ordered by the juvenile court.

16 (2) IC 31-31-8, authorizing the juvenile court to establish
17 detention and shelter care facilities.

18 (3) IC 12-13-5 and IC 12-19-1, requiring the division and the
19 county departments to provide care and treatment for delinquent
20 children and children in need of services.

21 SECTION 83. IC 12-17.4-5-3.5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3.5. (a) A county
23 may establish a child group home. The group home may be operated
24 by:

- 25 (1) the county; or
 - 26 (2) a public or private agency under contract with the county;
- 27 and must be operated under the rules adopted by the director of the
28 division under IC 12-17.4.

29 (b) This section does not affect the following:
30 (1) IC 31-31-1-1 or IC 31-40, requiring the county fiscal body to
31 appropriate sufficient money to pay for services, **other than child**
32 **services or children's psychiatric residential treatment**
33 **services**, ordered by the juvenile court.

34 (2) IC 31-31-8, authorizing the juvenile court to establish
35 detention and shelter care facilities.

36 (3) IC 12-13-5 and IC 12-19-1, requiring the division and the
37 county departments to provide care and treatment for delinquent
38 children and children in need of services.

39 SECTION 84. IC 12-19-1-1 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. A county office
41 of family and children is established ~~in~~ **for** each county.

42 SECTION 85. IC 12-19-1-9, AS AMENDED BY P.L.273-1999,

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1 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2005]: Sec. 9. (a) The division shall provide the
3 necessary facilities to house the county office.

4 (b) The division shall pay for the costs of the facilities, supplies, and
5 equipment needed by each county office. ~~including the transfer to the~~
6 ~~county that is required by IC 12-13-5.~~

7 SECTION 86. IC 12-19-1-21, AS ADDED BY P.L.273-1999,
8 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2005]: Sec. 21. Notwithstanding any other law, after
10 December 31, 1999, a county may not impose any of the following:

- 11 (1) A property tax levy for a county welfare fund.
- 12 (2) A property tax levy for a county welfare administration fund.
- 13 **(3) A family and children's fund.**
- 14 **(4) A children's psychiatric residential treatment services**
15 **fund.**

16 SECTION 87. IC 12-19-1-22, AS ADDED BY P.L.273-1999,
17 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2005]: Sec. 22. (a) All bonds issued and loans made
19 under IC 12-1-11 (before its repeal) or this article before January 1,
20 2000, **IC 12-19-7 (before its repeal) or IC 12-19-7.5 (before its**
21 **repeal)** that are payable from property taxes imposed under IC 12-19-3
22 (before its repeal), **IC 12-19-5 (before its repeal), IC 12-19-7 (before**
23 **its repeal), or IC 12-19-7.5 (before its repeal):**

- 24 (1) are direct general obligations of the county issuing the bonds
25 or making the loans; and
- 26 (2) are payable out of unlimited ad valorem taxes that shall be
27 levied and collected on all taxable property within the county.

28 (b) Each official and body responsible for the levying of taxes for
29 the county must ensure that sufficient levies are made to meet the
30 principal and interest on the bonds and loans at the time fixed for the
31 payment of the principal and interest, without regard to any other
32 statute. If an official or a body fails or refuses to make or allow a
33 sufficient levy required by this section, the bonds and loans and the
34 interest on the bonds and loans shall be payable out of the county
35 general fund without appropriation.

36 SECTION 88. IC 12-19-1-23 IS ADDED TO THE INDIANA
37 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JANUARY 1, 2005]: **Sec. 23. The division shall pay**
39 **the costs of child services.**

40 SECTION 89. IC 12-19-1-24 IS ADDED TO THE INDIANA
41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2005]: **Sec. 24. The division shall pay**

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1 **the costs of children's psychiatric residential treatment services.**

2 SECTION 90. IC 12-24-16-3 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. The costs
4 specified in this chapter shall be paid ~~out of the county general fund~~
5 ~~upon the certificate of the circuit court clerk and the warrant of the~~
6 ~~county auditor:~~ **by the state.**

7 SECTION 91. IC 12-20-16-2, AS AMENDED BY P.L.262-2003,
8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2005]: Sec. 2. (a) Except as provided in subsections (b)
10 and (c), the township trustee shall, in cases of necessity, do the
11 following:

12 (1) Promptly provide medical assistance for poor individuals in
13 the township who are not provided for in public institutions.

14 (2) See that medicines, medical supplies, special diets, or tests
15 prescribed by a physician or surgeon in attendance upon poor
16 individuals in the township are properly furnished.

17 (b) A township trustee may not provide to an individual medical
18 assistance under the ~~poor relief township assistance~~ program if the
19 individual could qualify for medical assistance for the same service
20 under:

21 (1) IC 12-16;

22 (2) Medicaid;

23 (3) other governmental medical programs; or

24 (4) private health insurance that would cover the individual at the
25 time the assistance was provided. However, if the individual's
26 insurance does not pay for the medical assistance due to a policy
27 deductible or other policy limitation, the township trustee shall
28 pay for medical assistance that the trustee would provide if the
29 individual did not have insurance.

30 However, a township trustee may provide interim medical services
31 during the period that the individual has an application pending for
32 medical assistance under Medicaid (IC 12-15) or another governmental
33 medical program if the individual is reasonably complying with all
34 requirements of the application process.

35 (c) The township trustee shall pay only for the following medical
36 services for the poor of the township:

37 (1) Prescription drugs, not to exceed a thirty (30) day supply at a
38 time, as prescribed by an attending practitioner (as defined in
39 IC 16-42-19-5) other than a veterinarian. However, if the
40 prescription drugs are available only in a container that contains
41 more than a thirty (30) day supply, the township trustee may pay
42 for the available size.

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- 1 (2) Office calls to a physician licensed under IC 25-22.5 or
- 2 another medical provider.
- 3 (3) Dental care needed to relieve pain or infection or to repair
- 4 cavities.
- 5 (4) Repair or replacement of dentures.
- 6 (5) Emergency room treatment that is of an emergency nature.
- 7 (6) Preoperation testing prescribed by an attending physician
- 8 licensed under IC 25-22.5.
- 9 (7) Over-the-counter drugs prescribed by a practitioner (as
- 10 defined in IC 16-42-19-5) other than a veterinarian.
- 11 (8) X-rays and laboratory testing as prescribed by an attending
- 12 physician licensed under IC 25-22.5.
- 13 (9) Visits to a medical specialist when referred by an attending
- 14 physician licensed under IC 25-22.5.
- 15 (10) Physical therapy prescribed by an attending physician
- 16 licensed under IC 25-22.5.
- 17 (11) Eyeglasses.
- 18 (12) Repair or replacement of a prosthesis not provided for by
- 19 other tax supported state or federal programs.
- 20 (13) Insulin and items needed to administer the biological, not to
- 21 exceed a thirty (30) day supply at a time, in accordance with
- 22 section 14 of this chapter. However, if the biologicals are
- 23 available only in a container that contains more than a thirty (30)
- 24 day supply, the township trustee may pay for the available size.
- 25 (d) The township trustee may establish a list of approved medical
- 26 providers to provide medical services to the poor of the township. Any
- 27 medical provider who:
- 28 (1) can provide the particular medical services within the scope
- 29 of the provider's license issued under IC 25; and
- 30 (2) is willing to provide the medical services for the charges
- 31 established by the township trustee;
- 32 is entitled to be included on the list.
- 33 (e) Unless prohibited by federal law, a township trustee who:
- 34 (1) provides to an individual medical assistance that is eligible for
- 35 payment under any medical program described in subsection (b)
- 36 for which payments are administered by an agency of the state
- 37 during the pendency of the individual's successful application for
- 38 the program; and
- 39 (2) submits a timely and proper claim to the agency;
- 40 is eligible for reimbursement by the agency to the same extent as any
- 41 medical provider.
- 42 (f) If a township trustee provides medical assistance for medical

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1 services provided to an individual who is subsequently determined to
2 be eligible for Medicaid:

- 3 (1) the township trustee shall notify the medical provider that
- 4 provided the medical services of the individual's eligibility; and
- 5 (2) not later than thirty (30) days after the medical provider
- 6 receives the notice under subdivision (1), the medical provider
- 7 shall file a claim for reimbursement with the office.

8 (g) A medical provider that is reimbursed under subsection (f) shall,
9 not later than thirty (30) days after receiving the reimbursement, pay to
10 the township trustee the lesser of:

- 11 (1) the amount of medical assistance received from the trustee to
- 12 an individual; or
- 13 (2) the amount reimbursed by Medicaid to the medical provider.

14 **(h) The state shall reimburse a township trustee for**
15 **expenditures made under this section that are not reimbursable**
16 **under Medicaid.**

17 SECTION 92. IC 12-20-20-2, AS AMENDED BY P.L.101-2000,
18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2005]: Sec. 2. (a) If money is not available for the
20 payment of ~~poor relief township assistance~~ claims under section 1 of
21 this chapter, the township board shall appeal to borrow money under
22 IC 12-20-24.

23 (b) This subsection does not apply to a county having a consolidated
24 city. If the township board does not appeal to borrow money under
25 IC 12-20-24 or if an appeal fails, the board of commissioners may
26 borrow money or otherwise provide the money. If the county
27 commissioners determine to borrow the money or otherwise provide
28 the money, the county fiscal body shall promptly pass necessary
29 ordinances and make the necessary appropriations to enable this to be
30 done, after determining whether to borrow money by any of the
31 following:

- 32 (1) A temporary loan against taxes ~~levied and~~ in the process of
- 33 collection.
- 34 (2) The sale of county ~~poor relief township assistance~~ bonds or
- 35 other county obligations.
- 36 (3) Any other lawful method of obtaining money for the payment
- 37 of ~~poor relief township assistance~~ claims.

38 (c) This subsection applies only to a county having a consolidated
39 city. If a township board does not appeal to borrow money under
40 IC 12-20-24 or if an appeal fails, the board of commissioners shall
41 borrow money or otherwise provide the money. The county fiscal body
42 shall promptly pass necessary ordinances and make the necessary

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1 appropriations to enable this to be done, after determining whether to
2 borrow money by any of the following methods:

3 (1) A temporary loan against taxes ~~levied and~~ in the process of
4 collection.

5 (2) The sale of county ~~poor relief township assistance~~ bonds or
6 other county obligations.

7 (3) Any other lawful method of obtaining money for the payment
8 of ~~poor relief township assistance~~ claims.

9 SECTION 93. IC 12-20-21-2 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. Money raised
11 by tax levies made specifically ~~taxes imposed~~ for ~~poor relief township~~
12 ~~assistance~~ purposes, either by a county or township, may not be
13 considered as a part of and may not be commingled with other money
14 of the county. ~~Poor relief township assistance~~ money raised by
15 townships may not be commingled, except for the money resulting
16 from ~~levies made taxes imposed~~ by the townships for reimbursement
17 of the counties for advancements from the general fund.

18 SECTION 94. IC 12-20-21-3, AS AMENDED BY P.L.101-2000,
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2005]: Sec. 3. (a) A township trustee and township board
21 may ~~levy a specific~~ ~~impose a~~ tax ~~under IC 6-3.5-9~~ for the purpose of
22 providing money for the payment of ~~poor relief township assistance~~
23 expenses in the following year. The tax may be sufficient to meet the
24 entire requirement of the township in the following year or the part that
25 is determined to be proper.

26 (b) ~~If a tax levy is established under subsection (a), all proceeds~~
27 ~~derived from the tax levy shall be distributed to the township at the~~
28 ~~same time and in the same manner as proceeds from other property tax~~
29 ~~levies are distributed to the township. The proceeds of the tax levy shall~~
30 ~~be held by the township in its township ~~poor relief assistance~~ account~~
31 ~~free and available for the payment of ~~poor relief township assistance~~~~
32 ~~obligations of the township. The funds are continuing funds and do not~~
33 ~~revert to any other fund at the end of the year.~~

34 SECTION 95. IC 12-20-21-4, AS AMENDED BY P.L.262-2003,
35 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2005]: Sec. 4. If the board of commissioners determines
37 from the ~~levies made taxes imposed~~ by the respective townships for
38 ~~poor relief township assistance~~ purposes that there will be insufficient
39 money in the township ~~poor relief assistance~~ fund to provide free and
40 available money during the following year for ~~poor relief township~~
41 ~~assistance~~ purposes on the basis of the total costs of ~~poor relief~~
42 ~~township assistance~~ granted by the township trustees, as

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1 administrators of ~~poor relief~~, **township assistance**, for the previous
2 twelve (12) months:

3 (1) the board of commissioners may include estimates for the
4 advancements in the county general fund budget; **and**

5 (2) the county fiscal body may appropriate for the advancement
6 in the budget ~~and levy~~ as adopted by the county fiscal body. ~~and~~

7 ~~(3) the department shall include that amount in the final county~~
8 ~~general fund levy.~~

9 SECTION 96. IC 12-20-23-2 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. A county may
11 not borrow money to provide an advancement to a township unless the
12 township has a **township poor relief ad valorem property tax rate of at**
13 **least one and sixty-seven hundredths cents (\$0.0167) per one hundred**
14 **dollars (\$100) of assessed valuation. local government income tax for**
15 **township assistance purposes.**

16 SECTION 97. IC 12-20-23-9 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 9. (a) Bonds
18 issued by a county under this chapter must be issued so that one (1)
19 series is payable June 1 and one (1) series is payable December 1 in
20 each year in which the bonds are payable. The series must be as nearly
21 equal as possible considering the amount of the issue, the number of
22 serial maturities, and the denominations desired to be used.

23 (b) The first series of bonds and the first interest coupons must be
24 payable June 1 of the year following the time for establishing the next
25 annual tax levies after the date of the issue.

26 (c) If the issuance of bonds under IC 12-2-5 (before its repeal) or
27 this chapter is authorized by the county fiscal body at the fiscal body's
28 regular meeting held for the purpose of establishing ~~tax levies~~ **budgets**
29 for the succeeding year, the county may require that the first two (2)
30 series of the bonds mature in the following year if proper provision is
31 made for the payment of the bonds and interest coupons that are
32 payable in the following year.

33 SECTION 98. IC 12-20-23-15, AS AMENDED BY P.L.90-2002,
34 SECTION 350, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JANUARY 1, 2005]: Sec. 15. ~~(a) All bonds issued under~~
36 ~~IC 12-2-5 (before its repeal) or this chapter are the direct general~~
37 ~~obligations of the county issuing the bonds, payable out of unlimited ad~~
38 ~~valorem taxes to be levied and collected on all of the taxable property~~
39 ~~within the county. Each official and body having to do with the levying~~
40 ~~of taxes for the county shall ensure that sufficient levies are made to~~
41 ~~meet the principal and interest on the bonds at the time fixed for the~~
42 ~~payment of the bonds; without regard for the provisions of 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; the bonds and the interest on the bonds are payable out
3 of the general fund of the county without an appropriation being made
4 for the payment.

5 (b) A tax levy required by IC 12-2-5-6(a) (before its repeal) or
6 subsection (a) may be reduced by the amount the county will receive
7 in reimbursements from each township that receives an advancement
8 of bond proceeds. The department shall determine the amount the
9 county will receive for each year that the bond principal and interest
10 are payable. However, to the extent that the advancements together
11 with all other township indebtedness exceed two percent (2%) of the
12 adjusted value of the taxable property in the township as determined
13 under IC 36-1-15; the township may not impose an ad valorem property
14 tax levy to reimburse the county and the county is liable for the
15 principal and interest obligations on the bonds.

16 SECTION 99. IC 12-20-23-18 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. A county
18 auditor or other county official may not do any of the following:

- 19 (1) Commingle or transfer **poor relief township assistance** money
20 raised by **tax levy taxes** from the credit of one (1) township or
21 account to another township or account.
- 22 (2) Transfer money raised by a **poor relief township assistance**
23 bond issue to the credit of a township for which the bonds were
24 not issued.
- 25 (3) Transfer **poor relief township assistance** money to the credit
26 of any other fund or account.

27 SECTION 100. IC 12-20-23-19 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) Except as
29 provided in subsection (b); the township trustee and the township board
30 of a township to which an advancement is made under IC 12-2-5
31 (before its repeal) or this chapter shall, at the next annual meeting of
32 the township board after the making of an advancement by the county
33 and annually thereafter until paid; levy an ad valorem property tax
34 sufficient to reimburse the county for all advancements made under
35 IC 12-2-5 (before its repeal) or this chapter; together with the interest
36 on the advancements. The township shall repay to the county the
37 principal amount of the advancements in the same number of years as
38 the bonds from which the advancements are made are payable. If the
39 officers fail to levy a sufficient property tax to repay the advancements
40 as provided in this section; the county auditor shall levy the property
41 tax or increase the property tax levy made by the trustee and township
42 board in an amount that will reimburse the county for the

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1 ~~advancements at the time and in the manner as provided in this section.~~

2 ~~(b) Subsection (a) does not apply to a township during the time that~~
 3 ~~the township's indebtedness exceeds two percent (2%) of the adjusted~~
 4 ~~value of the taxable property in the township as determined under~~
 5 ~~IC 36-1-15.~~

6 SECTION 101. IC 12-20-24-8, AS AMENDED BY P.L.90-2002,
 7 SECTION 355, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) If a township board:

- 9 (1) appeals before August 1 for permission to borrow money;
 10 (2) receives permission from the board of commissioners, county
 11 council, or department to borrow money before November 1 of
 12 that year; and
 13 (3) borrows money under this chapter;

14 ~~the township board shall levy a property tax beginning in the next~~
 15 ~~succeeding year and continuing for the term of the loan in an amount~~
 16 ~~each year that will be impose a tax under IC 6-3.5-9 for the ensuing~~
 17 ~~year and succeeding years sufficient to pay the principal and interest~~
 18 ~~due on the loan for the year.~~

19 (b) If a township board:

- 20 (1) appeals after August 1 for permission to borrow money;
 21 (2) receives permission from the board of commissioners, county
 22 council, or department to borrow money; and
 23 (3) borrows money in the year of the appeal under this chapter;

24 ~~the township board shall levy a property tax beginning in~~ **impose a tax**
 25 **under IC 6-3.5-9 for** the second succeeding year and continuing for
 26 the term of the loan in an amount each year that will be sufficient to
 27 pay the principal and interest due on the loan for the year.

28 ~~(c) The property taxes levied under this section shall be retained by~~
 29 ~~the township trustee and applied by the township trustee to retire the~~
 30 ~~debt.~~

31 SECTION 102. IC 12-20-25-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. As used in this
 33 chapter, "distressed township" means:

34 (1) a township that:

- 35 (A) has a valid **poor relief township assistance** claim that the
 36 county auditor cannot pay within thirty (30) days after the
 37 claim is approved for payment under IC 12-2-1-31 (before its
 38 repeal) or IC 12-20-20;
 39 (B) has **poor relief township assistance** expenditures during
 40 a year that exceed the year's **poor relief township assistance**
 41 revenues, excluding any advances from the state and revenues
 42 from short term loans from the county or a financial institution

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1 or advances from the county from the proceeds of bonds, made
 2 or issued under:
 3 (i) this article; or
 4 (ii) IC 12-2-1, IC 12-2-4.5, or IC 12-2-5 (before the repeal
 5 of those statutes);
 6 (C) has imposed and dedicated to **poor relief township**
 7 **assistance** at least ninety percent (90%) of the maximum
 8 permissible ~~ad valorem property tax levy permitted for all of~~
 9 ~~the township's money under IC 6-1.1-18.5; tax under~~
 10 **IC 6-3.5-9; and**
 11 (D) has outstanding indebtedness that exceeds one and
 12 eight-tenths percent (1.8%) of the township's adjusted value of
 13 taxable property in the district as determined under
 14 IC 36-1-15; or
 15 (2) a township that:
 16 (A) has been a controlled township during any part of the
 17 preceding five (5) years;
 18 (B) has a valid **poor relief township assistance** claim that the
 19 county auditor cannot pay within thirty (30) days after the
 20 claim is approved for payment under IC 12-2-1-31 (before its
 21 repeal) or IC 12-20-20; and
 22 (C) uses advances from the county from proceeds of bonds
 23 issued under IC 12-2-1 (before its repeal) or this article.
 24 SECTION 103. IC 12-20-25-13 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. (a) When the
 26 management committee is appointed, the distressed township is a
 27 controlled township until the requirements of section 41 of this chapter
 28 are met.
 29 (b) During the period that the management committee is in control
 30 of the township trustee's office, the payment of **poor relief township**
 31 **assistance** claims and the operating costs of the management
 32 committee that:
 33 (1) are incurred during the period the management committee is
 34 in control of the township trustee's office; and
 35 (2) exceed the revenue derived from the distressed township's
 36 ~~poor relief property township assistance tax levy; under~~
 37 **IC 6-3.5-9;**
 38 shall be made from support to the county from the distressed township
 39 supplemental **poor relief township assistance** fund established under
 40 section 51 of this chapter.
 41 SECTION 104. IC 12-20-25-30 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 30. (a) The

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1 control board shall supervise the township trustee in the administration
 2 of ~~poor relief~~ **township assistance**. The control board may appoint one
 3 (1) of the board's members to monitor the trustee's compliance with this
 4 chapter and to report discrepancies to the control board. The control
 5 board may require the board's approval of an expenditure of more than
 6 five hundred dollars (\$500).

7 (b) Notwithstanding IC 36-6-6-11, the control board shall review
 8 and may reduce or increase the township's budget and proposed tax
 9 ~~levy rate under IC 6-3.5-9~~ to be advertised by the county auditor. If
 10 the control board finds that there will be insufficient revenues available
 11 under this chapter for the township to pay valid ~~poor relief township~~
 12 **assistance** claims, the control board may consent to proposed
 13 borrowing for ~~poor relief township assistance~~ under IC 12-20-23 or
 14 IC 12-20-24.

15 (c) The control board may approve the number, pay, and duties of
 16 employees who are employed for the distribution and administration of
 17 the distressed township's ~~poor relief township assistance~~ program.

18 (d) The control board may require the township trustee to submit
 19 reports on the amounts of ~~poor relief township assistance~~ by
 20 categories, including the types of goods or services furnished and the
 21 vendors who supplied the goods or services.

22 (e) The control board:

23 (1) shall operate the employment program implemented by the
 24 management committee under section 15(a)(5) of this chapter;
 25 and

26 (2) may require that a ~~poor relief township assistance~~ recipient
 27 participate in a training program under IC 12-20-12-1.

28 (f) The control board shall establish income eligibility standards for
 29 ~~poor relief~~; **township assistance**, subject to the requirements of section
 30 18 of this chapter.

31 SECTION 105. IC 12-20-25-32 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 32. (a) As soon
 33 as the management committee has completed the financial,
 34 compliance, economy, and efficiency audits required by section 15 of
 35 this chapter, the management committee shall make a report to the
 36 control board. The report must include the following:

37 (1) The findings of the financial, compliance, economy, and
 38 efficiency audits.

39 (2) An itemization of each creditor's claims against the distressed
 40 township that were found to be valid and reasonable.

41 (3) An itemization of each claim that was found to be invalid.

42 (4) An itemization of each claim that was found to be

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- 1 unreasonable and on which no settlement was negotiated.
- 2 (5) A proposed operating budget for the township trustee's office.
- 3 (6) An estimate of future operating and debt service costs for ~~poor~~
- 4 **relief: township assistance.**
- 5 (7) The amount of outstanding ~~poor relief~~ **township assistance**
- 6 bonds issued and loans incurred by the county and advancements
- 7 made by the county.
- 8 (8) The maximum permissible ~~poor relief~~ **township assistance**
- 9 levy of the township under IC 6-1.1-18.5.

10 (b) The county fiscal body may recommend a financial plan to the
 11 management committee that ~~ensures that future revenue increases, if~~
 12 ~~necessary, come from sources other than ad valorem property taxes~~
 13 ~~imposed on property within the distressed township and will~~
 14 ~~accomplish the purposes set forth in section 33(a)(2) of this chapter.~~
 15 The financial plan may include any of the options set forth in section
 16 34 of this chapter. The management committee shall include any
 17 submitted plan in the committee's report to the control board.

18 SECTION 106. IC 12-20-25-36, AS AMENDED BY P.L.90-2002,
 19 SECTION 359, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JANUARY 1, 2005]: Sec. 36. ~~(a)~~ Notwithstanding
 21 IC 6-1.1-17, if the county fiscal body:

- 22 (1) adopts an ordinance under section 35(b)(2) of this chapter; or
- 23 (2) fails to adopt an ordinance under section 35(b) of this chapter;
- 24 the department shall reduce the county's general fund budget and
- 25 increase the distressed township's ~~poor relief~~ **township assistance**
- 26 account budget in an amount sufficient to satisfy the requirements of
- 27 section 33(a)(2) of this chapter. The department shall notify the county
- 28 auditor and county treasurer of the county general fund reduction and
- 29 the county treasurer shall transfer from the county general fund to the
- 30 distressed township's ~~poor relief~~ **township assistance** account the
- 31 amount specified by the department.

32 ~~(b) Notwithstanding IC 6-1.1-18.5, if a county is required to transfer~~
 33 ~~money to a distressed township's poor relief account under subsection~~
 34 ~~(a); the county may not appeal for an excessive levy under~~
 35 ~~IC 6-1.1-18.5 to replace money that is transferred from the county~~
 36 ~~general fund.~~

37 SECTION 107. IC 12-20-25-40 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 40. The county
 39 treasurer shall deposit the disbursements from the treasurer of state in
 40 a county fund to be known as the county income tax ~~poor relief~~
 41 **township assistance** control fund. Notwithstanding IC 6-3.5-1.1,
 42 IC 6-3.5-6, and IC 6-1.1-18.5, the county treasurer shall disburse the

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1 money in the fund in the following priority:

2 (1) To ensure the payment within thirty (30) days of all valid **poor**
3 **relief township assistance** claims in the distressed township that
4 are not covered by subdivision (3).

5 (2) At the end of each calendar year, to redeem any outstanding
6 bonds issued or repay loans incurred by the county for **poor relief**
7 **township assistance** purposes under IC 12-2-4.5 (before its
8 repeal), IC 12-2-5 (before its repeal), IC 12-20-23, or IC 12-20-24
9 to the extent the proceeds of the bonds or loans were advanced to
10 the distressed township.

11 (3) To pay claims approved under section 27 or 28 of this chapter
12 (or IC 12-2-14-22 or IC 12-2-14-23 before their repeal).

13 ~~(4) As provided in IC 6-3.5-6 if the county option income tax is~~
14 ~~imposed under this chapter. If the county adjusted gross income~~
15 ~~tax is imposed under this chapter, to provide property tax~~
16 ~~replacement credits for each civil taxing unit and school~~
17 ~~corporation in the county as provided in IC 6-3.5-1.1. No part of~~
18 ~~the county adjusted gross income tax revenue is considered a~~
19 ~~certified share of a governmental unit as provided in~~
20 ~~IC 6-3.5-1.1-15. In addition, the county adjusted gross income tax~~
21 ~~revenue (except for the county adjusted gross income tax~~
22 ~~revenues that are to be treated as property tax replacements under~~
23 ~~this subdivision) is in addition to and not a part of the revenue of~~
24 ~~the township for purposes of determining the township's~~
25 ~~maximum permissible property tax levy under IC 6-1.1-18.5.~~

26 SECTION 108. IC 12-20-25-41, AS AMENDED BY P.L.90-2002,
27 SECTION 360, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE JANUARY 1, 2005]: Sec. 41. (a) As used in subsection
29 (c), "advance" refers to money provided to a distressed township from
30 the state general fund under section 38 of this chapter.

31 (b) As used in subsection (c), "support" refers to money provided
32 from the distressed township supplemental **poor relief township**
33 **assistance** fund established by section 51 of this chapter to pay **poor**
34 **relief township assistance** claims and the operating costs of the
35 management committee during the period the management committee
36 is in control of the township trustee's office.

37 (c) The controlled status of a township under this chapter terminates
38 at the end of a year if at that time the county, with respect to each
39 controlled township:

40 (1) has repaid:

41 (A) all state advances provided to the county under this
42 chapter; and

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1 (B) state support provided to the county under this chapter if
 2 the department has reduced the county's general fund budget
 3 under section 36 of this chapter;
 4 (2) has paid all valid ~~poor relief~~ **township assistance** claims in
 5 the distressed township, including the claims approved under
 6 section 27 or 28 of this chapter;
 7 (3) will have sufficient money to pay, not more than thirty (30)
 8 days after a claim is submitted for payment, all valid ~~poor relief~~
 9 **township assistance** claims in the distressed township that are
 10 expected to be submitted in the following year as determined by
 11 the control board, excluding any advances from the state,
 12 revenues from short term loans from the county or a financial
 13 institution under IC 12-2-4.5 (before its repeal) or IC 12-20-24,
 14 and proceeds from bonds issued under IC 12-2-1 (before its
 15 repeal), IC 12-2-5 (before its repeal), or this article; and
 16 (4) has no bonds outstanding that were issued to pay for ~~poor~~
 17 **relief township assistance** in the distressed township.
 18 (d) Notwithstanding IC 6-3.5-1.1 and IC 6-3.5-6, if the control board
 19 finds that:
 20 (1) the requirements of subsection (c)(1), (c)(2), and (c)(4) are
 21 satisfied; and
 22 (2) the requirements of subsection (c)(3) cannot be satisfied
 23 because the township's maximum permissible ~~ad valorem~~
 24 **property tax levy under IC 6-3.5-9** provides insufficient revenue
 25 to ensure the payment of all valid ~~poor relief~~ **township assistance**
 26 claims in the distressed township that will be incurred during the
 27 year following the termination of the controlled status of the
 28 township;
 29 the county fiscal body may dedicate to the provision of ~~poor relief~~;
 30 **township assistance**, from the county adjusted gross income tax or the
 31 county option income tax imposed as a result of adopting a financial
 32 plan under section 35 of this chapter, an amount necessary to satisfy the
 33 requirements of subsection (c)(3).
 34 (e) If the control board finds that the income tax dedicated under
 35 subsection (d) will satisfy the requirements of subsection (c)(3), the
 36 controlled status of the township under this chapter terminates at the
 37 end of the year in which the control board makes the board's finding.
 38 SECTION 109. IC 12-20-25-42, AS AMENDED BY P.L.90-2002,
 39 SECTION 361, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2005]: Sec. 42. (a) This section applies to
 41 a township that was certified a distressed township before January 1,
 42 1988.

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1 (b) The controlled status of the distressed township is terminated on
2 July 1, 1989, if the department finds that the following conditions exist:

3 (1) All valid **poor relief township assistance** claims in the
4 distressed township, including the claims approved under
5 IC 12-2-14-22 (before its repeal), IC 12-2-14-23 (before its
6 repeal), or section 27 or 28 of this chapter, have been paid, except
7 for the following:

8 (A) Claims under litigation before the date of the board's
9 finding.

10 (B) Obligations owed to other political subdivisions.

11 (2) The township has no bonds outstanding that were issued to
12 pay for **poor relief township assistance** in the distressed
13 township.

14 (c) Notwithstanding section 4(2) of this chapter, if a township that
15 has had the township's distressed status terminated under subsection (b)
16 uses advances from the county from proceeds of bonds issued under
17 IC 12-2-1 (before its repeal) or this article to pay **poor relief township**
18 **assistance** claims more than one (1) time in the five (5) years following
19 the termination of the township's distressed status, the township must
20 have the township's civil and **poor relief township assistance** budgets
21 reviewed and approved by the county fiscal body in each year. ~~that a~~
22 ~~tax is levied against the property in the township to repay the advances.~~
23 The decision of the county fiscal body may be appealed to the
24 department.

25 (d) Notwithstanding IC 12-2-5-6 (before its repeal), IC 12-2-5-8
26 (before its repeal), IC 12-20-23-15, and IC 12-20-23-19, the aggregate
27 principal amount of any outstanding debt that is incurred to pay **poor**
28 **relief township assistance** claims during the five (5) years following
29 the termination of the township's distressed status under subsection (b)
30 and that is in excess of one-tenth percent (0.1%) of the adjusted valued
31 of taxable property in the township as determined under IC 36-1-15 is
32 the direct general obligation of the county.

33 SECTION 110. IC 12-20-25-43, AS AMENDED BY P.L.90-2002,
34 SECTION 362, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JANUARY 1, 2005]: Sec. 43. Notwithstanding
36 IC 6-3.5-1.1 and IC 6-3.5-6, if:

37 (1) there has been a controlled township in a county;

38 (2) the township that has been controlled has levied the township's
39 maximum permissible ad valorem property tax levy for **poor**
40 **relief; township assistance;**

41 (3) the maximum permissible ~~ad valorem property tax levy under~~
42 **IC 6-3.5-9** is insufficient to ensure the payment within thirty (30)

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1 days of all valid ~~poor relief township assistance~~ claims in the
 2 township; and
 3 (4) the county adjusted gross income tax or county option income
 4 tax is in effect in the county as a result of adopting a financial
 5 plan under this chapter;

6 the county fiscal body shall dedicate from the county adjusted gross
 7 income tax or county option income tax imposed under this chapter an
 8 amount of revenue determined by the department to be necessary to
 9 ensure the payment within thirty (30) days of all ~~poor relief township~~
 10 ~~assistance~~ claims in the township that has been controlled. The county
 11 fiscal body shall distribute any income tax revenues dedicated under
 12 this section before the fiscal body makes any other distributions in
 13 accordance with this chapter. Notwithstanding section 45 of this
 14 chapter, the county fiscal body may not reduce the county option
 15 income tax rate below the rate necessary to satisfy the requirements of
 16 this section.

17 SECTION 111. IC 12-20-25-49, AS AMENDED BY P.L.90-2002,
 18 SECTION 363, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2005]: Sec. 49. Each distressed township
 20 shall take all action necessary to levy the maximum permissible ~~ad~~
 21 ~~valorem property tax levy~~ for ~~poor relief township assistance~~
 22 permitted under ~~IC 6-1.1-18.5~~ **IC 6-3.5-9**. If a distressed township fails
 23 to take this action, the department shall adjust ~~in the board's certificate~~
 24 ~~of levies of governmental entities in the county~~; the township's
 25 proposed ~~levy tax~~ so that the ~~levy tax~~ is the maximum permissible ~~ad~~
 26 ~~valorem property tax. levy~~.

27 SECTION 112. IC 12-20-26-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. In a county in
 29 which a tax has been ~~levied and raised~~ **imposed** for the payment of
 30 notes and interest on the notes issued by the board of commissioners
 31 for the purpose of paying ~~poor relief township assistance~~ claims
 32 against a township, the county auditor shall transfer the balance of
 33 money that remains after paying all notes and interest to the county
 34 general fund to the credit of the township poor fund of the township in
 35 which the money was raised.

36 SECTION 113. IC 12-26-10-4 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. If the comfort
 38 and the care of an individual are not otherwise provided:

- 39 (1) from the individual's estate; **or**
 40 (2) by the individual's relatives or friends; **or**
 41 ~~(3) through financial assistance from the division of family and~~
 42 ~~children or a county office;~~

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1 the court may order the assistance furnished and paid for out of the
2 general fund of the county: through financial assistance from the
3 division of family and children.

4 SECTION 114. IC 12-29-1-1 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. (a) The county
6 executive of a county may state shall authorize the furnishing of
7 financial assistance to the following:

8 (1) A community mental health center that is located or will be
9 located in the county.

10 (2) A community mental retardation and other developmental
11 disabilities center that is located or will be located in the county.

12 (b) Assistance authorized under this section shall be used for the
13 following purposes:

14 (1) Constructing a center.

15 (2) Operating a center.

16 (c) Upon request of the county executive, the county fiscal body
17 may appropriate annually from the county's general fund the money to
18 provide financial assistance for the purposes described in subsection
19 (b). The appropriation may not exceed the amount that could be
20 collected from an annual tax levy of not more than three and
21 thirty-three hundredths cents (\$0.0333) on each one hundred dollars
22 (\$100) of taxable property within the county.

23 SECTION 115. IC 12-29-3-6, AS AMENDED BY P.L.64-2002,
24 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2005]: Sec. 6. (a) As used in this section, "community
26 mental retardation and other developmental disabilities center" means
27 a community center that is:

28 (1) incorporated under IC 23-7-1.1 (before its repeal August 1,
29 1991) or IC 23-17;

30 (2) organized for the purpose of providing services for mentally
31 retarded and other individuals with a developmental disability;

32 (3) approved by the division of disability, aging, and rehabilitative
33 services; and

34 (4) accredited for the services provided by one (1) of the
35 following organizations:

36 (A) The Commission on Accreditation of Rehabilitation
37 Facilities (CARF), or its successor.

38 (B) The Council on Quality and Leadership in Supports for
39 People with Disabilities, or its successor.

40 (C) The Joint Commission on Accreditation of Healthcare
41 Organizations (JCAHO), or its successor.

42 (D) The National Commission on Quality Assurance, or its

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1 successor.
2 (E) An independent national accreditation organization
3 approved by the secretary.

4 (b) The ~~county executive of a county may~~ **state shall** authorize the
5 furnishing of financial assistance to a community mental retardation
6 and other developmental disabilities center serving the county.

7 ~~(c) Upon the request of the county executive, the county fiscal body~~
8 ~~may appropriate annually, from the general fund of the county, money~~
9 ~~to provide financial assistance in an amount not to exceed the amount~~
10 ~~that could be collected from the annual tax levy of sixty-seven~~
11 ~~hundredths of one cent (\$0.0067) on each one hundred dollars (\$100)~~
12 ~~of taxable property.~~

13 SECTION 116. IC 12-30-1-4 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. **The board of**
15 **commissioners of a county may appropriate money** to raise the
16 amount necessary for the purchase of real property and the erection and
17 furnishing of the buildings for county homes under this chapter. ~~the~~
18 ~~board of commissioners of a county may assess a tax on property liable~~
19 ~~to be assessed for raising a county revenue. The assessment may not~~
20 ~~increase the rates at which the property is assessed by the laws existing~~
21 ~~when the tax is assessed by more than twenty-five percent (25%).~~

22 SECTION 117. IC 12-30-4-1 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. Every county
24 that maintains, in addition to any other charitable institution permitted
25 by law, a county home that provides for the care of indigent individuals
26 as provided by law:

27 (1) shall receive and support in the county home indigent
28 individuals who:

- 29 (A) are lawfully settled in the county; and
- 30 (B) placed in the county home by the township trustee as the
31 administrator of ~~poor relief~~, **township assistance**, with the
32 consent of the board of commissioners of the county; or

33 (2) may contract with other counties or with other charitable
34 institutions located in Indiana for the relief and support of
35 indigent individuals maintained as a public charge of the county.
36 ~~and may levy taxes for that purpose.~~

37 SECTION 118. IC 12-30-4-11 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. (a) Each
39 township trustee as the administrator of ~~poor relief~~ **township**
40 **assistance** shall pay to the county the amount fixed for each individual
41 admitted into the county home or other charitable institution from the
42 township, except those otherwise able to pay the cost of their care from

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1 their own resources or from other assistance awards. Except as
 2 provided in subsection (b), the amount that may be charged to the
 3 township may not exceed one hundred dollars (\$100) per month per
 4 individual.

5 (b) This subsection applies to a county having a population of more
 6 than four hundred thousand (400,000) but less than seven hundred
 7 thousand (700,000). The amount charged the township per individual
 8 may not exceed forty-eight dollars (\$48) per month or twelve dollars
 9 (\$12) per week.

10 (c) Each township shall levy a tax **under IC 6-3.5-9** sufficient to
 11 meet those expenses.

12 (d) Payment and settlement shall be made in July and December of
 13 each year for the preceding year.

14 SECTION 119. IC 12-30-7-6 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. The board of
 16 commissioners of a county shall, with the approval of the county
 17 council, cause to be ~~assessed, levied, and~~ collected the amounts of
 18 money the board of commissioners considers necessary for the
 19 following:

- 20 (1) Suitable lands, buildings, and improvements for the health
 21 center.
- 22 (2) Maintenance of the health center.
- 23 (3) All other necessary expenditures.

24 SECTION 120. IC 12-30-7-8 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. The board of
 26 commissioners shall annually recommend to the county fiscal body a
 27 tax rate ~~and levy~~ to provide the necessary money for the operation and
 28 maintenance of the health center based upon the estimates of the board
 29 of managers of the health center. The county fiscal body shall adopt a
 30 budget and fix a ~~levy and~~ rate of taxation **under IC 6-3.5-9** that, when
 31 added to all estimated health center revenues, is sufficient to provide
 32 the amounts appropriated for the health center. The county fiscal body
 33 may make additional appropriations from the county general fund to
 34 make up deficits in estimated revenue or for emergencies.

35 SECTION 121. IC 12-30-7-29 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 29. (a) The board
 37 of commissioners of a county that does not have a health center as
 38 provided in this chapter may contract for the care and treatment of the
 39 county's residents afflicted with tuberculosis and other chronic diseases
 40 with a county that has established a health center under this chapter.
 41 The board of commissioners of the county seeking care and treatment
 42 for the county's residents may contract directly with the health center.

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1 (b) The county fiscal body of a contracting county shall appropriate
2 out of the county's general fund an amount of money sufficient to meet
3 the terms of the contract, and the money appropriated constitutes a
4 special fund for that purpose. The:

5 (1) contracting county may levy a tax **under IC 6-3.5-9** in an
6 amount necessary to meet the terms of the contract; or

7 (2) commissioners may pay the amount due the health center out
8 of the general fund.

9 SECTION 122. IC 13-18-8-3 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. If the estimated
11 cost of the steps necessary for a municipal corporation to comply with
12 a final order is great enough that the bond issue necessary to finance
13 the project would not raise the total outstanding bonded indebtedness
14 of the municipal corporation in excess of the constitutional limit, the
15 necessary bonds

16 ~~(1)~~ may be issued as a direct obligation of the municipal
17 corporation. ~~and~~

18 ~~(2) may be retired by a general tax levy against all the property~~
19 ~~within the limit of the municipal corporation listed and assessed~~
20 ~~for taxation.~~

21 SECTION 123. IC 13-21-3-12, AS AMENDED BY P.L.178-2002,
22 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2005]: Sec. 12. Except as provided in section 14.5 of this
24 chapter, the powers of a district include the following:

25 (1) The power to develop and implement a district solid waste
26 management plan under IC 13-21-5.

27 (2) The power to impose district fees on the final disposal of solid
28 waste within the district under IC 13-21-13.

29 (3) The power to receive and disburse money, if the primary
30 purpose of activities undertaken under this subdivision is to carry
31 out the provisions of this article.

32 (4) The power to sue and be sued.

33 (5) The power to plan, design, construct, finance, manage, own,
34 lease, operate, and maintain facilities for solid waste
35 management.

36 (6) The power to enter with any person into a contract or an
37 agreement that is necessary or incidental to the management of
38 solid waste. Contracts or agreements that may be entered into
39 under this subdivision include those for the following:

40 (A) The design, construction, operation, financing, ownership,
41 or maintenance of facilities by the district or any other person.

42 (B) The managing or disposal of solid waste.

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1 (C) The sale or other disposition of materials or products
 2 generated by a facility.
 3 Notwithstanding any other statute, the maximum term of a
 4 contract or an agreement described in this subdivision may not
 5 exceed forty (40) years.
 6 (7) The power to enter into agreements for the leasing of facilities
 7 in accordance with IC 36-1-10 or IC 36-9-30.
 8 (8) The power to purchase, lease, or otherwise acquire real or
 9 personal property for the management or disposal of solid waste.
 10 (9) The power to sell or lease any facility or part of a facility to
 11 any person.
 12 (10) The power to make and contract for plans, surveys, studies,
 13 and investigations necessary for the management or disposal of
 14 solid waste.
 15 (11) The power to enter upon property to make surveys,
 16 soundings, borings, and examinations.
 17 (12) The power to:
 18 (A) accept gifts, grants, loans of money, other property, or
 19 services from any source, public or private; and
 20 (B) comply with the terms of the gift, grant, or loan.
 21 ~~(13) The power to levy a tax within the district to pay costs of~~
 22 ~~operation in connection with solid waste management; subject to~~
 23 ~~the following:~~
 24 ~~(A) Regular budget and tax levy procedures.~~
 25 ~~(B) Section 16 of this chapter.~~
 26 However, except as provided in sections 15 and 15.5 of this
 27 chapter, a property tax rate imposed under this article may not
 28 exceed eight and thirty-three hundredths cents (\$0.0833) on each
 29 one hundred dollars (\$100) of assessed valuation of property in
 30 the district.
 31 ~~(14)~~ (13) The power to borrow in anticipation of taxes.
 32 ~~(15)~~ (14) The power to hire the personnel necessary for the
 33 management or disposal of solid waste in accordance with an
 34 approved budget and to contract for professional services.
 35 ~~(16)~~ (15) The power to otherwise do all things necessary for the:
 36 (A) reduction, management, and disposal of solid waste; and
 37 (B) recovery of waste products from the solid waste stream;
 38 if the primary purpose of activities undertaken under this
 39 subdivision is to carry out the provisions of this article.
 40 ~~(17)~~ (16) The power to adopt resolutions that have the force of
 41 law. However, a resolution is not effective in a municipality
 42 unless the municipality adopts the language of the resolution by

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ordinance or resolution.

~~(18)~~ **(17)** The power to do the following:

- (A) Implement a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project.
- (B) Apply for a household hazardous waste collection and disposal project grant under IC 13-20-20 and carry out all commitments contained in a grant application.
- (C) Establish and maintain a program of self-insurance for a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project, so that at the end of the district's fiscal year the unused and unencumbered balance of appropriated money reverts to the district's general fund only if the district's board specifically provides by resolution to discontinue the self-insurance fund.
- (D) Apply for a household hazardous waste project grant as described in IC 13-20-22-2 and carry out all commitments contained in a grant application.

~~(19)~~ **(18)** The power to enter into an interlocal cooperation agreement under IC 36-1-7 to obtain:

- (A) fiscal;
- (B) administrative;
- (C) managerial; or
- (D) operational;

services from a county or municipality.

~~(20)~~ **(19)** The power to compensate advisory committee members for attending meetings at a rate determined by the board.

~~(21)~~ **(20)** The power to reimburse board and advisory committee members for travel and related expenses at a rate determined by the board.

~~(22)~~ **(21)** In a joint district, the power to pay a fee from district money to the counties in the district in which a final disposal facility is located.

~~(23)~~ **(22)** The power to make grants or loans of:

- (A) money;
- (B) property; or
- (C) services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry

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1 out the provisions of this article.
 2 ~~(24)~~ **(23)** The power to establish by resolution a nonreverting
 3 capital fund. A district's board may appropriate money in the fund
 4 for:

- 5 (A) equipping;
- 6 (B) expanding;
- 7 (C) modifying; or
- 8 (D) remodeling;

9 an existing facility. Expenditures from a capital fund established
 10 under this subdivision must further the goals and objectives
 11 contained in a district's solid waste management plan. Not more
 12 than five percent (5%) of the district's total annual budget for the
 13 year may be transferred to the capital fund that year. The balance
 14 in the capital fund may not exceed twenty-five percent (25%) of
 15 the district's total annual budget. If a district's board determines
 16 by resolution that a part of a capital fund will not be needed to
 17 further the goals and objectives contained in the district's solid
 18 waste management plan, that part of the capital fund may be
 19 transferred to the district's general fund, to be used to offset
 20 tipping fees, property tax revenues, or both tipping fees and
 21 property tax revenues.

22 ~~(25)~~ **(24)** The power to conduct promotional or educational
 23 programs that include giving awards and incentives that further
 24 the district's solid waste management plan.

25 ~~(26)~~ **(25)** The power to conduct educational programs under
 26 IC 13-20-17.5 to provide information to the public concerning:

- 27 (A) the reuse and recycling of mercury in:
 - 28 (i) mercury commodities; and
 - 29 (ii) mercury-added products; and
- 30 (B) collection programs available to the public for:
 - 31 (i) mercury commodities; and
 - 32 (ii) mercury-added products.

33 ~~(27)~~ **(26)** The power to implement mercury collection programs
 34 under IC 13-20-17.5 for the public and small businesses.

35 SECTION 124. IC 13-21-7-9 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 9. (a) For the
 37 purpose of raising money to pay waste management district bonds
 38 issued under this chapter or IC 13-9.5-9-3 (before its repeal), the board
 39 shall levy each year a special tax upon all the real property of the
 40 district in the amount and the manner necessary to meet and pay the
 41 following:

42 ~~(1)~~ The principal of the waste management district bonds as the

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bonds severally mature.
(2) All accruing interest on the bonds.
(b) The tax constitutes the amount of benefits resulting to all of the property in the district: **a tax under IC 6-3.5-9.**

SECTION 125. IC 14-9-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) If a county is awarded a grant under this chapter, the county must establish a special account within the county's general fund. The grant must be deposited in the special account for the county sheriff's exclusive use in providing law enforcement services on lakes located within the county.

(b) The county sheriff may use grant money as authorized under this chapter without appropriation. However, the county sheriff must provide itemized receipts for expenditures of money granted from the fund for inspection and review upon request of the county fiscal body.

(c) ~~The receipt of a grant under this chapter may not be used as a basis for lowering the county's maximum permissible ad valorem property tax levy.~~

SECTION 126. IC 14-23-3-3, AS AMENDED BY P.L.272-2003, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. ~~Annually~~ **(a) Before January 1, 2006,** there shall **annually** be levied ~~and collected~~ as other **state ad valorem property** taxes are levied ~~and collected~~ the amount of sixteen hundredths of one cent (\$0.0016) upon each one hundred dollars (\$100) worth of taxable property in Indiana. **An ad valorem property tax may not be levied under this section for property taxes first due and payable after December 31, 2005.**

(b) The ad valorem property tax imposed under this section shall be collected as other ad valorem property taxes are collected. The county where the property tax is levied shall transfer the amounts collected from the levy to the treasurer of state for deposit in the fund.

(c) The money collected resulting from one hundred fifty-seven thousandths of one cent (\$0.00157) of the rate shall be paid into the fund. The money collected resulting from three thousandths of one cent (\$0.00003) is appropriated to the budget agency for purposes of department of local government finance data base management.

(d) This section expires June 30, 2006.

SECTION 127. IC 14-25-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. ~~The legislative body of an eligible entity receiving a loan under this chapter or IC 13-3-7 (before its repeal) may levy a special annual tax on all~~

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1 taxable property located within the geographic boundaries of the entity.
 2 The tax:
 3 (1) is in addition to any other tax authorized by statute; and
 4 (2) must be levied at rates that will produce sufficient revenue to
 5 pay the annual installment of principal and interest.
 6 The tax at the rate authorized may be in addition to the maximum
 7 annual rates prescribed by law.
 8 (b) The proceeds of the special tax shall be kept and maintained in
 9 a separate and special fund for the payment of principal and interest
 10 only.
 11 (c) Other statutes providing for petitions, notices, and remonstrances
 12 before incurring debt do not apply to the following:
 13 (1) the loan.
 14 (2) The tax rate necessary to make payments.
 15 SECTION 128. IC 14-26-8-50 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 50. The fiscal
 17 body of a county concerned in work authorized in this chapter may,
 18 upon request of the board of county commissioners, approve the levy
 19 and collection of a tax upon all real property in the county to raise
 20 money to carry out this chapter.
 21 SECTION 129. IC 14-27-6-30 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 30. The board
 23 may perform all acts necessary or reasonably incident to carrying out
 24 the purposes of this chapter, including the following powers:
 25 (1) To sue and be sued collectively by the board's name
 26 " _____ Levee Authority", with service of process being had
 27 on the president of the board. However, costs may not be taxed
 28 against the board or any of the board's members in an action.
 29 (2) To have exclusive jurisdiction within the district.
 30 (3) To adopt ordinances to protect all property owned or managed
 31 by the board.
 32 (4) To adopt an annual budget and levy taxes not to exceed two
 33 and sixty-seven hundredths cents (\$0.0267) on each one hundred
 34 dollars (\$100) of assessed property in accordance with this
 35 chapter. **To contract with other political subdivisions and state**
 36 **agencies under IC 36-1-7 for:**
 37 (A) the provision of services;
 38 (B) the rental or use of equipment or facilities; or
 39 (C) the joint purchase and use of equipment or facilities;
 40 considered proper by the contracting parties for use in the
 41 operation, maintenance, or construction of a levee operated
 42 under this chapter.

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- 1 (5) To incur indebtedness in the name of the authority in
- 2 accordance with this chapter.
- 3 (6) To:
- 4 (A) acquire real, personal, or mixed property by deed,
- 5 purchase, lease, condemnation, or otherwise; and
- 6 (B) dispose of the property;
- 7 for flood control purposes.
- 8 (7) To do the following:
- 9 (A) Receive gifts, donations, bequests, and public trusts.
- 10 (B) Agree to accompanying conditions and terms and bind the
- 11 authority to carry out the terms and conditions.
- 12 (8) To determine matters of policy regarding internal organization
- 13 and operating procedures not specifically provided for otherwise.
- 14 (9) In addition to all other powers conferred by this chapter and
- 15 IC 14-27-3, to do the following:
- 16 (A) Cooperate with an officer or agency of the federal
- 17 government in the performance of any of the work authorized
- 18 by this chapter.
- 19 (B) Accept labor, material, or financial assistance.
- 20 (C) Do all things not inconsistent with this chapter necessary
- 21 to satisfy the requirements of the federal authorities for the
- 22 purpose of obtaining aid from the federal government.
- 23 (10) To purchase supplies, materials, and equipment to carry out
- 24 the duties and functions of the board in accordance with
- 25 procedures adopted by the board and in accordance with general
- 26 law.
- 27 (11) To employ personnel as necessary to carry out the duties,
- 28 functions, and powers of the board.
- 29 (12) To sell surplus or unneeded property in accordance with
- 30 procedures prescribed by the board.
- 31 (13) To adopt administrative rules to do the following:
- 32 (A) Carry out the board's powers and duties.
- 33 (B) Govern the duties of the board's officers, employees, and
- 34 personnel.
- 35 (C) Govern the internal management of the affairs of the
- 36 board.
- 37 The board shall publish all rules adopted by the board for at least
- 38 ten (10) days in a newspaper of general circulation printed in the
- 39 district.
- 40 (14) To fix the salaries or compensation of the officers and
- 41 employees of the authority, except as otherwise provided by this
- 42 chapter.

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- 1 (15) To carry out the purposes and objects of the authority.
- 2 (16) To adopt and use a seal.
- 3 (17) To:
- 4 (A) acquire land, easements, and rights-of-way; and
- 5 (B) establish, construct, improve, equip, maintain, control,
- 6 lease, and regulate levees and the land owned adjacent to the
- 7 levees, either within or outside the district;
- 8 for flood prevention purposes. However, if at the time of the
- 9 creation of the levee authority a political subdivision owns or
- 10 controls a levee, upon the qualification of the members of the
- 11 board the exclusive control, management, and authority over each
- 12 levee owned or controlled by a political subdivision shall be
- 13 transferred to the board without the passage of an ordinance. The
- 14 board of public works of the political subdivision or other persons
- 15 having possession or control of a levee shall immediately deliver
- 16 to the board all personal property and records, books, maps, and
- 17 other papers and documents relating to the levee.
- 18 (18) To:
- 19 (A) elect a secretary from the board's membership; or
- 20 (B) employ a secretary;
- 21 and fix the compensation of the secretary.
- 22 (19) To do the following:
- 23 (A) Employ superintendents, managers, engineers, surveyors,
- 24 attorneys, clerks, guards, mechanics, laborers, and all other
- 25 employees the board considers expedient. All employees shall
- 26 be selected and appointed irrespective of political affiliations.
- 27 (B) Prescribe and assign the duties and authority of the
- 28 employees.
- 29 (C) Fix the compensation to be paid to the persons employed
- 30 by the board in accordance with appropriations made by the
- 31 city fiscal body.
- 32 (D) Require a bond on any officer or employee of the authority
- 33 in the amount, upon the terms and conditions, and with surety
- 34 to the approval of the board.
- 35 (20) To adopt rules not in conflict with:
- 36 (A) Indiana law;
- 37 (B) the ordinances of the city; or
- 38 (C) the laws or regulations of the United States and the United
- 39 States Corps of Army Engineers;
- 40 regulating the construction, maintenance, and control of the
- 41 board's levees and other property under the board's control.
- 42 (21) To establish the board's own detail or department of police

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1 or to hire guards to execute the orders and enforce the rules of the
2 board.

3 (22) To permit the federal government to do the following:

4 (A) Construct or repair, on land or rights-of-way owned by the
5 authority, levees, dikes, breakwaters, pumping stations,
6 syphons, and flood gates.

7 (B) Construct or repair sewers, ditches, drains, diversion
8 channels, and watercourses if necessary in the actual
9 construction, repair, and maintenance of a levee and along
10 land or rights-of-way owned by the authority.

11 (23) To do the following:

12 (A) Construct, maintain, and repair levees, dikes, breakwaters,
13 pumping stations, and flood gates.

14 (B) Construct or repair sewers, ditches, drains, diversion
15 channels, and watercourses if necessary in the actual
16 construction, repair, and maintenance of a levee.

17 (24) To sell machinery, equipment, or material under the control
18 of the board that the board determines is not required for levee
19 purposes. The proceeds derived from the sale shall be deposited
20 with the treasurer of the authority.

21 (25) To negotiate and execute:

22 (A) contracts of sale or purchase;

23 (B) leases;

24 (C) contracts for personal services, materials, supplies, or
25 equipment; or

26 (D) any other transaction, business or otherwise;

27 relating to a levee under the board's control and operation.
28 However, if the board determines to sell part or all of levee land,
29 buildings, or improvements owned by the authority, the sale must
30 be in accordance with statute. If personal property under the
31 control of the board valued in excess of five hundred dollars
32 (\$500) is to be sold, the board shall sell to the highest and best
33 bidder after due publication of notice of the sale.

34 ~~(26) To contract with other political subdivisions and state
35 agencies under IC 36-1-7 for:~~

36 ~~(A) the provision of services;~~

37 ~~(B) the rental or use of equipment or facilities; or~~

38 ~~(C) the joint purchase and use of equipment or facilities;~~

39 ~~considered proper by the contracting parties for use in the~~
40 ~~operation, maintenance, or construction of a levee operated under~~
41 ~~this chapter.~~

42 SECTION 130. IC 14-27-6-40, AS AMENDED BY P.L.90-2002,

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1 SECTION 371, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2005]: Sec. 40. The provisions of IC 5-1,
 3 ~~and~~ IC 6-1.1-20, **and IC 36-3.1** relating to the following apply to
 4 proceedings under this chapter:

5 (1) The filing of a petition requesting the issuance of bonds and
 6 giving notice of the petition.

7 (2) The giving of notice of determination to issue bonds.

8 (3) The giving of notice of hearing on the appropriation of the
 9 proceeds of bonds and the right of taxpayers to appeal and be
 10 heard on the proposed appropriation.

11 (4) The approval of the appropriation by the department of local
 12 government finance.

13 (5) The right of taxpayers to remonstrate against the issuance of
 14 bonds.

15 (6) The sale of bonds at public sale for not less than the par value.

16 SECTION 131. IC 14-27-6-41, AS AMENDED BY
 17 P.L.192-2002(ss), SECTION 157, IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 41. (a) All bonds
 19 issued under this chapter or under IC 13-2-31 (before its repeal) are the
 20 direct general obligations of the authority issuing the bonds and are
 21 payable out of ~~unlimited ad valorem taxes that shall be levied and~~
 22 ~~collected on all the taxable property within the district. All officials and~~
 23 ~~bodies involved with the levying of taxes for the district shall ensure~~
 24 ~~that sufficient levies are made to meet the principal and interest on the~~
 25 ~~bonds at the time fixed for payment without regard to any other statute:~~
 26 **money available to the authority.**

27 (b) The bonds issued under this chapter or under IC 13-2-31 (before
 28 its repeal) are exempt from taxation for all purposes.

29 SECTION 132. IC 14-27-6-48 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 48. ~~(a)~~ The board
 31 may provide a cumulative building fund ~~in compliance with~~
 32 ~~IC 6-1.1-41~~ to provide for the erection of:

33 (1) levees, gates, and pumping stations; or

34 (2) other facilities or the addition to or improvement of the
 35 facilities on the levees;

36 needed to carry out this chapter.

37 ~~(b) In compliance with IC 6-1.1-41, the board may levy a property~~
 38 ~~tax not to exceed sixty-seven hundredths of one cent (\$0.0067) on each~~
 39 ~~one hundred dollars (\$100) of taxable property within the district. As~~
 40 ~~the tax is collected, the tax may be invested in negotiable United States~~
 41 ~~bonds or other securities that the federal government has the direct~~
 42 ~~obligation to pay.~~

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1 (c) Any money of the cumulative building fund not invested in
2 government obligations shall be withdrawn from the cumulative
3 building fund in the same manner as money is regularly withdrawn
4 from a general fund but without further or additional appropriation.

5 SECTION 133. IC 14-28-5-13 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. A local unit
7 receiving a loan under:

- 8 (1) this chapter; or
9 (2) IC 13-2-23 (before its repeal);

10 may levy an annual tax on personal and real property located within the
11 geographical limits of the local unit **appropriate money** for flood
12 control purposes. ~~The tax is in addition to any other tax authorized by~~
13 ~~law to be levied for flood control purposes. The tax shall be levied at~~
14 ~~the rate that will produce sufficient revenue to pay the annual~~
15 ~~installment and interest on a loan made under this chapter or under~~
16 ~~IC 13-2-23 (before its repeal). The tax at the rate authorized in this~~
17 ~~section is in addition to the maximum annual rates prescribed by law.~~

18 SECTION 134. IC 14-32-5-5 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. A district may
20 not do any of the following:

- 21 (1) Exercise the right of eminent domain.
22 (2) Incur indebtedness beyond available money.
23 (3) Issue bonds.
24 (4) Take contributions by exactions or persuasions. However, the
25 district may accept voluntary contributions from any source if the
26 following conditions are met:
27 (A) The donations are offered for the sole and exclusive
28 purpose of promoting soil and water conservation within the
29 district.
30 (B) The district satisfactorily guarantees to the donors the
31 faithful use of the donations for that purpose.
32 (5) Engage in:
33 (A) the marketing of farm products; or
34 (B) the buying and selling of farm supplies;
35 other than those products or supplies used or needed directly or
36 indirectly in soil and water conservation work.
37 (6) Engage in agricultural research or agricultural extension
38 teaching except in cooperation with Purdue University.
39 (7) Levy taxes.
40 (8) ~~Make or levy benefit assessments or any other kind of special~~
41 ~~assessments.~~

42 SECTION 135. IC 14-33-2-4 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. A petition must
2 contain the following:

3 (1) The name for the proposed district, which should be in the
4 form of " _____ Conservancy District".

5 (2) A description of the territory to be included, not necessarily by
6 metes and bounds, but sufficiently accurate to inform the court
7 and apprise the landowners of the possibility of the inclusion of
8 their land in the district.

9 (3) A statement of each specific purpose for which the district is
10 to be established.

11 (4) A statement of the necessity of accomplishing each purpose.

12 (5) A statement that the creation of the district will be conducive
13 to the public health, safety, or welfare.

14 (6) A statement that the costs and damages of and to be paid
15 solely by the district will probably be less than the benefits
16 received in the district. If the purpose is declared to be water
17 supply or sewage disposal, this statement need not be included.

18 (7) Whether the petition is conditioned upon a grant of federal or
19 state money, or both, identifying the money upon which the
20 petition is conditioned.

21 (8) Whether conditions attached to federal or state aid, or both,
22 are acceptable if the federal or state government, or both, offer a
23 grant of money.

24 (9) Whether maintenance and operation of the works of
25 improvement necessary to accomplish any or all of the purposes
26 will be paid for:

- 27 ~~(A)~~ solely by annual levy of the special benefits tax;
- 28 ~~(B)~~ (A) by both annual levy of the special benefits tax and an
- 29 annual **special** assessment on land found to be exceptionally
- 30 benefited if exceptional benefits are expected to exist; or
- 31 ~~(C)~~ (B) by use of any other method provided by statute as long
- 32 as the proportion between the tax and assessment is in
- 33 approximately the same ratio as used to pay the cost of
- 34 establishing the district and placing the district plan into
- 35 operation.

36 (10) The number of directors to serve on the board, which must
37 be three (3), five (5), seven (7), or nine (9).

38 (11) A statement of the division of the proposed district into
39 areas, which must be equal in number to the number of directors.

40 SECTION 136. IC 14-33-5.4-4 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) The auditor
42 of each county shall, at least forty-five (45) days before the election of

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1 directors of the district, provide the district with a current list of
 2 freeholders that sets forth:

- 3 (1) each parcel of real property that is
 4 ~~(A)~~ located within the county and the district; ~~and~~
 5 ~~(B)~~ ~~subject to property tax under IC 6-1-1;~~ and
 6 (2) the name of each individual who is identified in property tax
 7 records as the holder of a freeholder's interest in a parcel of
 8 property described in subdivision (1).

- 9 (b) To be eligible to vote in an election of directors of a district:
 10 (1) an individual must have a freeholder's interest in real property
 11 listed on the current tax list provided under subsection (a); and
 12 (2) the individual's name must appear on the list of freeholders
 13 provided under subsection (a).

14 (c) Before casting a vote at a polling place, a freeholder shall sign
 15 the list of freeholders in the presence of the secretary of the district or
 16 an election clerk appointed under section 3(h) of this chapter. The
 17 freeholder shall sign the list in the space opposite the name of the
 18 freeholder on the list.

- 19 (d) Notwithstanding subsection (b)(2), if:
 20 (1) a freeholder's name does not appear on the list of freeholders;
 21 and
 22 (2) the secretary of the district or an election clerk finds that the
 23 freeholder's name was erroneously omitted from the list;

24 the secretary or clerk shall place the freeholder's name on the list. After
 25 the freeholder's name is placed on the list, the freeholder is entitled to
 26 cast a ballot in the election.

27 (e) After placing a freeholder's name on the list under subsection
 28 (d), the secretary or clerk shall mark the list opposite the name of the
 29 freeholder who cast that vote to note the receipt of a valid written ballot
 30 vote from the freeholder.

31 SECTION 137. IC 14-33-6-13 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. (a) The board
 33 shall place the district plan in operation by constructing all works and
 34 maintaining the works in accordance with the district plan.

35 (b) If necessary to discharge these responsibilities, the board may do
 36 the following:

- 37 (1) ~~Levy taxes on the real property in the district. Perform~~
 38 **necessary construction and maintenance work as follows:**
 39 **(A) Outside the district.**
 40 **(B) Outside Indiana if:**
 41 **(i) there is voluntary agreement on the part of persons**
 42 **outside Indiana; and**

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(ii) the work will confer benefits to the real property in the district in excess of costs and damages to be paid by the district.

(2) Make **special** assessments on the real property in the district, except the property that is exempt under IC 14-33-7-4, for exceptional benefits to the property and further assessments pro rata for maintenance and operation of the works of improvement.

(3) Issue bonds and short and long term notes.

(4) Incur other debts and liabilities.

(5) Exercise the power of eminent domain, both inside and outside the boundaries of the district, in accordance with this article or another eminent domain statute. In the exercise of this power, due care shall be taken to minimize interference with other public interests involved.

(6) Make payments for the fair value of all property taken under eminent domain proceedings, and in cases that are appealed, make the payments into court and proceed promptly in placing the district plan in operation.

(7) Institute any type of civil legal proceedings in a court having jurisdiction over the person or property in question.

(8) Purchase or rent property.

(9) Sell services or property that are produced incident to the district plan at a fair and reasonable price.

(10) Make contracts or otherwise enter into agreements with persons or federal or state agencies for construction, maintenance, or operation of any part of the district.

(11) Receive and disburse money.

(12) Lease land and other assets to municipalities, counties, and park boards of municipalities or counties, with the term and annual rental adequate to meet the district's repayment schedule for financing, if any, of the land and other assets leased. Municipalities, counties, and park boards of municipalities or counties may enter into leases without limitations of other statutes regarding the receipt of petitions, the duration of the term of the lease, or the distance of the land and other assets from the corporate boundaries. The municipalities, counties, and park boards may enter into leases:

- (A) for terms as long as fifty (50) years;
- (B) at locations that the municipalities, counties, and park boards determine would benefit the municipalities or counties;
- and
- (C) upon terms, conditions, and covenants that are fair and

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1 reasonable.
 2 The board may pledge the rental income from the lease as revenue
 3 for services or property produced incident to the operation of the
 4 district.
 5 ~~(13) Perform necessary construction and maintenance work as~~
 6 ~~follows:~~
 7 ~~(A) Outside the district;~~
 8 ~~(B) Outside Indiana if:~~
 9 ~~(i) there is voluntary agreement on the part of persons~~
 10 ~~outside Indiana; and~~
 11 ~~(ii) the work will confer benefits to the real property in the~~
 12 ~~district in excess of costs and damages to be paid by the~~
 13 ~~district.~~
 14 SECTION 138. IC 14-33-7-2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) This section
 16 applies if:
 17 (1) a petition filed for the establishment of a district states that:
 18 (A) the purpose for establishing the district is providing water
 19 supply, including treatment and distribution for domestic,
 20 industrial, and public use; **and**
 21 (B) it is the election of the petitioners to accomplish the
 22 purpose under IC 14-33-20; **and**
 23 ~~(C) a special benefits tax will not be levied; and~~
 24 ~~(D) all costs will be paid for by sources other than the levy of~~
 25 ~~a special benefits tax; and~~
 26 (2) the statements contained in subdivision (1) are incorporated
 27 by the court into the order establishing the district.
 28 (b) ~~The board may not levy a special benefits tax for the purpose~~
 29 ~~described in section 1(a)(1) of this chapter.~~ All costs of accomplishing
 30 the purpose must be paid for by the following:
 31 (1) Receipt of revenues from the sale of water.
 32 (2) An assessment against each tract of real property served by the
 33 resulting water distribution system for the lesser of the following:
 34 (A) Seventy-five dollars (\$75).
 35 (B) Five percent (5%) of the estimated average project cost
 36 according to the district plan of serving each tract of real
 37 property.
 38 (c) In addition, the district may charge a fair and reasonable tap-in
 39 fee for water service.
 40 (d) An assessment is due within sixty (60) days after notice of the
 41 assessment. The assessment is not considered an exceptional benefit,
 42 but the provisions of this article pertaining to exceptional benefits

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1 apply to the collection and enforcement of the assessment.

2 SECTION 139. IC 14-33-7-6 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) The:

- 4 (1) cost of notice, including publication and mailing; and
5 (2) other costs of the court in the proceedings to establish the
6 district;

7 are payable out of the general money of the county in which the court
8 is sitting, without an appropriation having been made. The court shall
9 order the county auditor to issue a warrant for the payment.

10 (b) If the petition is dismissed, the costs shall be:

- 11 (1) collected from the petitioners or the sureties of the petitioners;
12 and
13 (2) repaid to the county.

14 ~~(c) If the district is established, the board shall repay the county
15 from the first money collected from the levy of a tax or the collection
16 of an assessment:~~

17 SECTION 140. IC 14-33-9-3, AS AMENDED BY P.L.90-2002,
18 SECTION 375, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) The board shall deduct
20 from the operation and maintenance expenses estimated under section
21 2 of this chapter the following:

- 22 (1) Any revenue actually received during the current year.
23 (2) Other money not obligated to paying or protecting the bonds
24 or notes of the district.

25 (b) The board shall carry forward the balance after making the
26 deduction required by subsection (a).

27 (c) The board shall next determine the amount of interest due and
28 the principal amount of bonds maturing the second year after the year
29 in which the board is meeting. To this amount the board shall add five
30 percent (5%) in the first year the board meets with bonds outstanding
31 to provide for contingencies. After that time and until all bonds are
32 retired, the board shall add the necessary amount to maintain a five
33 percent (5%) contingency reserve.

34 (d) If the board has been forced to borrow money for a short term for
35 a legitimate purpose, the board shall also determine the amount of
36 principal and interest due on the loan.

37 (e) The board shall then total the balance.

38 ~~(f) From the assessment roll, the board shall then determine the
39 amount of unpaid installments due in the next year on assessments that
40 have been made and deduct this from the total. The board shall then
41 determine the necessary levy of the special benefits tax to provide
42 money to meet the expenses thus calculated.~~

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1 (g) After review by the department of local government finance as
 2 provided in section † of this chapter, the board of directors shall certify
 3 to the auditor of each county for collection the levy of the tax and the
 4 installment of any assessment.

5 SECTION 141. IC 14-33-11-4 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) Revenue
 7 bonds issued for the payment of works of improvement for the
 8 collection, treatment, and disposal of sewage and other liquid wastes
 9 may provide that the principal and interest shall be paid:

10 (1) solely from the net revenue of the sewage works, which is
 11 gross revenues after deduction only for the reasonable expenses
 12 of operation and maintenance; or

13 (2) from a combination of net revenue and other money available
 14 to a district by:

15 (A) levy;

16 (B) special benefits taxes; (A) a tax under IC 6-3.5-9; or

17 (C) (B) assessment of exceptional benefits.

18 (b) The board may covenant with the holders of the bonds to pay:

19 (1) a certain percentage of principal and interest from the
 20 revenue;

21 (2) a certain percentage from the other money to maintain a
 22 reasonable reserve from the other money that may be used for
 23 payment of principal and interest if the revenue is not sufficient;
 24 or

25 (3) both.

26 SECTION 142. IC 14-33-17-4 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) The
 28 petitioners must post a bond sufficient to pay the cost of notice and all
 29 costs of the court connected with the petition and election.

30 (b) If:

31 (1) the court dismisses the petition; or

32 (2) the majority of freeholders vote against merger;

33 the petitioners shall pay all costs associated with the proceedings and
 34 the election.

35 (c) If a merger does take place under this chapter, the costs
 36 associated with the proceedings and the election shall be paid out of the
 37 general money of the county where the court is located. The district
 38 shall repay the county from the first money collected from the levy of a
 39 tax or the collection of an assessment.

40 SECTION 143. IC 14-33-21-2 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. A district may
 42 establish a cumulative improvement fund under IC 6-1.1-4† to provide

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1 money for the construction, additional construction, or repair of the
2 works of improvement the district:

- 3 (1) is authorized to construct; and
- 4 (2) states in the district plan, or part of or amendment to the plan,
5 is a purpose of the fund.

6 SECTION 144. IC 14-33-21-4 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) To provide
8 money for the fund, the board may place in the fund the following:

- 9 (1) Gifts or grants from a person or state or federal agency.
- 10 (2) Receipts of revenue from the sale of services or property
11 produced incident to the accomplishment of the purpose for
12 which the district is organized.
- 13 (3) Any other form of miscellaneous receipt, including tap-in fees
14 and connection fees.
- 15 ~~(4) Levy of a special benefits tax in accordance with sections 5~~
16 ~~through 10 of this chapter.~~
- 17 ~~(5)~~ (4) Collection of the exceptional benefits assessments or
18 installments of the assessments, but only in accordance with
19 section 11 of this chapter.

20 (b) The board shall state in the district plan or part of or amendment
21 to the plan the source or combination of sources that will finance the
22 fund.

23 SECTION 145. IC 14-33-21-5, AS AMENDED BY P.L.90-2002,
24 SECTION 377, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. ~~The board may levy a~~
26 ~~special benefits tax in compliance with IC 6-1.1-41 in an amount not~~
27 ~~to exceed three and thirty-three hundredths cents (\$.0333) on each~~
28 ~~one hundred dollars (\$100) of real property in the district, except the~~
29 ~~property that is exempt under IC 14-33-7-4. The board shall file with~~
30 ~~the district plan or part of or amendment to the plan:~~

- 31 (1) the approval of the department of local government finance;
32 and
- 33 (2) any action taken to reduce or rescind ~~the a tax levy.~~ **under**
34 **IC 6-3.5-9 for the purposes of this chapter.**

35 SECTION 146. IC 15-1-6-2 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) Whenever
37 the president or secretary of any such society or organization shall file
38 with the county auditor of any county, a petition signed by thirty (30)
39 or more resident freeholders of such county, requesting the board of
40 commissioners to make any allowance provided for in section 1 of this
41 chapter, the county auditor shall cause such petition, without the
42 signatures attached thereto, to be published in a newspaper of general

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1 circulation printed and published in the county, and said auditor shall
 2 in said notice give the time when such petition will be considered by
 3 the board of county commissioners, which time shall be fixed by the
 4 auditor for not less than thirty (30) days after the publication of such
 5 notice. If on or before the time fixed in said notice for the consideration
 6 of said petition by the board of county commissioners, a remonstrance
 7 signed by more resident freeholders of the county than the number
 8 signing the petition shall be filed with the county auditor protesting the
 9 making of the allowance as petitioned for, the said board shall consider
 10 such remonstrance and if it finds that it is signed by a greater number
 11 of resident freeholders than the petition asking for an allowance, the
 12 board of county commissioners shall have no authority to make an
 13 allowance for such purpose and shall dismiss said petition and take no
 14 further action thereon.

15 (b) Any such petition, after final acceptance by the board of county
 16 commissioners, shall be effective for one (1) or more years, such time
 17 to be determined by the board, but in no event for a longer period of
 18 time than five (5) years.

19 (c) ~~The county council shall have the power and authority to levy an~~
 20 ~~annual tax of not to exceed three and thirty-three hundredths cents~~
 21 ~~(\$0.0333) on each one hundred dollars (\$100) of assessed valuation~~
 22 **may appropriate money** for the purpose of constructing, operating, or
 23 maintaining any building owned and operated by such agricultural
 24 association. ~~Provided, however, that such tax may be levied only until~~
 25 ~~the building has been constructed and in no event for a longer period~~
 26 ~~of time than five (5) years. After the building has been constructed the~~
 27 ~~county council may levy an annual tax of not to exceed sixty-seven~~
 28 ~~hundredths of one cent (\$0.0067) on each one hundred dollars (\$100)~~
 29 ~~of assessed valuation for the purpose of operating and maintaining such~~
 30 ~~building.~~

31 (d) Any agricultural association shall have the power and authority
 32 to solicit and accept contributions of any kind or nature for the
 33 development and maintenance of any of their projects.

34 SECTION 147. IC 15-1.5-7-3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) The fund consists
 36 of the following:

- 37 (1) Revenue from the property tax imposed under IC 15-1.5-8
- 38 **before January 1, 2006.**
- 39 (2) Appropriations made by the general assembly.
- 40 (3) Interest accruing from investment of money in the fund.
- 41 (4) Certain proceeds from the operation of the fair.

42 (b) The fund is divided into the following accounts:

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1 (1) Agricultural fair revolving contingency account.

2 (2) Other accounts established by the commission.

3 (c) The money credited to the agricultural fair revolving
4 contingency account may only be used to pay start-up expenses for the
5 fair each year. Money used to pay the start-up expenses from the
6 account shall be replaced using proceeds from the operation of the fair
7 before the proceeds may be used for any other purpose.

8 SECTION 148. IC 15-1.5-8-1, AS AMENDED BY P.L.272-2003,
9 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2004]: Sec. 1. A tax is imposed upon all the taxable property
11 in the state at a rate of eight hundredths of a cent (\$0.0008) for each
12 one hundred dollars (\$100) of assessed valuation **for property taxes**
13 **first due and payable before January 1, 2006. The state may not**
14 **impose an ad valorem property tax under this section for property**
15 **taxes first due and payable after December 31, 2005.**

16 SECTION 149. IC 15-1.5-8-5 IS ADDED TO THE INDIANA
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2004]: **Sec. 5. This chapter expires December**
19 **31, 2005.**

20 SECTION 150. IC 15-2.1-7-1 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1.
22 ~~Testing—County Appropriation:~~ Whenever the board determines that
23 the cattle within an accredited county shall be tested for bovine
24 tuberculosis to conform with federal regulations governing the
25 reaccreditation of a county, the county council of such county shall
26 make an appropriation of a sufficient amount of money to carry on such
27 work. ~~but the appropriation shall not exceed a tax levy of three-fourths~~
28 ~~(3/4) of a mill for each dollar of assessed valuation. The amount of~~
29 ~~money required shall be determined by the board from the most reliable~~
30 ~~source of information and shall reflect the number of cattle within the~~
31 ~~county.~~ The board, before July 1 of the year in which the appropriation
32 is to be made, shall notify the county auditor to have such amount of
33 money included in the county budget for the year in which the testing
34 of cattle for reaccreditation purposes is to be done. If the funds
35 appropriated by the county council in accordance with the estimates
36 submitted by the board are insufficient to complete the testing or any
37 retesting which may be necessary to meet the requirements for
38 reaccreditation, the board shall provide from its appropriation such
39 additional funds as are necessary to carry out the testing program.

40 SECTION 151. IC 15-2.1-8-1 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1.
42 ~~Testing—County Appropriation:~~ Whenever the board determines that

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1 there shall be a testing program whereby cattle within a certified county
 2 shall be tested for bovine brucellosis to conform with regulations
 3 governing the recertification of a county, the county council of such
 4 county shall make an appropriation of a sufficient amount of money to
 5 carry on such testing program. ~~but the appropriation shall not exceed~~
 6 ~~a tax levy of three-fourths (3/4) of a mill for each dollar of assessed~~
 7 ~~valuation.~~ The amount of money required shall be determined by the
 8 board from the most reliable source of information and shall reflect the
 9 number of cattle within a county. The board before July 1 of the year
 10 in which the appropriation is to be made shall notify the county auditor
 11 to have such amount of money included in the county budget for the
 12 year in which the testing of cattle for recertification purposes is to be
 13 done.

14 SECTION 152. IC 15-3-7-6 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. The association
 16 shall, either before or after the election of directors, cause their articles
 17 of association to be filed in the office of the secretary of state and shall
 18 also cause to be recorded in the recorder's office of each county in
 19 which any part of the proposed horticultural and quarantine district
 20 may be situated a duplicate copy of such articles of association, and
 21 thereafter such association shall be a body politic and corporate, by the
 22 name and style so adopted, and shall have and possess all the rights,
 23 powers and privileges given to corporations, to sue and be sued, plead
 24 and be pleaded, answer and be answered, in any court of competent
 25 jurisdiction, borrow money and levy **special** assessments upon the
 26 owners of the lands, orchards and trees and other fruit-bearing plants
 27 situated therein, as hereinafter provided, and to rent, lease, purchase,
 28 hold, sell and convey such personal property as may be necessary and
 29 proper for the purposes and objects of the corporation. A majority of
 30 the members of such association shall have the power to adopt by-laws
 31 for the government of such horticultural and quarantine district and
 32 make such rules as may be necessary to carry the same into force and
 33 effect.

34 SECTION 153. IC 15-3-7-12 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. The board of
 36 directors of any association shall administer the affairs of such
 37 association under the provisions of this chapter, for any or all of the
 38 following purposes:

39 First. To prevent the spread of contagious diseases among fruit, fruit
 40 trees and fruit-bearing plants.

41 Second. To provide for the prevention, treatment, cure and
 42 extirpation of fruit pests and diseases of fruit and fruit-bearing plants.

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1 Third. To provide for the purchase and maintenance of spraying
 2 machines, wagons or other necessary apparatus, to adequately spray
 3 fruit trees or other fruit-bearing plants, and to hire workers and teams
 4 to perform the required labor, and to incur the necessary expense to
 5 carry out the purposes of this chapter.

6 Fourth. To hire experts to inspect fruit trees and fruit-bearing plants
 7 found within such horticultural and quarantine district and to prescribe
 8 the proper methods of treatment of any disease of such trees or plants
 9 which may be found to exist.

10 Fifth. To levy such **special** assessments on the members from time
 11 to time as may carry out the provisions of this chapter and the purposes
 12 of such association.

13 Sixth. To actively cooperate with the state entomologist and the
 14 county agents in precautionary measures to prevent the spread of
 15 injurious insects and plant diseases within the district.

16 Seventh. To advise, direct and encourage the activities of the
 17 association.

18 The board of directors of any association may hire experts to inspect
 19 fruit trees and fruit-bearing plants, and to prescribe the proper methods
 20 of treatment of any diseases of such trees or plants which may be found
 21 to exist, if directed to do so by the majority vote of the members, taken
 22 at any special or regular meeting.

23 SECTION 154. IC 15-8-1-6 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. "Farm real
 25 estate" means:

26 (1) land that ~~is subject to~~ **would have qualified as** assessment as
 27 agricultural land under IC 6-1.1-4-13 **(as in effect on January 1,**
 28 **2004)**; and

29 (2) improvements on land referred to in subdivision (1).

30 SECTION 155. IC 16-20-2-17 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. ~~(a)~~ The fiscal
 32 body of a county ~~in which a local health department has been~~
 33 ~~authorized shall assess a levy annually on the assessed valuation of~~
 34 ~~taxable property~~ **may appropriate money** for the maintenance of the
 35 county health department.

36 ~~(b) The taxes shall be paid into the county treasury and placed in a~~
 37 ~~special fund to be known as the county health fund. The fund shall be~~
 38 ~~used only for the purpose of this title and shall be drawn upon by the~~
 39 ~~proper officers of the county upon the properly authenticated vouchers~~
 40 ~~of the local health department.~~

41 ~~(c) Each county fiscal body shall appropriate from the county health~~
 42 ~~fund money necessary to maintain the local health department.~~

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1 (d) ~~A tax levy provided for in this chapter may not be made upon~~
 2 ~~property within the corporate limits of any city maintaining the city's~~
 3 ~~own full-time health department.~~

4 SECTION 156. IC 16-20-2-18, AS AMENDED BY P.L.170-2002,
 5 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) This section applies to
 7 a county having a population of more than one hundred forty-eight
 8 thousand (148,000) but less than one hundred seventy thousand
 9 (170,000).

10 (b) Each year the county fiscal officer shall ~~transfer appropriate~~
 11 ~~money~~ to the community health clinic located in the county. ~~an amount~~
 12 ~~equal to the revenue raised from a property tax rate of one hundred~~
 13 ~~sixty-seven thousandths of one cent (\$0.00167) for each one hundred~~
 14 ~~dollars (\$100) of assessed valuation of the taxable property in the~~
 15 ~~county.~~

16 (c) The transfer shall be made in four (4) equal installments before
 17 the end of January, April, July, and October. ~~The transfer shall be made~~
 18 ~~without the necessity of an appropriation.~~

19 SECTION 157. IC 16-20-3-10 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 10. ~~(a)~~ The fiscal
 21 body of each county that has become a part of a multiple county health
 22 department by ordinance of the county executive shall ~~assess a levy~~
 23 ~~annually on the assessed valuation of taxable property appropriate~~
 24 ~~money~~ for maintenance of the multiple county health department.

25 ~~(b) The taxes shall be paid into the county treasury and placed in a~~
 26 ~~special fund to be known as the county health fund. The fund may be~~
 27 ~~used only for the purpose of this title and may be drawn upon by the~~
 28 ~~proper officers of the county upon the properly authenticated vouchers~~
 29 ~~of the multiple county health department.~~

30 ~~(c) Each county fiscal body shall appropriate from the county health~~
 31 ~~fund~~ money necessary to pay the fiscal body's apportioned share to
 32 maintain a multiple county health department in the proportion that the
 33 population of the county bears to the total population of all counties in
 34 the multiple county health department.

35 SECTION 158. IC 16-20-4-27, AS AMENDED BY P.L.170-2002,
 36 SECTION 102, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2005]: Sec. 27. (a) This section applies to
 38 each city having a population of:

39 (1) more than twenty-eight thousand seven hundred (28,700) but
 40 less than twenty-nine thousand (29,000); or

41 (2) more than fifty-five thousand (55,000) but less than fifty-nine
 42 thousand (59,000).

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1 (b) Each year the fiscal officer of each city shall ~~transfer~~
 2 **appropriate money** to the community health clinic located in the
 3 county in which the city is located. ~~an amount equal to the revenue~~
 4 ~~raised from a property tax rate of sixty-seven hundredths of one cent~~
 5 ~~(\$0.0067) for each one hundred dollars (\$100) of assessed valuation of~~
 6 ~~the taxable property in the city.~~

7 (c) ~~The transfer shall be made in four (4) equal installments before~~
 8 ~~the end of January, April, July, and October. The transfer shall be made~~
 9 ~~without the necessity of an appropriation.~~

10 SECTION 159. IC 16-20-6-4 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) Real
 12 property and easements or appurtenances may be acquired by any of
 13 the following methods:

- 14 (1) Gift as provided in section 1 of this chapter.
 15 (2) Purchase with money accepted for that purpose.
 16 (3) Condemnation proceedings as prescribed by statute.

17 (b) Upon condemnation, all damages must be paid from the money
 18 accepted as provided in section 1 of this chapter. All money remaining
 19 in the account after the construction and equipment of the building may
 20 be used for the maintenance of the building. The county or city may
 21 ~~levy a tax~~ **appropriate money** sufficient to maintain the buildings
 22 when constructed as provided in this chapter.

23 SECTION 160. IC 16-22-3-13 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. (a) The
 25 governing board shall establish reasonable charges for patient care and
 26 other hospital services for the residents of the county and may provide
 27 patient care and other hospital services to nonresidents of the county
 28 upon terms and conditions the board establishes by rule.

29 (b) The governing board may give appropriate discounts of charges
 30 to patients.

31 (c) In establishing charges, the governing board may include a
 32 reasonable charge for depreciation and obsolescence of property, plant,
 33 and equipment.

34 (d) The board may periodically transfer all or part of the charges for
 35 depreciation and obsolescence to a fund to be used by and at the
 36 discretion of the board only for the purpose of building, remodeling,
 37 repairing, replacing, or making additions to the hospital building or
 38 buildings. ~~However, in any year in which there is a tax levy for the~~
 39 ~~general operation and maintenance of the hospital, the board shall not~~
 40 ~~make a transfer to the fund.~~ In an emergency, the board may borrow
 41 from the fund for the operating fund of the hospital and shall reimburse
 42 the fund within two (2) years.

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1 (e) The authority granted to establish the fund does not limit the
2 power and authority of the board, the county executive, the county
3 fiscal body, or other units of government to finance hospital buildings
4 by other methods.

5 SECTION 161. IC 16-22-3-26 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 26. (a) The
7 governing board may obtain loans for hospital expenses in amounts and
8 on terms and conditions agreeable to the board and may secure the
9 loans by pledging accounts receivable or other security in hospital
10 funds. If the board enters into a loan agreement for the borrowing of
11 funds from the state authority, the board may pledge as security for
12 payment under the agreement ~~the funds the board receives from a tax~~
13 ~~levy under section 27 of this chapter.~~ **money available to the board.**

14 (b) The board may sell or factor accounts receivable on terms and
15 conditions agreeable to the board.

16 (c) A county, city, or health and hospital corporation owning and
17 maintaining or leasing at least one (1) hospital or related facilities, a
18 county hospital association under IC 16-22-6, and a building authority
19 under IC 36-9-13 may enter into an agreement with the United States
20 or a department, an agency, or an instrumentality of the United States
21 with respect to loans or guaranties for hospital or related purposes and
22 may borrow money on the terms and conditions of the agreement.

23 (d) The loans may be:

24 (1) evidenced by bonds, notes, contractual agreements, or other
25 evidences of indebtedness;

26 (2) secured in whole or in part by:

27 (A) pledge of the full faith and credit as a general obligation
28 of the borrower **(but not payable from property taxes);**

29 (B) the income and revenues of the hospital or related
30 facilities;

31 (C) rental from the lease of hospital facilities; or

32 (D) any combination of clauses (A) through (C); and

33 (3) additionally secured by a mortgage or deed of trust of all or
34 part of the real or personal property, or both, of the hospital.

35 (e) Bonds, notes, or other evidences of indebtedness issued in
36 connection with a federal loan under this section may be sold and
37 delivered at private sale without the necessity of public sale or public
38 offering.

39 SECTION 162. IC 16-22-3-27 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 27. ~~(a)~~ The
41 governing board may request support from the county, ~~either~~ by
42 appropriation from the county general fund, ~~or by a separate tax levy;~~

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1 by filing with the county executive on or before August 1 a written
2 budget of the amount estimated to be required to maintain, operate, or
3 improve the hospital for the ensuing year.

4 (b) ~~If the county provides a direct financial subsidy to a hospital~~
5 ~~from a tax levy at the time the board exercises the powers under section~~
6 ~~1(b) of this chapter, the board may not provide the funds from a tax~~
7 ~~levy to an entity created under section 1(b) of this chapter for more~~
8 ~~than three (3) years. After three (3) years, all funds, with interest, must~~
9 ~~be repaid within ten (10) years.~~

10 (c) ~~If the board enters into a lease or sublease contract or a loan~~
11 ~~agreement with the state authority, the board may request the county to~~
12 ~~adopt a separate tax levy to support the board's obligation to make~~
13 ~~payments under that contract or agreement.~~

14 SECTION 163. IC 16-22-4-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The county
16 officers may establish a cumulative building fund ~~under IC 6-1.1-41~~ or
17 a sinking fund in compliance with the procedures for establishing a
18 cumulative fund under IC 6-1.1-41 for the erection of new hospital
19 buildings, the repairing, remodeling, and enlarging of old hospital
20 buildings, and the equipment of new, enlarged, and old hospitals
21 owned and operated by the county, a voluntary nonprofit association,
22 or a nonprofit corporation.

23 SECTION 164. IC 16-22-4-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. The county
25 officers may ~~in compliance with IC 6-1.1-41, levy a tax on all taxable~~
26 ~~property within the county to provide appropriate~~ money for a fund
27 established under this chapter.

28 SECTION 165. IC 16-22-6-20 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 20. (a) If the
30 execution of the original or a modified lease is authorized, notice of the
31 signing shall be published on behalf of the county one (1) time in a
32 newspaper of general circulation and published in the county. Except
33 as provided in subsection (b), at least ten (10) taxpayers in the county
34 whose tax rate will be affected by the proposed lease may file a petition
35 with the county auditor not more than thirty (30) days after publication
36 of notice of the execution of the lease. The petition must set forth the
37 objections to the lease and facts showing that the execution of the lease
38 is unnecessary or unwise or that the lease rental is not fair and
39 reasonable.

40 (b) The authority for taxpayers to object to a proposed lease
41 described in subsection (a) does not apply if the authority complies
42 with the procedures for the issuance of bonds and other evidences of

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1 indebtedness described in IC 6-1.1-20-3.1, ~~and~~ IC 6-1.1-20-3.2,
2 **IC 21-10, or IC 36-1.3 (as appropriate).**
3 SECTION 166. IC 16-22-7-3 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. As used in this
5 chapter, "net operating revenue" means the revenues of the hospital,
6 exclusive of any ~~property tax levy~~ **taxes imposed under IC 6-3.5-9**
7 remaining after provision for reasonable expenses of operation, repair,
8 replacements, and maintenance of the hospital.
9 SECTION 167. IC 16-22-8-34 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 34. (a) The board
11 may do all acts necessary or reasonably incident to carrying out the
12 purposes of this chapter, including the following:
13 (1) As a municipal corporation, in the board's corporate name, to
14 sue and be sued in any court with jurisdiction.
15 (2) To serve as the exclusive local board of health within the
16 county with the powers and duties conferred by law upon local
17 boards of health or similar boards. The board supersedes all other
18 local boards of health within the county. However, the ordinances
19 and codes of the prior health boards remain in effect until an
20 ordinance upon the same subject is enacted by the board.
21 (3) To enact ordinances that are consistent with Indiana law and
22 with the rules of the department, for the following purposes:
23 (A) To protect property owned or managed by the corporation.
24 (B) To determine, prevent, and abate public health nuisances.
25 (C) To establish quarantine regulations, impose restrictions on
26 persons having infectious or contagious diseases and contacts
27 of the persons, and regulate the disinfection of premises.
28 (D) To license, regulate, and establish minimum sanitary
29 standards for the operation of a business handling, producing,
30 processing, preparing, manufacturing, packing, storing,
31 selling, distributing, or transporting articles used for food,
32 drink, confectionery, or condiment in the interest of the public
33 health.
34 (E) To control rodents, termites, insects, and pests.
35 (F) To require persons to connect to available sewer systems
36 and to regulate the disposal of domestic or sanitary sewage by
37 private methods. However, the board has no jurisdiction over
38 publicly owned or financed sewer systems or sanitation and
39 disposal plants.
40 (G) To control rabies.
41 (H) For the sanitary regulation of water supplies for domestic
42 use.

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- 1 (I) To protect, promote, or improve public health and control
- 2 disease.
- 3 (4) To have exclusive control, operation, and management of
- 4 hospitals transferred to the corporation.
- 5 (5) The board shall furnish health and nursing services to
- 6 elementary and secondary schools within the county.
- 7 (6) The board shall furnish medical care to the indigent within the
- 8 county unless medical care is furnished to the indigent by the
- 9 division of family and children.
- 10 (7) To determine the public health policies and programs to be
- 11 carried out and administered by the corporation.
- 12 (8) To adopt an annual budget and ~~levy~~ **impose** taxes ~~in~~
- 13 ~~accordance with this chapter.~~ **under IC 6-3.5-9.**
- 14 (9) To incur indebtedness in the name of the corporation in
- 15 accordance with this chapter.
- 16 (10) To organize the personnel and functions of the corporation
- 17 into divisions and subdivisions to carry out the board's powers and
- 18 duties and to consolidate, divide, or abolish the divisions and
- 19 subdivisions.
- 20 (11) To acquire and dispose of property.
- 21 (12) To receive gifts, donations, bequests, and public trusts and
- 22 to agree to conditions and terms accompanying these items and
- 23 bind the corporation to carry out the conditions and terms.
- 24 (13) To receive and administer federal or state aid.
- 25 (14) To erect buildings or structures or improvements to existing
- 26 buildings or structures needed to carry out this chapter.
- 27 (15) To determine matters of policy regarding internal
- 28 organization and operating procedures not specifically provided
- 29 for otherwise.
- 30 (16) To do the following:
- 31 (A) Adopt a schedule of reasonable charges for nonresidents
- 32 of the county for treatments, medicines, and hospital services.
- 33 (B) Collect the charges from the patient or from the
- 34 governmental unit where the patient resided at the time of the
- 35 service.
- 36 (C) Require security for the payment of the charges.
- 37 (17) To adopt a schedule of and to collect reasonable charges for
- 38 patients able to pay in full or in part.
- 39 (18) To enforce the health laws, ordinances, and rules of the
- 40 corporation, the state, and the state department of health.
- 41 (19) To purchase supplies, materials, and equipment for the
- 42 corporation. The purchase of drugs, medical, dental, laboratory,

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1 and surgical supplies and instruments, and food shall be in
 2 accordance with proceedings adopted by the board and is not
 3 subject to IC 36-1-9. The board must approve a purchase of more
 4 than five hundred dollars (\$500). All other purchases shall be
 5 made in accordance with IC 36-1-9.
 6 (20) To employ personnel to carry out the duties, functions, and
 7 powers of the corporation. The professional and semiprofessional
 8 personnel in the division of hospitals shall be employed only on
 9 the recommendation of the medical director of hospitals. The
 10 superintendent of a hospital (other than the superintendent of a
 11 county home) must possess the qualifications required for a
 12 director of the division of public hospitals. The trained and skilled
 13 personnel in the division of health shall be employed only on the
 14 recommendation of the director of public health.
 15 (21) To employ an attorney admitted to practice law in Indiana.
 16 (22) To acquire, erect, equip, and operate the hospital in
 17 accordance with this chapter.
 18 (23) To sell surplus or unneeded property in accordance with the
 19 procedure prescribed by the board. However, if the board disposes
 20 of real property by acceptance of bids, a bid submitted by a trust
 21 (as defined in IC 30-4-1-1(a)) must identify the following:
 22 (A) Each beneficiary of the trust.
 23 (B) Each settlor empowered to revoke or modify the trust.
 24 (24) To adopt rules to carry out the board's powers and duties and
 25 to govern the duties of the board's officers, employees, and
 26 personnel and the internal management of the affairs of the
 27 corporation.
 28 (25) To fix the compensation of the officers and employees of the
 29 corporation except where a different provision is made by this
 30 chapter.
 31 (26) To carry out the purposes and object of the corporation.
 32 (27) To have the powers and duties relating to county homes
 33 vested in the county executive and to appoint a superintendent of
 34 the county home who must have executive ability and be qualified
 35 by education and experience to manage the institution.
 36 (28) To obtain loans for hospital expenses in amounts and upon
 37 terms agreeable to the board. The board may secure the loans by
 38 pledging accounts receivable or other security in hospital funds.
 39 (b) The board shall exercise the board's powers and duties in a
 40 manner consistent with Indiana law and with the rules of the state
 41 department of health.

42 SECTION 168. IC 16-22-8-41 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 41. (a) The board
 2 may provide a cumulative building fund under IC 6-1.1-41 to erect
 3 hospital buildings, additions, or other buildings, remodel buildings, or
 4 acquire equipment needed to carry out this chapter. ~~The cumulative~~
 5 ~~building fund may be funded by a property tax levy under subsection~~
 6 ~~(b); a transfer into the fund of other revenues of the hospital; or a~~
 7 ~~combination of these two (2) methods:~~

8 ~~(b) The board may levy a tax in compliance with IC 6-1.1-41 on all~~
 9 ~~taxable property within the county where the corporation is established.~~
 10 ~~However, the levy may not exceed six and sixty-seven hundredths cents~~
 11 ~~(\$0.0667) on each one hundred dollars (\$100) of taxable property.~~

12 ~~(c) (b)~~ All money in the cumulative building fund may be invested
 13 or reinvested in the following:

14 (1) Securities backed by the full faith and credit of the United
 15 States Treasury, including direct obligations of the United States
 16 government and obligations of a federal agency or a federal
 17 instrumentality that are fully guaranteed by the United States
 18 government.

19 (2) Participation in loans under the conditions and in the manner
 20 set forth in IC 5-13-10.5-12.

21 ~~(d) (c)~~ The treasurer of the corporation may lend any securities in
 22 the cumulative building fund under the conditions and in the manner
 23 set forth in IC 5-13-10.5-12. Money collected and not invested in
 24 government obligations shall be deposited and withdrawn in the
 25 manner authorized by law for the deposit, withdrawal, and safekeeping
 26 of the general funds of municipalities.

27 SECTION 169. IC 16-22-8-43, AS AMENDED BY P.L.1-2003,
 28 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2005]: Sec. 43. (a) The board may issue ~~general~~
 30 ~~obligation~~ bonds of the corporation to procure funds to pay the cost of
 31 acquiring real property or constructing, enlarging, improving,
 32 remodeling, repairing, or equipping buildings and other structures for
 33 use as or in connection with hospitals, clinics, health centers,
 34 dispensaries, or for administrative purposes. The issuance of the bonds
 35 shall be authorized by ordinance of the board providing for the amount,
 36 terms, and tenor of the bonds, for the time and character of notice, and
 37 the mode of making the sale. The bonds shall be payable not more than
 38 forty (40) years after the date of issuance and shall be executed in the
 39 name of the corporation by the chairman of the board and attested by
 40 the executive director, who shall affix to each of the bonds the official
 41 seal of the corporation. The interest coupons attached to the bonds may
 42 be executed by facsimile signature of the chairman of the board.

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1 (b) The executive director shall manage and supervise the
 2 preparation, advertisement, and sale of bonds, subject to the provisions
 3 of the authorizing ordinance. Before the sale of the bonds, the
 4 executive director shall publish notice of the sale in accordance with
 5 IC 5-3-1, setting out the time and place where bids will be received, the
 6 amount and maturity dates of the issue, the maximum interest rate, and
 7 the terms and conditions of sale and delivery of the bonds. The bonds
 8 shall be sold to the highest and best bidder. After the bonds have been
 9 sold and executed, the executive director shall deliver the bonds to the
 10 treasurer of the corporation and take the treasurer's receipt, and shall
 11 certify to the treasurer the amount that the purchaser is to pay, together
 12 with the name and address of the purchaser. On payment of the
 13 purchase price, the treasurer shall deliver the bonds to the purchaser,
 14 and the treasurer and executive director shall report the actions to the
 15 board.

16 (c) **IC 21-10 or IC 36-1.3 (as appropriate)**, IC 5-1, and
 17 IC 6-1.1-20 apply to the following proceedings:

- 18 (1) Notice and filing of the petition requesting the issuance of the
 19 bonds.
- 20 (2) Notice of determination to issue bonds.
- 21 (3) Notice of hearing on the appropriation of the proceeds of the
 22 bonds and the right of taxpayers to appeal and be heard.
- 23 (4) Approval by the department of local government finance.
- 24 (5) The right to remonstrate.
- 25 (6) Sale of bonds at public sale for not less than the par value.

26 (d) The bonds are the direct general obligations of the corporation
 27 and are payable out of ~~unlimited ad valorem taxes levied and collected~~
 28 ~~on all the taxable property within the county of the corporation. All~~
 29 ~~officials and bodies having to do with the levying of taxes for the~~
 30 ~~corporation shall see that sufficient levies are made to meet the~~
 31 ~~principal and interest on the bonds at the time fixed for payment:~~
 32 **money available to the corporation.**

33 (e) The bonds are exempt from taxation for all purposes but the
 34 interest is subject to the adjusted gross income tax.

35 SECTION 170. IC 16-22-8-51, AS AMENDED BY P.L.90-2002,
 36 SECTION 396, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2005]: Sec. 51. ~~The tax levy approved by~~
 38 ~~the department of local government finance shall be assessed and~~
 39 ~~collected by the county treasurer of the county within which the~~
 40 ~~corporation is located as other taxes are levied and collected. The~~
 41 ~~county treasurer shall remit all taxes~~ **appropriated to the corporation**
 42 ~~to the treasurer of the corporation.~~

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1 SECTION 171. IC 16-22-8-55, AS AMENDED BY P.L.90-2002,
 2 SECTION 397, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2005]: Sec. 55. (a) The corporation may
 4 borrow money on promissory notes issued in the corporation's name,
 5 as a municipal corporation, from recognized lending institutions, and
 6 pledge as security unlimited ad valorem taxes levied by the corporation
 7 and collected on all taxable property within the jurisdiction of the
 8 corporation. It is the duty of all officials and bodies with control or
 9 discretion over the levying of taxes for the corporation to see that
 10 sufficient levies are made to meet the principal and interest on
 11 promissory notes. The promissory notes issued under this section shall
 12 be treated for taxation purposes the same as bonds issued by a
 13 municipal corporation in accordance with IC 6-8-5-1: **money available**
 14 **to it.**

15 (b) Funds obtained by the method provided in this section shall be
 16 limited in use to the payment of lease rental for medical, surgical, and
 17 related equipment used by the corporation when the board determines
 18 that leasing the equipment is more practical and economical than
 19 purchasing. The decision to lease rather than purchase is within the
 20 sole discretion of the board.

21 (c) The length, terms, and conditions of promissory notes issued
 22 under this section are subject to negotiation between the board or the
 23 board's representative and the lending institutions bidding. Before
 24 entering into negotiations for the loan, the board of trustees shall
 25 publish a notice one (1) time in a newspaper of general circulation in
 26 the health and hospital corporation naming a date not less than seven
 27 (7) days after the publication of notice on which the board will receive
 28 and consider proposals from lending institutions for the making of the
 29 loan.

30 (d) After determination of the board to borrow and to issue
 31 promissory notes, and after a determination of the best proposal
 32 submitted by lending institutions, the board shall give notice of the
 33 board's determination to borrow and to issue promissory notes in the
 34 manner provided by IC 6-1.1-20, **IC 21-10, or IC 36-1.3 (as**
 35 **appropriate).** The taxpayers have the right to appeal the determination
 36 to the department of local government finance in the manner and
 37 within the time provided in IC 6-1.1-20, **IC 21-10, or IC 36-1.3 (as**
 38 **appropriate).**

39 SECTION 172. IC 16-22-12-3 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. The county
 41 fiscal body may annually make an appropriation from the county
 42 treasury to pay a part of the cost of the operation, maintenance, repair,

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1 alteration, enlargement, furnishing, and equipment of the hospital. ~~and~~
2 for that purpose may annually levy a special tax, in an amount to be
3 fixed by the county fiscal body, on all taxable property located in the
4 county.

5 SECTION 173. IC 16-23-1-2 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The city and
7 county officers shall appropriate sufficient money annually ~~and levy a~~
8 ~~tax annually on the taxable property in the county~~ to meet a deficiency
9 that exists, or is reasonably anticipated by the board of directors of the
10 hospital, to maintain, equip, and operate the city hospital for the
11 ensuing calendar year if the hospital meets the following conditions:

- 12 (1) Is established, maintained, and operated inside or within two
- 13 (2) miles of and in the same county as a city subject to this
- 14 chapter.
- 15 (2) Is established at a time when there is no other city, county, or
- 16 public hospital maintained and operated in that county.
- 17 (3) Is open to all residents of the county without discrimination in
- 18 the rates, facilities, and services.

19 SECTION 174. IC 16-23-1-27 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 27. If the estimate
21 and budget show no anticipated deficiency for the next calendar year,
22 the city and the county may not ~~levy any appropriate tax on the~~
23 ~~property of the city or county revenue~~ for the ensuing year.

24 SECTION 175. IC 16-23-1-28 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 28. (a) If the
26 budget and estimate filed in the auditor's office of the county in any
27 year shows an anticipated deficiency, the amount of the deficiency
28 shall be set out in the copy of the budget and estimate filed, and the
29 board shall request that the fiscal body of the county appropriate
30 sufficient funds. ~~and levy a sufficient tax rate on the taxable property~~
31 ~~of the county to meet the deficiency. The county auditor shall, upon the~~
32 ~~basis of the request, compute the amount of money necessary to be~~
33 ~~appropriated and the amount of tax levy necessary to be made on the~~
34 ~~taxable property of the county to meet the estimated deficiency in the~~
35 ~~anticipated hospital funds for the ensuing calendar year. The auditor~~
36 ~~shall place the tax levy before the county fiscal body at the fiscal body's~~
37 ~~annual budget meeting in September of the same year the request is~~
38 ~~filed.~~

39 (b) The county fiscal body shall place the amount of the anticipated
40 deficiency in the county budget for the next calendar year. ~~and shall~~
41 ~~levy a sufficient tax on all taxable property in the county to meet the~~
42 ~~anticipated deficiency. However, the tax rate fixed by the county fiscal~~

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1 body in any one (1) year may not exceed three and thirty-three
2 hundredths cents (\$0.0333) on each one hundred dollars (\$100) of
3 taxable property in the county. The levy is known as the hospital aid
4 tax.

5 SECTION 176. IC 16-23-1-29 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 29. (a) If the
7 county fiscal body is not authorized to appropriate sufficient funds
8 under this chapter to meet an anticipated deficiency in any one (1) year
9 reported and filed in the offices of the county auditor and city
10 clerk-treasurer, the city fiscal body may appropriate a sufficient amount
11 of funds for the next calendar year to meet the balance of the
12 anticipated deficiency, and levy a special hospital aid tax on all taxable
13 property in the city for this purpose:

14 (b) The rate fixed by the city fiscal body for a hospital aid tax in any
15 one (1) year may not exceed two and thirty-three hundredths cents
16 (\$0.0233) on each one hundred dollars (\$100) of taxable property. The
17 tax is in addition to any tax levied by the city for the retirement of
18 bonds or other evidences of indebtedness and payment of interest
19 charges for the alteration, repair, or improvement of the hospital,
20 including the construction of additions and extensions to the hospital:

21 SECTION 177. IC 16-23-1-31, AS AMENDED BY P.L.90-2002,
22 SECTION 398, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2005]: Sec. 31. (a) If the annual budget
24 and appropriations, or any additional appropriations or transfers of
25 money, made or proposed by the board of directors, excluding any
26 cumulative building money:

27 (1) is not based upon or derived in part from a tax levy on
28 property in the county or city; and

29 (2) involves only the funds of the hospital derived wholly from
30 other sources than property taxes;

31 The board only needs to adopt a resolution for the approval of the
32 budget appropriations, additional appropriations, or transfers and file
33 a true copy of the budget appropriations, additional appropriations, or
34 transfers and the resolution in the offices of the county auditor and city
35 clerk-treasurer within seven (7) days after board action for the
36 information of the public.

37 (b) If the funds are not derived from taxation, the city fiscal body
38 may review, consider, and file objections and take an appeal to the
39 department of local government finance upon the following:

40 (1) An annual budget and any appropriations in the budget and
41 request the reduction or elimination of any item.

42 (2) Additional appropriations or transfers of funds, or any part of

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1 additional appropriations or transfers of funds, within ten (10)
 2 days after the certificate has been filed in the clerk-treasurer's
 3 office.

4 The ruling and action of the department of local government finance is
 5 final and conclusive.

6 (c) The annual budget and appropriations may be revised by the
 7 board of directors by increasing or decreasing items in the budget
 8 based on revenues derived from sources other than property taxes and
 9 by transfer from any items of the budget and appropriations to other
 10 items of the budget, without giving legal notice or any public hearing.
 11 However, a copy of each resolution changing the budget or any
 12 appropriations or transfers of funds shall be filed with the city
 13 clerk-treasurer and county auditor within seven (7) days after the
 14 passage of each resolution. The resolution is subject to appeal by the
 15 city fiscal body to the department of local government finance for final
 16 action in the manner and within the period provided in this section.

17 (d) The governing board shall annually file a condensed annual
 18 report of receipts and expenditures of all hospital funds. Expenses or
 19 income items may be summarized in a fair and an accurate manner for
 20 the information of all taxpayers and citizens. A copy of the annual
 21 report covering the preceding calendar year shall be filed in the city
 22 clerk-treasurer's office and in the county auditor's office on or before
 23 the first Monday in March. Detailed information on the items must be
 24 available for inspection by the public at the hospital administrator's
 25 office.

26 SECTION 178. IC 16-23-1-32 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 32. ~~(a) The county~~
 28 ~~treasurer shall collect all hospital aid taxes levied by the county fiscal~~
 29 ~~body or city fiscal body as other taxes on property are collected; and the~~
 30 ~~county auditor shall pay over the amount to the clerk-treasurer of the~~
 31 ~~city. The amount shall be placed in the hospital fund of the city; subject~~
 32 ~~to the order of the governing board; and is available for the payment of~~
 33 ~~maintenance, equipment, supplies, and operating expenses of the city~~
 34 ~~hospital and for any other purpose for which the current budget of the~~
 35 ~~hospital provides.~~

36 ~~(b)~~ The clerk-treasurer shall keep the hospital aid money levied
 37 **appropriated** by the county fiscal body or the city fiscal body in
 38 separate items on the appropriation records of the city. The amount
 39 received from the hospital aid ~~levy~~ **appropriation** of the county shall
 40 be considered appropriated for hospital purposes, without further
 41 appropriation by the city fiscal body.

42 SECTION 179. IC 16-23-1-35 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 35. (a) If the city
 2 legislative body of a city having a city hospital determines that the city
 3 hospital's buildings and facilities are or will soon become insufficient
 4 to serve the needs of the residents of the city and of the county in which
 5 the city is located, the city legislative body may, by ordinance, do any
 6 of the following:

7 (1) Provide for the construction of any of the following:

8 (A) Buildings at the same or a different location to replace or
 9 supplement the hospital building.

10 (B) An extension and addition to any hospital building.

11 (2) Provide for the alteration, improvement, remodeling, or repair
 12 of any hospital building and grounds.

13 (3) Provide for the acquisition by condemnation, purchase, or
 14 donation of additional real property.

15 (b) The city fiscal body may, by ordinance, appropriate or borrow
 16 the necessary money and issue bonds of the city. ~~The city fiscal body~~
 17 ~~shall annually levy a sufficient tax on all taxable property in the city to~~
 18 ~~pay the principal of the bonds that will mature in the ensuing calendar~~
 19 ~~year and the interest payments due in the ensuing calendar year on all~~
 20 ~~outstanding bonds of that issue.~~ The appropriations and bonds may
 21 include the cost of architects' services and any preliminary proceedings,
 22 legal services, and other incidental expense in connection with the
 23 project.

24 SECTION 180. IC 16-23-1-40, AS AMENDED BY P.L.90-2002,
 25 SECTION 400, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2005]: Sec. 40. (a) The governing board
 27 may request a cumulative hospital building fund and ~~a tax rate upon all~~
 28 ~~taxable property in the county in which the hospital is located~~
 29 **appropriate money** to finance the fund. ~~If a resolution is approved by~~
 30 ~~majority vote of all members at a regular or special board meeting, the~~
 31 ~~resolution shall be certified to the county auditor, who shall submit the~~
 32 ~~resolution to the county executive for preliminary approval and~~
 33 ~~recommendation. Upon the approval of the county executive, the~~
 34 ~~county auditor shall publish notice of a public hearing before the~~
 35 ~~county council on the establishment of a cumulative hospital building~~
 36 ~~fund and tax rate in each year.~~

37 (b) ~~The cumulative building tax rate begins in any calendar year~~
 38 ~~when all proceedings to establish the tax rate have been completed~~
 39 ~~before August 2 in that year. The rate is levied on each one hundred~~
 40 ~~dollars (\$100) of taxable property for that year, payable in the next~~
 41 ~~year, and continues each year for a term not exceeding twelve (12)~~
 42 ~~years. The resolution of the board must specify the following:~~

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1 (1) The number of years.

2 (2) The effective date when the tax levy begins.

3 (3) The amount of rate on each one hundred dollars (\$100) of
4 taxable property.

5 (4) Any other pertinent facts considered advisable by the board.

6 (c) Except as provided in subsections (f) through (h), the rate on
7 each one hundred dollars (\$100) may be reduced but not increased by
8 the department of local government finance in approving a cumulative
9 building tax rate. The rate as finally fixed by the department of local
10 government finance is final. However, the county fiscal body, by
11 three-fourths (3/4) affirmative vote of the county fiscal body's
12 members, may reduce the rate in any given year or years to meet an
13 emergency existing in the county, but the temporary reduction affects
14 the rate only in the year when the action is taken. The rate is
15 automatically restored to the rate's original amount in each succeeding
16 year of the established period except in any other year when another
17 emergency reduction is made. The rate is subject to review each year
18 by the county fiscal body, but the county tax adjustment board and
19 department of local government finance may not reduce the rate below
20 the original rate established and approved by vote of the county fiscal
21 body unless the county fiscal body reduces the rate.

22 (d) The county fiscal body, city fiscal body, county tax adjustment
23 board, or department of local government finance does not have power
24 or jurisdiction over the annual budget and appropriations, additional
25 appropriations, or transfer of money unless the action involves the
26 expenditure or raising of money derived from property taxes. If the
27 cumulative building fund is the only hospital fund raised by taxation,
28 section 31 of this chapter controls.

29 (e) (b) The cumulative building fund raised may be properly and
30 safely invested or reinvested by the board to produce an income until
31 there is an immediate need for the fund's use. The fund and any income
32 derived from investment or reinvestment of the fund may be used as
33 follows:

34 (1) To purchase real property and grounds for hospital purposes.

35 (2) To remodel or make major repairs on any hospital building.

36 (3) To erect and construct hospital buildings or additions or
37 extensions to the buildings.

38 (4) For any other major capital improvements, but not for current
39 operating expenses or to meet a deficiency in operating funds.

40 (f) Not later than August 1 of any year, ten (10) or more taxpayers
41 in the county may file with the county auditor of the county in which
42 the hospital is located a petition for reduction or rescission of the

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1 cumulative building tax rate. The petition must set forth the taxpayers'
2 objections to the tax rate. The petition shall be certified to the
3 department of local government finance.

4 (g) Upon receipt of a petition under subsection (f), the department
5 of local government finance shall, within a reasonable time, fix a date
6 for a hearing on the petition. The hearing must be held in the county in
7 which the hospital is located. Notice of the hearing shall be given to the
8 county fiscal body and to the first ten (10) taxpayers whose names
9 appear on the petition. The notice must be in the form of a letter signed
10 by the secretary or any member of the department of local government
11 finance, sent by mail with full prepaid postage to the county fiscal body
12 and to the taxpayers at their usual places of residence at least five (5)
13 days before the date fixed for the hearing.

14 (h) After the hearing under subsection (g), the department of local
15 government finance shall approve, disapprove, or modify the request
16 for reduction or rescission of the tax rate and shall certify that decision
17 to the county auditor of the county in which the hospital is located.

18 SECTION 181. IC 16-23-3-6 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. The city fiscal
20 body may annually levy and collect a tax of not more than two and
21 sixty-seven hundredths cents (~~\$0.0267~~) on each one hundred dollars
22 (~~\$100~~) of the taxable property in the city **appropriate money** to
23 provide money to aid in the maintenance of the hospital as provided in
24 this chapter.

25 SECTION 182. IC 16-23-4-2 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The city fiscal
27 body may ~~levy a special tax~~ **appropriate money** for the maintenance
28 of the hospital. ~~of not less than sixty-seven hundredths of one cent~~
29 (~~\$0.0067~~) and not more than one and sixty-seven hundredths cents
30 (~~\$0.0167~~) on each one hundred dollars (~~\$100~~) of taxable property; to
31 be levied and collected the same as other city taxes are levied and
32 collected.

33 SECTION 183. IC 16-23-5-6 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. A city may
35 provide for the support and maintenance of a hospital subject to this
36 chapter as follows:

- 37 (1) Appropriate money to the hospital.
38 (2) Levy and collect a special tax not exceeding two and
39 thirty-three hundredths cents (~~\$0.0233~~) on each one hundred
40 dollars (~~\$100~~) valuation of the taxable property of the city.
41 (3) **(2)** Give other aid and support to the hospital that the city
42 council considers proper.

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1 SECTION 184. IC 16-23-7-2 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. A city may do
 3 the following:

4 (1) Appropriate money to the hospital for support and
 5 maintenance.

6 ~~(2) Aid in the support of the hospital by the levy and collection of~~
 7 ~~a special tax, not exceeding one cent (\$0.01) on each one hundred~~
 8 ~~dollars (\$100) valuation of taxable property of the city.~~

9 ~~(3) (2) Give other aid and support in the maintenance of the~~
 10 ~~hospital that the city fiscal body considers proper.~~

11 SECTION 185. IC 16-23-8-2 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. A city may do
 13 the following:

14 (1) Appropriate money to the hospital for support and
 15 maintenance.

16 ~~(2) Aid in the support of the hospital by the levy and collection of~~
 17 ~~a special tax, not exceeding two and thirty-three hundredths cents~~
 18 ~~(\$0.0233) on each one hundred dollars (\$100) valuation of the~~
 19 ~~taxable property of the city.~~

20 ~~(3) (2) Give other aid and support in the maintenance of the~~
 21 ~~hospital in the manner that the city fiscal body considers proper.~~

22 SECTION 186. IC 16-23-9-2 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The township
 24 board may, at the request of the township trustee, ~~levy annually and~~
 25 ~~cause to be collected as other taxes are collected a tax upon all of the~~
 26 ~~taxable property within the township. The tax may not exceed six and~~
 27 ~~sixty-seven hundredths cents (\$0.0667) on each one hundred dollars~~
 28 ~~(\$100) of assessed valuation. The tax is appropriate money for the use~~
 29 ~~of the hospital in defraying the expenses of the hospital's maintenance~~
 30 ~~and support, for providing necessary additions, and for the payment of~~
 31 ~~mortgage indebtedness.~~

32 SECTION 187. IC 16-23-9-4 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) This section
 34 applies if the township trustee and the township board of the township
 35 determine the following:

36 (1) That the hospital is indebted in an amount not exceeding five
 37 thousand dollars (\$5,000), the payment of which is secured by a
 38 mortgage encumbering the buildings and grounds of the hospital.

39 (2) That an addition to the hospital structure or additional
 40 building or buildings, or equipment is required to enable the
 41 hospital to efficiently carry on the hospital's activities under the
 42 hospital's articles of incorporation.

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1 (b) The township board may authorize the trustee, by special order
2 entered and signed upon the township board's records, to borrow an
3 amount on behalf of the township sufficient to pay the mortgage
4 indebtedness, or to construct and equip an addition to a building or for
5 an additional building. The township board may authorize the trustee
6 of the township to issue bonds of the township to pay the debt created.

7 The bonds:

- 8 (1) may run for a period not exceeding ten (10) years;
- 9 (2) may bear interest at any rate; and
- 10 (3) shall be sold by one (1) of the trustees, with the consent of the
11 township board, for not less than par value.

12 (c) ~~The township board shall annually levy sufficient taxes to pay at
13 least one-tenth (1/10) of the township bonds; including interest; and the
14 township trustee shall apply the tax levy collected each year to the
15 retirement of the bonds and the payment of the interest on the bonds.~~
16 The bonds issued under this section may not exceed an amount equal
17 to one percent (1%) of the adjusted value of all the taxable property in
18 the township, including that in a town, as determined under IC 36-1-15.

19 (d) This debt may not be created except by the township board in the
20 manner specified in this section. A payment of an unauthorized debt by
21 a trustee from public funds is recoverable upon the bond of the trustee.

22 (e) The township trustee shall pay the proceeds from the borrowing
23 and the sale of bonds into the treasury of the hospital. The hospital may
24 use the money only to pay the mortgage indebtedness for which bonds
25 had been sold or for construction and equipment of buildings or
26 additions to buildings.

27 SECTION 188. IC 16-24-1-2 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The county
29 executive of a county may establish a county hospital for the care and
30 treatment of persons with tuberculosis. When the county executive
31 votes to establish a hospital, the county executive may do the
32 following:

- 33 (1) Purchase or lease real property or acquire the real property
34 and easements by condemnation proceedings.
- 35 (2) Erect buildings, make improvements, repairs, and alterations,
36 subject to approval by the state department.
- 37 (3) With the approval of the county fiscal body, and based upon
38 estimates of the governing board, ~~assess; levy; and collect money~~
39 ~~necessary for suitable lands; buildings; improvements;~~
40 ~~maintenance; and other necessary expenditures for the hospital:~~
41 **impose a tax under IC 6-3.5-9.**
- 42 (4) Borrow money to erect, furnish, and equip the hospital and to

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1 purchase a site on the credit of the county and issue county
 2 obligations as the county executive may do for other county
 3 purposes.

4 (5) Accept and hold in trust for the county, and to comply with the
 5 terms of, any of the following:

6 (A) A grant or devise of land.

7 (B) A gift or bequest of money or other personal property.

8 (C) A donation for the benefit of the hospital.

9 SECTION 189. IC 16-35-4-3 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. The children
 11 with special health care needs state fund consists of the following:

12 (1) Money transferred to the fund from the children with special
 13 health care needs county fund under IC 16-35-3 (**repealed**).

14 (2) Contributions to the fund from individuals, corporations,
 15 foundations, or other persons for the purpose of providing money
 16 to assist children with special health care needs.

17 (3) Appropriations made specifically to the fund by the general
 18 assembly.

19 SECTION 190. IC 16-41-15-5 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. The appropriate
 21 governing body may ~~levy annually a tax of not more than one cent~~
 22 ~~(\$0.01) on each one hundred dollars (\$100) of taxable property~~
 23 **appropriate money** for the control and prevention of venereal disease.
 24 ~~The tax is in addition to other taxes of the local governing body. The~~
 25 ~~tax shall be collected in the same manner as other taxes and shall be~~
 26 ~~credited to the local board of health venereal disease prevention and~~
 27 ~~control fund.~~

28 SECTION 191. IC 16-41-33-4 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. The county
 30 fiscal body or the governing board of a health and hospital corporation
 31 may, on the fiscal body's or board of trustees' own initiative or after a
 32 petition signed by five percent (5%) of the registered voters within the
 33 jurisdiction of the health department, make an annual appropriation
 34 specifically for the purpose of vector control to be used by the health
 35 department solely for that purpose. ~~and levy a tax of not more than~~
 36 ~~sixty-seven hundredths of one cent (\$0.0067) on each one hundred~~
 37 ~~dollars (\$100) of assessed value of taxable property in the county.~~

38 SECTION 192. IC 20-1-1.3-8 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. (a) A public school
 40 that receives a monetary award under this chapter may expend that
 41 award for any educational purpose for that school, except:

42 (1) athletics;

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- 1 (2) salaries for school personnel; or
 2 (3) salary bonuses for school personnel.
 3 (b) A monetary award may not be used to determine:
 4 (1) the maximum permissible general fund ad valorem property
 5 tax levy under IC 6-1.1-19-1.5; or
 6 (2) the tuition support under IC 21-3-1.6;
 7 of the school corporation of which the school receiving the monetary
 8 award is a part. **This subsection expires January 1, 2005.**
 9 SECTION 193. IC 20-1-6-1 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. As used in this
 11 chapter, the following terms have the following meanings:
 12 (1) "Child with a disability" means any child who is at least three
 13 (3) years of age but less than twenty-two (22) years of age and
 14 who because of physical or mental disability is incapable of being
 15 educated properly and efficiently through normal classroom
 16 instruction, but who with the advantage of a special educational
 17 program may be expected to benefit from instruction in
 18 surroundings designed to further the educational, social, or
 19 economic status of the child. Public schools may operate special
 20 education programs for hearing impaired children as young as six
 21 (6) months of age on an experimental basis upon the approval of
 22 the superintendent of public instruction and the Indiana state
 23 board of education.
 24 (2) "Division" means the division of special education within the
 25 department of education.
 26 (3) "Director" means the director of the division of special
 27 education.
 28 (4) "School corporation" ~~means any corporation authorized by law~~
 29 ~~to establish public schools and levy taxes for the maintenance of~~
 30 ~~the schools.~~ **has the meaning set forth in IC 20-5-1-3.**
 31 (5) "Individualized education program" means a written statement
 32 developed by a group that includes:
 33 (A) a representative of the school corporation or public agency
 34 responsible for educating the child;
 35 (B) the child's teacher;
 36 (C) the child's parent, guardian, or custodian;
 37 (D) if appropriate, the child; and
 38 (E) if the provision of services for a seriously emotionally
 39 disabled child is considered, a mental health professional
 40 provided by the community mental health center (as described
 41 under IC 12-29) or a managed care provider (as defined in
 42 IC 12-7-2-127(b)) and serving the community in which the

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1 child resides;
 2 and that describes the special education to be provided to the
 3 child.
 4 (6) "Preschool child with a disability" refers to a disabled child
 5 who is at least three (3) years of age by September 1 of the
 6 1989-90 school year, August 1 of the 1990-91 school year, July
 7 1 of the 1991-92 school year, or June 1 of the 1992-93 school year
 8 and every subsequent school year.
 9 (7) "Special education" means instruction specially designed to
 10 meet the unique needs of a child with a disability. It includes
 11 transportation, developmental, corrective, and other support
 12 services and training only when required to assist a child with a
 13 disability to benefit from the instruction itself.
 14 (8) "School year" has the meaning set forth in IC 20-10.1-2-1.
 15 SECTION 194. IC 20-1-6-20 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) As used in this
 17 section, the following terms shall have the following meanings:
 18 (1) "Special education cooperative" means a department, school,
 19 or school corporation established, maintained, and supervised for
 20 the education of children with disabilities in accordance with this
 21 section.
 22 (2) "Participating school corporation" means any local public
 23 school corporation established under the laws of the state of
 24 Indiana which cooperates with other such corporation or
 25 corporations in a special education cooperative.
 26 (3) "Governing body" of a participating school corporation means
 27 the board or commission charged by law with the responsibility
 28 of administering the affairs of such school corporation, but in the
 29 case of a school township shall mean its trustee and township
 30 board.
 31 (4) "Board of managers" means the board or commission charged
 32 with the responsibility of administering the affairs of a special
 33 education cooperative.
 34 (5) "Agreement" means an identical resolution adopted by the
 35 governing body of each participating school corporation, or an
 36 agreement approved by each such governing body, providing for
 37 a special education cooperative.
 38 (6) "Assessed valuation" of a participating school corporation for
 39 any school year shall mean the net assessed valuation of such
 40 school corporation for the immediately preceding March 1,
 41 adjusted in the same manner as any adjustment is made in
 42 determining the amount of state distribution for school support.

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1 (7) "Percentage share" of a participating school corporation is the
 2 percent which its assessed valuation bears to the total assessed
 3 valuation of all the participating schools joining in an agreement.

4 (b) Two (2) or more participating school corporations may form a
 5 special education cooperative in accordance with the provisions of
 6 either subsection (g) or (h), but subject to the limitations of this
 7 subsection, by adopting an agreement which shall contain the following
 8 provisions:

9 (1) A plan for the organization, administration, and support for
 10 such special education cooperative, including the establishment
 11 of a board of managers.

12 (2) The commencement date of the establishment of such
 13 cooperative, which shall be contemporaneous with the beginning
 14 of a school year.

15 (3) The extension of such special education cooperative for a
 16 minimum of five (5) school years, a provision that such
 17 cooperative will extend from school year to school year thereafter
 18 unless canceled by action of the governing bodies of a majority of
 19 the participating school corporations, taken at least one (1) year
 20 prior to the termination of the agreement.

21 During the term of such agreement, it may be modified by unanimous
 22 consent of all the participating school corporations. Such agreement
 23 may include an agreement to acquire sites, buildings, and equipment
 24 therefor by purchase, by lease from any of the participating school
 25 corporations for the term of the agreement, or by lease under the
 26 provisions of IC 21-5-11 or IC 21-5-12. The agreement may include an
 27 agreement to repair, equip, and maintain school buildings and
 28 equipment and an agreement that participating school corporations may
 29 use funds from their respective capital projects fund to pay for those
 30 costs or for any other purposes authorized under IC 21-2-15 (**repealed**
 31 **January 1, 2005**). The amount of money used from a participating
 32 school corporation's cumulative building fund or capital projects fund
 33 is to be determined by agreement among the participating school
 34 corporations. The cost of the special education cooperative for each
 35 school year shall be borne by the participating school corporations in
 36 accordance with the terms of their agreement. Agreements for the
 37 payment of the cost of the special education cooperative may establish
 38 a formula for payments which meet the needs of the school
 39 corporations or may base payments on a percentage share formula.
 40 Upon the termination of the agreement, the participating school
 41 corporations shall be liable for their respective portions of any long
 42 term lease or other long term obligations in the same annual portions

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1 as are provided in the agreement as though the agreement had not been
 2 terminated, unless the terms under which such obligations were set up
 3 otherwise provide. A special education cooperative has the authority to
 4 employ teachers and issue teaching contracts in accordance with all the
 5 provisions for public teaching contracts. Any teacher who has taught
 6 or is teaching in a participating school corporation who became or
 7 becomes a teacher in the special education cooperative shall retain
 8 semipermanent, permanent, or nonpermanent status in such
 9 participating school corporation, to the same extent as if he had
 10 continued teaching in the participating school corporation, and his
 11 employment may be terminated solely by the board of managers of the
 12 special education cooperative.

13 (c) A teacher who:

14 (1) is employed by a special education cooperative; and

15 (2) previously taught in a participating school corporation;

16 retains all rights and privileges under IC 20-6.1-4, IC 20-6.1-5, and
 17 IC 20-6.1-6 to the same extent as if the teacher had continued teaching
 18 in the participating school corporation.

19 (d) A teacher who:

20 (1) is employed by a special education cooperative; and

21 (2) does not have existing years of service in any of the
 22 participating school corporations;

23 shall be considered to be employed by the special education
 24 cooperative and is entitled to the same rights and privileges under
 25 IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6 as if the teacher were
 26 employed by a school corporation.

27 (e) If a teacher loses the teacher's job in a special education
 28 cooperative due to:

29 (1) a reduction in services of;

30 (2) a reorganization of;

31 (3) the discontinuance of; or

32 (4) a withdrawal in whole or in part of a participating school
 33 corporation from;

34 the special education cooperative, the teacher shall be added to the
 35 recall list of laid off teachers that is maintained by the participating
 36 school corporations, and the teacher shall be employed under the terms
 37 of the recall provisions of the participating school corporations for a
 38 special education job opening that occurs in any of the participating
 39 school corporations. In addition and during the time the former special
 40 education cooperative teacher is entitled to remain on the recall list, all
 41 teachers in the participating school corporation other than the former
 42 special education cooperative teacher retain all rights and privileges for

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1 job openings for which the other teachers are qualified and as granted
 2 by the collective bargaining agreement in effect at the participating
 3 school corporation or, if no provisions of a collective bargaining
 4 agreement govern the rights and privileges, by the policy of the
 5 governing body, including provisions governing layoffs and recall.

6 (f) If:

7 (1) a teacher loses the teacher's job in a special education
 8 cooperative due to:

9 (A) a reduction in services of;

10 (B) a reorganization of;

11 (C) the discontinuance of; or

12 (D) a withdrawal in whole or in part of a participating school
 13 corporation from;

14 the special education cooperative; and

15 (2) the teacher is employed by a participating school corporation
 16 as described in subsection (e);

17 the teacher retains the rights and privileges under IC 20-6.1-4,
 18 IC 20-6.1-5, and IC 20-6.1-6 that the teacher held at the time the
 19 teacher lost the job in the special education cooperative as described in
 20 subdivision (1).

21 (g) A special education cooperative may either be attached to a
 22 participating school corporation which shall have responsibility for
 23 administrative and financial controls, or it may establish a separate
 24 treasury with separate accounts. When a special education cooperative
 25 is not attached to a participating school corporation, it shall comply
 26 with the state board of accounts' approved forms and rules for fiscal
 27 accountability and be subject to audit by the state board of accounts. A
 28 special education cooperative may be operated and managed and its
 29 budget determined by a board of managers. The board of managers
 30 consists of one (1) designated member from each participating school
 31 corporation. The particular designated member from a participating
 32 school corporation must be:

33 (1) the president (or trustee in the case of a school township) of
 34 the governing body of a participating school corporation;

35 (2) any fellow member of such governing body whom such
 36 president or trustee may designate;

37 (3) the superintendent of a participating school corporation
 38 appointed by the president (or trustee in the case of a school
 39 township) of the governing body of a participating school
 40 corporation; or

41 (4) an assistant superintendent of a participating school
 42 corporation appointed by the president (or trustee in the case of

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1 a school township) of the governing body of a participating school
2 corporation.
3 Such designated member may be changed by the president or trustee
4 at any time. Meetings of the board of managers shall be held in
5 accordance with the provisions of IC 20-5-3-2.
6 (h) The special education cooperative may be organized in
7 accordance with IC 20-5-11 or IC 36-1-7.
8 SECTION 195. IC 20-2-2-3 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) The township
10 trustees of each and every township of each county shall perform all the
11 civil functions performed before March 13, 1947, by such township
12 trustees and together with other township trustees of the county shall
13 constitute a county board of education for the purpose of managing the
14 affairs of the county school corporation hereby created in each such
15 county. School cities and school towns shall retain independent
16 organization and administration unless abandoned as provided by law,
17 and the county school corporation, also referred to in this chapter as the
18 county, shall include all areas not organized on March 13, 1947, under
19 the laws of this state into jurisdictions controlled and governed as
20 school cities or school towns. Said county board of education may be
21 referred to interchangeably as the county board of school trustees and
22 as the board. Said board shall meet at such time as the board shall
23 designate at the office of the county superintendent of schools and at
24 such other times and places as the county superintendent of schools
25 may deem necessary. At the first meeting of each year, to be held on
26 the first Wednesday after the first Monday in January, the board shall
27 organize by selecting a president, a vice president, a secretary, and a
28 treasurer from its membership. Provided, however, that no later than
29 April 12, 1947, it shall be the duty of the county superintendent of
30 schools to call said board into special session and unless the county
31 board of education shall elect to have the provisions of this section
32 remain inoperative, under provisions that may be included within this
33 section, said board shall so organize itself, except that the failure of the
34 county superintendent of schools to call the county board of education
35 into session within the prescribed limits of this section shall not be
36 construed to mean that a county school corporation as described in this
37 section shall be brought into existence in such county, and no such
38 county school corporation shall be brought into existence until the
39 board has met in special session subsequent to March 13, 1947, and has
40 taken action to organize itself into a county school corporation, after
41 consideration of the question whether it should elect to have the
42 provisions of this section remain inoperative under provisions that may

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1 be included within this section. Such organization when and if effected
 2 shall be filed with the county auditor and shall be published by said
 3 auditor in two (2) newspapers of different political persuasions of
 4 general circulation throughout the county within ten (10) days after
 5 such filing, and such organization shall be deemed to fulfill all the
 6 requirements of this section for the transacting of public business under
 7 this section. The secretary of the board shall keep an accurate record of
 8 the minutes of the board, which minutes shall be kept at the county
 9 superintendent's office. The county superintendent shall act as
 10 administrator of the board and shall carry out such acts and duties as
 11 shall be designated by the board. A quorum shall consist of two-thirds
 12 (2/3) of the members of the board.

13 (b) The board shall make decisions as to the general conduct of the
 14 schools, which shall be enforced as entered upon the minutes recorded
 15 by the secretary of the board, and shall exercise all powers exercised
 16 before March 13, 1947, under the law, by or through township trustees
 17 or meetings or petitions of the trustees of the county.

18 (c) The board shall appoint a county superintendent of schools who
 19 shall serve for a term of four (4) years. The first such appointment
 20 under this section shall be made in accordance with law in June 1949,
 21 to become effective August 16, 1949, and thereafter the board shall fill
 22 vacancies in this office by appointments which shall expire at the end
 23 of the regular term. The county superintendent of schools and other
 24 persons employed for administrative or supervisory duties shall be
 25 deemed to be supervisors of instruction.

26 (d) The government of the common schools of the county shall be
 27 vested in the board, and the board shall function with all the authority,
 28 powers, privileges, duties, and obligations granted to or required of
 29 school cities before March 13, 1947, and school towns and their
 30 governing boards generally under the laws pertaining thereto with
 31 reference to the purchase of supplies, purchase and sale of buildings,
 32 grounds, and equipment, the erection of buildings, the employment and
 33 dismissal of school personnel, the right and power to sue and be sued
 34 in the name of the county, the insuring of property and employees, the
 35 levying **or imposition** and collecting of taxes **as authorized by law**,
 36 the making and executing of a budget, the borrowing of money, the
 37 paying of the salaries and expenses of the county superintendent and
 38 employees as approved by the board and to any act necessary to the
 39 proper administration of the common schools of the county.

40 (e) Such school corporations shall be vested with all right, title, and
 41 interest of their respective predecessor township school corporations
 42 hereby terminated to and in all the real, personal, and other property of

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1 any nature and from whatever source derived, and shall assume, pay,
2 and be liable for all the indebtedness and liabilities of the same.

3 (f) The treasurer, before entering upon the duties of his office, shall
4 execute a bond to the acceptance of the county auditor in an amount
5 equal to the largest sum of money that will be in the possession of the
6 treasurer at any one time conditioned as an ordinary official bond, with
7 a reliable surety company or at least two (2) sufficient freehold sureties,
8 who shall not be members of such board, as surety or sureties on such
9 bond. The president and secretary shall each give bond, with like surety
10 or sureties, to be approved by the county auditor, in the sum of
11 one-fourth (1/4) of said amount. Provided, that such boards of school
12 trustees may purchase said bonds from some reliable surety company,
13 and pay for them out of the special school revenue of their respective
14 counties.

15 (g) The powers set forth in this section shall not be considered as or
16 construed to limit the power and authority of such boards to the powers
17 therein expressly conferred or to restrict or modify any powers or
18 authority granted by any other law not in conflict with the provisions
19 of this section.

20 (h) Every such board shall have, as respects the levy of taxes by it,
21 power annually to levy such amount of taxes as in the judgment of such
22 board, made matter of record in its minutes, should be levied to
23 produce income sufficient to conduct and carry on the common schools
24 committed to such board, and it is hereby made the duty of such board
25 annually to levy a sum sufficient to meet all payments of principal and
26 interest as they will mature in the year for which such levy is made on
27 the bonds, notes, or other obligations of such board. The power of such
28 board in so making tax levies shall be exercised within statutory limits
29 and said levies shall be subject to the same review as school city and
30 school town levies. **This subsection expires January 1, 2005.**

31 SECTION 196. IC 20-2-9-2 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. Said school trustees
33 shall maintain in each school corporation a term of school at least six
34 (6) months in duration and shall authorize a local tuition levy sufficient
35 to conduct a six (6) months term of school each year based on estimates
36 and receipts from all sources for the previous year, which may include
37 that received from the state's tuition revenue: Provided, Such levy shall
38 not exceed the limit now provided by law. **This section expires
39 January 1, 2005.**

40 SECTION 197. IC 20-3-11-18 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18. Every such board
42 of school commissioners shall have, as respects the levy of taxes by it,

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1 power annually to levy such amount of taxes as in the judgment of said
 2 board, made matter of record in its minutes, should be levied to
 3 produce income sufficient to conduct and carry on the work committed
 4 to such board, and it is hereby made the duty of said board annually to
 5 levy a sum sufficient to meet all payments of principal and interest as
 6 they will mature in the year for which such levy is made on the bonds,
 7 notes or other obligations of said board, and the fund arising from any
 8 levy made by such board shall be known as its "general fund." Said
 9 general fund may lawfully be used by said board for any purpose within
 10 the scope of the duties of such board as imposed by law. **This section**
 11 **expires January 1, 2005.**

12 SECTION 198. IC 20-3-11-20, AS AMENDED BY P.L.90-2002,
 13 SECTION 402, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) Each such board of school
 15 commissioners may from time to time, whenever its general fund shall
 16 be exhausted or in the board's judgment be in danger of exhaustion,
 17 make temporary loans for the use of its general fund to be paid out of
 18 the proceeds of taxes theretofore levied by such school city for its
 19 general fund. The amount so borrowed in aid of said general fund shall
 20 be paid into said general fund and may be used for any purpose for
 21 which the said general fund lawfully may be used. Any such temporary
 22 loan shall be evidenced by the promissory note or notes of said school
 23 city, shall bear interest at not more than seven per cent (7%) per
 24 annum, interest payable at the maturity of the note or periodically, as
 25 the note may express, and shall mature at such time or times as the
 26 board of school commissioners may decide, but not later than one (1)
 27 year from the date of the note. No such loan or loans made in any one
 28 (1) calendar year shall be for a sum greater than the amount estimated
 29 by said board as the proceeds to be received by it from the levy of taxes
 30 theretofore made by said school city in behalf of its said general fund.
 31 Successive loans may be made in aid of said general fund in any
 32 calendar year, but the aggregate amount thereof, outstanding at any one
 33 (1) time, shall not exceed such estimated proceeds of taxes levied in
 34 behalf of the said general fund.

35 (b) No such loan shall be made until notice asking for bids therefor
 36 shall have been given by newspaper publication, which publication
 37 shall be made one (1) time in a newspaper published in said city and
 38 said publication shall be at least seven (7) days before the time when
 39 bids for such loans will be opened. Bidders shall name the amount of
 40 interest they agree to accept not exceeding seven per cent (7%) per
 41 annum, and the loan shall be made to the bidder or bidders bidding the
 42 lowest rate of interest. The note or notes or warrants shall not be

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1 delivered until the full price of the face thereof shall be paid to the
2 treasurer of said school city, and no interest shall accrue thereon before
3 such delivery.

4 (c) Any such school corporation wishing to make a temporary loan
5 in aid of its general fund, finding that it has need to exercise the power
6 in this section above given to make a temporary loan, which has in its
7 treasury money derived from the sale of bonds, which money derived
8 from the sale of bonds can not or will not, in the due course of the
9 business of said school city, be expended in the then near future, may,
10 if it so elects, temporarily borrow, and without payment of interest,
11 from such bond fund, for the use and aid of said general fund in the
12 manner and to the extent hereinafter expressed, viz.: Such school city
13 shall, by its board of school commissioners, take all the steps required
14 by law to effect such temporary loan up to the point of advertising for
15 bids or offers for such loans; it shall then present to the department of
16 local government finance of the state of Indiana, and to the state board
17 of accounts of the state of Indiana, a copy of the corporate action of
18 said school city concerning its desire to make such temporary loan and
19 a petition showing the particular need for such temporary loan, and the
20 amount and the date or dates when said general fund will need such
21 temporary loan, or instalments of such loan, and the date at which such
22 loan, and each instalment thereof, will be needed, and the estimated
23 amounts from taxes to come into said general fund, and the dates when
24 it is expected such proceeds of taxes will be received by such school
25 city in behalf of said general fund, and showing what amount of money
26 said school city has in any fund derived from the proceeds of the sale
27 of bonds, which can not or will not be expended in the then near future,
28 and showing when and to what extent and why money in such bond
29 fund, not soon to be expended, will not be expended in the then near
30 future and requesting that the department of local government finance,
31 and said state board of accounts, respectively, authorize a temporary
32 loan from said bond fund in aid of said general fund.

33 (d) If the department of local government finance shall find and
34 order that there is need for such temporary loan, and that it should be
35 made, and said state board of accounts shall find that the money
36 proposed to be borrowed will not be needed during the period of the
37 temporary loan by the fund from which it is to be borrowed, and the
38 state board of accounts and the department of local government finance
39 shall approve the loan, the business manager and treasurer of said
40 school city shall, upon such approval by the state board of accounts and
41 the department of local government finance, take all steps necessary to
42 transfer the amount of such loans, as a temporary loan from the fund to

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1 be borrowed from, to said general fund of such school city. The loan so
 2 effected shall, for all purposes, be a debt of the school city chargeable
 3 against its constitutional debt limit.

4 (e) The state board of accounts and the department of local
 5 government finance may fix the aggregate amount so to be borrowed
 6 on any one (1) petition and shall determine at what time or times and
 7 in what instalments and for what periods it shall be borrowed. The
 8 treasurer and business manager of such school city, from time to time,
 9 as money shall be collected from taxes levied in behalf of said general
 10 fund, shall credit the same on such loan until the amount borrowed is
 11 fully repaid to the lending fund, and they shall at the end of each
 12 calendar month report to the board the several amounts so applied from
 13 taxes to the payment of such loan.

14 (f) The school city shall, as often as once a month, report to both the
 15 state board of accounts and the department of local government finance
 16 the amount of money then so borrowed and unpaid, the anticipated like
 17 borrowings of the current month, the amount left in the said general
 18 fund, and the anticipated drafts upon the lending bond fund for the
 19 objects for which that fund was created.

20 (g) The state board of accounts and the department of local
 21 government finance, or either of them, may, if it shall seem to the board
 22 and department, or to either of them, that the fund from which the loan
 23 was made requires the repayment of all or of part of such loan(s) before
 24 its maturity or said general fund no longer requires all or some part of
 25 the proceeds of such loan, require such school city to repay all or any
 26 part of such loan, and, if necessary to perform the requirement, such
 27 school city shall exercise its power of making a temporary loan
 28 procured from others to raise the money so needed to repay the lending
 29 bond fund the amount so ordered repaid.

30 (h) **This section expires January 1, 2005.**

31 SECTION 199. IC 20-3-14-3 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. An annexation may
 33 be effected by any school corporation as follows:

34 (a) Both the acquiring and the losing school corporations shall each
 35 adopt a substantially identical annexation resolution. This resolution
 36 shall contain the following items:

37 (1) A description of the annexed territory. Such description shall
 38 as near as reasonably possible be by streets and other boundaries
 39 known by common names and need not be in addition by legal
 40 description unless such additional description is necessary to
 41 identify the annexed territory. No notice shall be defective if there
 42 is a good faith compliance with this section and if the area

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1 designated may be ascertained with reasonable certainty by
 2 persons skilled in the area of real estate description.

3 (2) The time the annexation takes place. This may vary with
 4 respect to the different parts of the annexed territory; and if the
 5 entire annexed territory is contiguous to the acquiring corporation
 6 the parts of the annexed territory may be annexed so that some
 7 parts may not be contiguous to the annexed territory for temporary
 8 periods.

9 (3) Any terms and conditions facilitating education of pupils in
 10 the annexed territory, in the losing school corporation, or in the
 11 acquiring school corporation. Such terms may provide for, but
 12 shall not be limited to, the continued attendance by children in the
 13 annexed territory at schools in the losing school corporation for
 14 specified periods of time after annexation on a transfer basis. In
 15 such instances transfer tuition for such children shall be paid by
 16 the acquiring school corporation to the losing school corporation
 17 in the manner and at the rates provided by the statutes of the state
 18 of Indiana governing the computation and payment of transfer
 19 tuition costs.

20 (4) Disposition of assets and liabilities of the losing school
 21 corporation to the acquiring school corporation; allocation
 22 between the acquiring and losing school corporations of
 23 subsequently collected school ~~taxes levied on property tax~~
 24 **receipts** in the annexed territory; and the amount, if any, to be
 25 paid by the acquiring school corporation to the losing school
 26 corporation on account of property received from the latter. Such
 27 disposition, allocation, and amount shall be equitable.

28 (b) After the adoption of such resolution, notice shall be given by
 29 publication in both the acquiring and the losing school corporations
 30 setting out the text of the resolution, together with a statement that such
 31 resolution had been adopted and that a right of remonstrance exists as
 32 provided in this chapter. It shall not be necessary to set out the
 33 remonstrance provisions of this chapter, but a general reference to a
 34 right of remonstrance with a reference to this chapter shall be
 35 sufficient. The annexation shall take effect within thirty (30) days after
 36 such publication, or at the time provided in the resolution, whichever
 37 is later, unless within such period a remonstrance (based on a ground
 38 other than that set out in section 6(a)(5) of this chapter) is filed in the
 39 circuit or superior court of the county where the annexed territory or
 40 any part thereof is located, by registered voters residing in the losing
 41 school corporation at least equal in number to the greater of the
 42 following:

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- 1 (1) ten percent (10%) of the number of registered voters residing
- 2 in the losing school corporation; or
- 3 (2) fifty-one percent (51%) of the number of registered voters
- 4 residing in the annexed territory.

5 SECTION 200. IC 20-3-14-7 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. With respect to
 7 whether the disposition of the assets and liabilities of the losing school
 8 corporation, allocation of school tax receipts, and the amount to be paid
 9 by the acquiring school corporation is equitable, the court shall be
 10 satisfied that the annexing resolution conforms substantially to the
 11 following standards:

12 (a) The acquiring school corporation shall assume a portion of all
 13 installments of principal and interest on any indebtedness of the losing
 14 school corporation (other than current obligations or temporary
 15 borrowing) which fall due after the end of the last calendar year in
 16 which the losing school corporation is entitled to receive current tax
 17 receipts ~~from property tax levies on the property on in~~ the annexed
 18 territory. Such portion shall consist of the following:

- 19 (1) All such installments relating to any indebtedness incurred in
- 20 connection with the acquisition or construction of any building
- 21 located in the annexed territory.
- 22 (2) A proportion of all such installments relating to any other
- 23 indebtedness which is the same proportion as the valuation of the
- 24 real property in the annexed territory bears to the valuation of all
- 25 the real property in the losing school corporation, as the same is
- 26 assessed for general taxation immediately prior to annexation.

27 (b) The acquiring school corporation shall make the payments and
 28 assume the obligations provided for a school corporation acquiring
 29 territory and/or building or buildings under IC 21-5-10.

30 (c) Unless the losing school corporation shall consent to some other
 31 allocation, the portion of the special school and tuition fund moneys
 32 collected by the losing school corporation shall not be allocated in a
 33 greater amount to the acquiring school corporation than would be
 34 awarded if such two (2) corporations were respectively the original
 35 school corporation and the annexing school corporation within the
 36 meaning of IC 20-4-16, and the amount to be paid the losing
 37 corporation by the acquiring school corporation on account of the
 38 acquisition by the acquiring school corporation of a building in the
 39 annexed territory shall not be less than would be awarded if such two
 40 (2) school corporations were respectively the acquiring corporation and
 41 original school corporation within the meaning of IC 20-4-15.

42 (d) Where the annexed territory includes all of any losing school

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1 corporation, the acquiring school corporation shall acquire all of the
 2 property and assets of the losing school corporation without making
 3 payment of any nature for the same and shall assume all of the
 4 liabilities and obligations of the losing school corporation.

5 SECTION 201. IC 20-3.1-15-1, AS AMENDED BY P.L.1-2002,
 6 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2004]: Sec. 1. To provide the board with the necessary
 8 flexibility and resources to carry out this article, the following apply:

9 (1) The board may eliminate or modify existing policies, create
 10 new policies, and alter policies from time to time, subject to this
 11 article and the plan developed under IC 20-3.1-7.

12 (2) Beginning on July 1, 2001, IC 20-7.5 applies to the school
 13 city; however, the provision of IC 20-7.5-1-5(a) that requires any
 14 items included in the 1972-1973 agreements between an employer
 15 school corporation and an employee organization to continue to
 16 be bargainable does not apply to the school city.

17 (3) The board of school commissioners may waive the following
 18 statutes and rules for any school in the school city without the
 19 need for administrative, regulatory, or legislative approval:

20 (A) The following rules concerning curriculum and
 21 instructional time:

22 511 IAC 6.1-3-4

23 511 IAC 6.1-5-0.5

24 511 IAC 6.1-5-1

25 511 IAC 6.1-5-2.5

26 511 IAC 6.1-5-3.5

27 511 IAC 6.1-5-4

28 (B) The following rules concerning pupil/teacher ratios:

29 511 IAC 6-2-1(b)(2)

30 511 IAC 6.1-4-1

31 (C) The following statutes and rules concerning textbooks, and
 32 rules adopted under the statutes:

33 IC 20-10.1-9-1

34 IC 20-10.1-9-18

35 IC 20-10.1-9-21

36 IC 20-10.1-9-23

37 IC 20-10.1-9-27

38 IC 20-10.1-10-1

39 IC 20-10.1-10-2

40 511 IAC 6.1-5-5

41 (D) The following rules concerning school principals:

42 511 IAC 6-2-1(c)(4)

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1 511 IAC 6.1-4-2
2 (E) 511 IAC 2-2, concerning school construction and
3 remodeling.
4 (4) Notwithstanding any other law, a school city may do the
5 following:
6 (A) Lease school transportation equipment to others for
7 nonschool use when the equipment is not in use for a school
8 city purpose.
9 (B) Establish a professional development and technology fund
10 to be used for:
11 (i) professional development; or
12 (ii) technology, including video distance learning.
13 (C) Transfer funds obtained from sources other than state or
14 local government taxation among any account of the school
15 corporation, including a professional development and
16 technology fund established under clause (B).
17 (5) Transfer ~~funds obtained from property taxation money~~ among
18 the ~~general fund (established under IC 21-2-11)~~ and the school
19 transportation fund ~~(established under IC 21-2-11.5)~~ **funds of the**
20 **school corporation. subject to the following:**
21 (A) ~~The sum of the property tax rates for the general fund and~~
22 ~~the school transportation fund after a transfer occurs under this~~
23 ~~subdivision may not exceed the sum of the property tax rates~~
24 ~~for the general fund and the school transportation fund before~~
25 ~~a transfer occurs under this clause.~~
26 ~~(B)~~ **However, this clause subdivision** does not allow a school
27 corporation to transfer to any other fund money from the debt
28 service fund (established under IC 21-2-4).
29 SECTION 202. IC 20-4-1-18, AS AMENDED BY P.L.90-2002,
30 SECTION 403, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 2004]: Sec. 18. (a) Whenever the creation of a
32 community school corporation out of an existing corporation would
33 involve no change in its territorial boundaries or in its board of school
34 trustees or other governing body, other than a change, if any, in the
35 time of election or appointment or the time the board members take
36 office, and such creation is consistent with the standards set up
37 pursuant to the provisions of this chapter as modified, if any, by the
38 standards set out in this section, the state board may upon its own
39 motion or upon petition of the governing body of the existing school
40 corporation at any time with hearing in the county where such school
41 corporation is located, after notice by publication at least once in one
42 (1) newspaper of general circulation published in the county where

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1 such school corporation is located, at least ten (10) but not more than
2 thirty (30) days prior to the date of such hearing and without action of
3 the county committee declare such existing school corporation to be a
4 community school corporation by adopting a resolution to this effect.
5 Such existing school corporation shall qualify as to size and financial
6 resources if it has an average daily attendance of two hundred seventy
7 (270) or more, in grades nine (9) through twelve (12), or of one
8 thousand (1,000) or more, in grades one (1) through twelve (12), and
9 has an assessed valuation per pupil of five thousand dollars (\$5,000) or
10 more. For the purposes of this provision the following terms shall have
11 the following meanings:

12 (1) "County tax" shall be a property tax which is levied at an
13 equal rate in the entire county in which any school corporation is
14 located, other than a tax qualifying as a county-wide tax within
15 the meaning of Acts 1959, c.328, s.2, or any similar statute, and
16 the net proceeds of which are distributed to school corporations
17 in the county.

18 (2) "Assessed valuation" of any school corporation shall mean the
19 net assessed value of its real and personal property as of March 1,
20 1964, adjusted in the same manner as such assessed valuation is
21 adjusted for each county by the department of local government
22 finance under Acts 1949, c.247, s.5, as now or hereafter amended,
23 unless such statute has been repealed or no longer provides for
24 such adjustment. In the event a county has a county tax, then the
25 assessed valuation of each school corporation in the county shall
26 be increased by the amount of assessed valuation, if any, which
27 would be required to raise an amount of money, equal to the
28 excess of the amount distributed to any school corporation from
29 the county tax over the amount collected from such county tax in
30 such school corporation, using total taxes levied by such school
31 corporation in terms of rate excluding the countywide tax under
32 Acts 1959, c.328, s.2, or any similar statute, and including all
33 other taxes levied by or for such school corporation, including but
34 not limited to the county tax, bond fund levy, lease rental levy,
35 library fund levy, special school fund levy, tuition fund levy,
36 capital projects fund levy, and special funds levies. Such
37 increased valuation shall be based on the excess distributed to the
38 school corporation from the county tax levied for the year 1964
39 and the total taxes levied for such year, or if the county tax is first
40 applied or is raised for years after 1964, then the excess
41 distributions and total taxes levied for the year in which such tax
42 is first applied or raised. In the event such excess distribution and

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1 total taxes levied cannot be determined accurately on or prior to
 2 the adoption of the resolution provided in this section, excess
 3 distribution and taxes levied shall be estimated by the department
 4 of local government finance using the last preceding assessed
 5 valuations and tax rates or such other information as they shall see
 6 fit, certifying such increased assessment to the state board prior
 7 to such time. In all cases, the excess distribution shall be
 8 determined upon the assumption that the county tax is one
 9 hundred percent (100%) collected and all collections are
 10 distributed.

11 (3) "Assessed valuation per pupil" of any school corporation
 12 means the assessed valuation of any such school corporation
 13 divided by its average daily attendance in grades one (1) through
 14 twelve (12).

15 (4) "Average daily attendance" in any school corporation shall
 16 mean the average daily attendance of pupils who are residents in
 17 such school corporation and in the particular grades to which such
 18 term refers for the school year 1964-1965 in accordance with the
 19 applicable regulations of the state superintendent of public
 20 instruction, used in determining such average daily attendance in
 21 the distribution of the tuition funds by the state to its various
 22 school corporations where such funds are distributed on such
 23 basis and irrespective of whether such figures are the actual
 24 resident daily attendance of such school for the school year.

25 (b) Such community school corporation shall automatically come
 26 into being on either July 1 or January 1 following the date of such
 27 approval, whichever is earlier. The state board shall mail by certified
 28 United States mail, return receipt requested, a copy of such resolution
 29 certified by its director or its secretary to the recorder of the county
 30 from which the county committee having jurisdiction of such existing
 31 school corporation was appointed and to such county committee. Such
 32 resolution may change the time of election or appointment of the board
 33 members of such school corporation or the time such board members
 34 take office. The recorder shall without cost record such certified
 35 resolution in the miscellaneous records of the county. Such recording
 36 shall constitute a permanent record of the action of the state board and
 37 may be relied on by any person. Unless the resolution otherwise
 38 provides no interim board member shall be appointed, the board
 39 members in office on the date of such action shall continue to
 40 constitute the board of trustees of such school corporation until their
 41 successors are qualified, and the terms of their respective office and
 42 board membership shall remain unchanged except to the extent that

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1 such resolution otherwise provides. For all purposes under this chapter,
 2 community school corporation shall be regarded as a school
 3 corporation created under the provisions of section 22 of this chapter.

4 **(c) This section expires January 1, 2005.**

5 SECTION 203. IC 20-4-1-26.9 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 26.9. (a) This section
 7 applies to each school corporation, whenever created.

8 (b) Each board of school trustees created under this chapter may
 9 annually levy the amount of taxes that, in the judgment of the board,
 10 made a matter of record in its minutes, should be levied to produce
 11 income sufficient to conduct and carry on the public schools committed
 12 to the board. The board shall annually levy a rate that will produce a
 13 sum sufficient to meet all payments of principal and interest as they
 14 mature in the year for which the levy is made on the bonds, notes, or
 15 other obligations of the community school corporation.

16 (c) The power of the board in making tax levies shall be exercised
 17 within existing statutory limits. The levies are subject to the same
 18 review as school city levies and shall be at a uniform and equal rate on
 19 all taxable property located within the boundaries of the community
 20 school corporation.

21 **(d) This section expires January 1, 2005.**

22 SECTION 204. IC 20-4-1-32 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 32. (a) For the purpose
 24 of defraying the expenses of the county study, a county committee may
 25 prepare and submit to the county council on or before August 1 of each
 26 year during the life of the committee, a budgetary request. The county
 27 council may, upon receipt of such request, establish a uniform ad
 28 valorem tax levy on all real and personal property situated within the
 29 county, in such amount as shall be sufficient to raise an amount of
 30 money not to exceed the amount of such budget request.

31 (b) The county committee may request from the county council
 32 sufficient sums of money necessary to defray legal expenses incident
 33 to placing the county plan in operation.

34 **(c) This section expires January 1, 2005.**

35 SECTION 205. IC 20-4-1-35 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 35. ~~(a)~~ (a) A
 37 reorganization plan may provide that the proposed community school
 38 corporation or united school corporation shall pay to each civil
 39 township, civil city, or civil town, located therein, which has issued
 40 school aid bonds, prior to the due date thereof, amounts sufficient to
 41 pay principal and interest on such school aid bonds.

42 ~~(b)~~ (b) As an alternative to the above provision a reorganization

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1 plan may provide for the payment of outstanding school aid bonds of
 2 any of the foregoing civil units, by the civil townships located in the
 3 territory of such community school corporation or united school
 4 corporation with each civil township paying each year a proportionate
 5 share of the cost of the payment of the principal and interest of such
 6 school aid bonds falling due each year, such proportionate share to be
 7 in the proportion that the net assessed valuation of such civil township's
 8 taxable property located within the community or united school
 9 corporation bears to the total net assessed valuation in such community
 10 or united school corporation. Said annual amount shall be paid in
 11 semi-annual instalments on the 20th day of June and December of each
 12 year to the treasurer of the board of school trustees of the community
 13 or united school corporation who shall in turn promptly pay over to the
 14 fiscal officer of each civil unit having outstanding school aid bonds an
 15 amount sufficient to pay the then next succeeding instalment of
 16 principal and interest on said bonds.

17 **(c) This section expires January 1, 2005.**

18 SECTION 206. IC 20-4-1-36 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 36. If any
 20 reorganization plan provides for the payment of school aid bonds as
 21 authorized in section 35(1) or section 35(2) of this chapter, each school
 22 corporation or civil township which is required to make such payments
 23 is hereby authorized and required to include in their annual budgets an
 24 amount sufficient to make such payments and to levy a tax therefor
 25 which tax in the case of civil townships shall be levied only on the
 26 property located within the community or united school corporation
 27 (which property shall constitute a special taxing district), which shall
 28 be in addition to all taxes heretofore authorized and such levy shall be
 29 reviewable by other bodies vested by law with such authority to
 30 ascertain that the levy is sufficient to raise the amount required to meet
 31 the payments; provided, however, that no payments as above provided
 32 for shall be required prior to the first June 20 following the first August
 33 1 after the proposed community school corporation or united school
 34 corporation has come into existence. **This section expires January 1,
 35 2005.**

36 SECTION 207. IC 20-4-1-37 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 37. In any community
 38 or united school corporation formed before March 11, 1961, the civil
 39 townships shall make the payments as provided in section 35(2) of this
 40 chapter and shall levy taxes as provided in section 36 of this chapter as
 41 if such provision had been included in the reorganization plan adopted.
 42 **This section expires January 1, 2005.**



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1 SECTION 208. IC 20-4-1-38 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 38. In any community
 3 school corporation formed before or after July 26, 1967, the board of
 4 school trustees may by resolution provide for making payments to civil
 5 townships as provided in section 35(1) of this chapter and shall levy
 6 taxes as provided in section 36 of this chapter as if such provision had
 7 been included in the reorganization plan adopted. **This section expires**
 8 **January 1, 2005.**

9 SECTION 209. IC 20-4-4-3 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. An annexation may
 11 be effected by any school corporation as follows:

12 (a) Both the acquiring and the losing school corporations shall each
 13 adopt a substantially identical annexation resolution. This resolution
 14 shall contain the following items:

15 (1) The name of the acquiring school corporation after the
 16 effective date of the annexation, which name may differ from the
 17 name of the acquiring corporation at the time of the adoption of
 18 the resolution.

19 (2) A description of the annexed territory. Such description shall
 20 as near as reasonably possible be by streets and other boundaries
 21 known by common names and need not be in addition by legal
 22 description unless such additional description is necessary to
 23 identify the annexed territory. No notice shall be defective if there
 24 is a good faith compliance with this section and if the area
 25 designated may be ascertained with reasonable certainty by
 26 persons skilled in the area of real estate description.

27 (3) The time the annexation takes place.

28 (4) Any terms and conditions facilitating education of pupils in
 29 the annexed territory, in the losing school corporation or in the
 30 acquiring school corporation. Such terms may provide for, but
 31 shall not be limited to, the continued attendance by children in the
 32 annexed territory at schools in the losing school corporation for
 33 specified periods of time after annexation on a transfer basis. In
 34 such instances transfer tuition for such children shall be paid by
 35 the acquiring school corporation to the losing school corporation
 36 in the manner and at the rates provided by the statutes of the state
 37 of Indiana governing the computation and payment of transfer
 38 tuition costs.

39 (5) Disposition of assets and liabilities of the losing school
 40 corporation to the acquiring school corporation; allocation
 41 between the acquiring and losing school corporations of
 42 subsequently collected school taxes ~~levied on property~~ in the

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1 annexed territory; and the amount, if any, to be paid by the
 2 acquiring school corporation to the losing school corporation on
 3 account of property received from the latter. Such disposition,
 4 allocation and amount shall be equitable.

5 (b) After the adoption of such resolution, notice shall be given by
 6 publication in both the acquiring and the losing school corporations
 7 setting out the text of the resolution, together with a statement that such
 8 resolution has been adopted and that a right of remonstrance exists as
 9 provided in this chapter. It shall not be necessary to set out the
 10 remonstrance provisions of this chapter, but a general reference to a
 11 right of remonstrance with a reference to this chapter shall be
 12 sufficient. The annexation shall take effect within thirty (30) days after
 13 such publication, or at the time provided in the resolution, whichever
 14 is later, unless within such period a remonstrance is filed in the circuit
 15 or superior court of the county where the annexed territory or any part
 16 thereof is located, by registered voters residing in the losing school
 17 corporation at least equal in number to the greater of the following:

18 (1) ten percent (10%) of the number of registered voters residing
 19 in the losing school corporation; or

20 (2) fifty-one percent (51%) of the number of registered voters
 21 residing in the annexed territory.

22 SECTION 210. IC 20-4-4-7 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. (a) With respect to
 24 whether the disposition of the assets and liabilities of the losing school
 25 corporation, allocation of school tax receipts and the amount to be paid
 26 by the acquiring school corporation is equitable, the court subject to the
 27 provisions of subdivision (b) shall be satisfied that the annexing
 28 resolution conforms substantially to the following standards:

29 (1) The acquiring school corporation shall assume a portion of all
 30 installments of principal and interest on any indebtedness of the
 31 losing school corporation (other than current obligations or
 32 temporary borrowing) which fall due after the end of the last
 33 calendar year in which the losing school corporation is entitled to
 34 receive current tax receipts ~~from property tax levies on the~~
 35 ~~property on in~~ the annexed territory. Such portion shall consist of
 36 the following:

37 (i) (A) all such installments relating to any indebtedness
 38 incurred in connection with the acquisition or construction of
 39 any building located in the annexed territory, and

40 (ii) (B) a proportion of all such installments relating to any
 41 other indebtedness which is the same proportion as the
 42 valuation of the real property in the annexed territory bears to

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1 the valuation of all the real property in the losing school
2 corporation, as the same is assessed for general taxation
3 immediately prior to annexation.
4 (2) The acquiring school corporation shall make the payments and
5 assume the obligations provided for school corporation acquiring
6 territory and/or building or buildings under IC 21-5-10.
7 (3) Unless the losing school corporation shall consent to some
8 other allocation: the portion of the general fund moneys collected
9 by the losing school corporation shall not be allocated to the
10 acquiring school corporation in a greater amount than would be
11 awarded if such two (2) corporations were respectively the
12 "original school corporation" and the "annexing school
13 corporation" within the meaning of IC 20-4-16, using the method
14 therein provided for allocating the special school and tuition fund
15 moneys.
16 (b) Such standards shall not be applicable to the extent the losing
17 and acquiring school corporations otherwise agree in a situation where
18 all or a majority of the students in the annexed territory have been
19 transferred from the losing to the acquiring school corporation for the
20 five (5) school years immediately preceding the transfer. Such
21 agreement, as between school corporations, shall not, however,
22 prejudice the rights of bondholders or lessors whose rights as against
23 the losing and acquiring school corporations shall, upon enforcement,
24 be allocated between them in accordance with subsection (a)(1) and
25 (2).
26 SECTION 211. IC 20-4-5-9 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. Except as otherwise
28 provided with respect to the power to issue bonds in section 10 of this
29 chapter, said school board shall perform the duties and shall have all
30 the powers vested in the school board or board of trustees of a school
31 city of the class in which the consolidated school corporation would
32 fall on the basis of its population according to the last preceding United
33 States census under the statutes of this state, if it were organized as a
34 school city. In the event, however, such consolidated school
35 corporation has a population determined in such manner of less than
36 two thousand (2,000), such school board shall perform the duties and
37 shall have all the powers vested in the school board of a school town.
38 The cost of maintaining such consolidated schools shall be borne by the
39 consolidated school corporation, as a single tax unit. Taxes to meet
40 such cost shall be levied by said consolidated school board at a uniform
41 and equal rate on all the taxable property located within the limits of
42 said consolidated school corporation, and collected in the city or cities,

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1 town or towns, township or townships in the same manner as other
2 taxes are levied and collected. **This section expires January 1, 2005.**

3 SECTION 212. IC 20-4-5-10 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. (a) Whenever it
5 shall become necessary to build a new building or buildings, or to make
6 repairs or alterations on old ones, said school board shall have the
7 power to build such new building or buildings, or to repair or alter such
8 old ones as they may deem necessary and to purchase the necessary site
9 therefor; and the cost thereof shall be taxed against all taxable property
10 lying within the corporate limits of such newly consolidated school
11 corporation. Said school board shall have the power to issue bonds of
12 such new school corporation against the taxable property lying within
13 the corporate limits of the newly consolidated school corporation to
14 meet the cost of any new building or buildings, or the repair or
15 alteration of old ones.

16 (b) Such bonds authorized by this chapter shall be payable in such
17 amounts and at such times as the school board may determine, and
18 shall bear such rate of interest as may be determined.

19 (c) Said board shall have the power to levy and collect taxes to meet
20 the payment of any bonds issued pursuant to this chapter. ~~Provided;~~
21 ~~That said~~ **The** school board shall have all of the powers given and
22 granted to school corporations for the appropriation of the real estate
23 for school purposes, by IC 20-5-23. **This subsection expires January**
24 **1, 2005.**

25 SECTION 213. IC 20-4-8-11 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) The board as
27 above referred to shall make decisions pertaining to the general
28 conduct of the schools which shall be enforced as entered upon the
29 minutes recorded by the secretary of the board, and subject to
30 provisions in this chapter otherwise, shall exercise all powers
31 previously exercised under the law, by or through township trustees or
32 meetings or petitions of the township trustees of the county, or county
33 boards of education previously existing and such offices, namely,
34 township trustee, county board or county boards of education insofar
35 as the conduct of public schools is concerned are abolished as of noon
36 on the day and date the county school corporation is created and comes
37 into existence under this chapter.

38 (b) The county superintendent of schools and other persons
39 employed for administrative or supervisory duties may be deemed to
40 be supervisors of instruction.

41 (c) The government of the common schools of the county shall be
42 vested in the board, and the board shall function with all the authority,

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1 powers, privileges, duties, and obligations previously granted to or
 2 required of school cities and their governing boards generally under the
 3 laws pertaining thereto with reference to the purchase of supplies,
 4 purchase and sale of buildings, grounds, and equipment, the erection
 5 of buildings, the employment and dismissal of school personnel, the
 6 insuring of property and employees, the levying and collecting of taxes,
 7 the making and executing of a budget, the borrowing of money, the
 8 paying of the salaries and expenses of the county superintendent and
 9 employees as approved by the board, shall be a body corporate and
 10 politic by the name and style of "The County School Corporation of
 11 _____ County, Indiana" with the right to prosecute and defend suits;
 12 and shall act in any manner necessary to the proper administration of
 13 the common schools of the county.

14 (d) School corporations shall be vested with all rights, titles, and
 15 interests of their respective predecessor township and town school
 16 corporations terminated; and in all the real, personal, and other
 17 property of any nature and from whatever source derived, and shall
 18 assume, pay, and be liable for all the indebtedness, obligations, and
 19 liabilities and duties of the predecessor corporations from whatever
 20 source derived and however arising, and shall institute and defend suits
 21 arising out of aforesaid liabilities, obligations, duties, and rights
 22 assumed as a county school corporation.

23 (e) The treasurer, before entering upon the duties of his office, shall
 24 execute a bond to the acceptance of the county auditor in an amount
 25 equal to the largest sum of money that will be in the possession of the
 26 treasurer at any one time, conditioned as an ordinary official bond, with
 27 a reliable surety company or at least two (2) sufficient freehold sureties,
 28 who shall not be members of such board, as surety or sureties on such
 29 bond. The president and the secretary shall each give bond, with like
 30 surety or sureties, to be approved by the county auditor, in the sum of
 31 one-fourth (1/4) of said amount. Boards of school trustees may
 32 purchase bonds from some reliable surety company and pay for them
 33 out of the special school revenue of their respective counties.

34 (f) The powers set forth in this section shall not be considered as or
 35 construed to limit the power and authority of such boards to the powers
 36 therein expressly conferred or to restrict or modify any powers or
 37 authority granted by any other law not in conflict with the provisions
 38 of this section.

39 (g) Every such board shall have the power annually to levy such
 40 amount of taxes as in the judgment of such board, made matter of
 41 record in its minutes, should be levied to produce income sufficient to
 42 conduct and carry on the common schools committed to such board,

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1 and it is made the duty of such board annually to levy a rate and levy
2 that will produce a sum sufficient to meet all payments of principal and
3 interest as they will mature in the year for which such levy is made on
4 the bonds, notes, or other obligations of such board. The power of such
5 board in so making tax levies shall be exercised within existing
6 statutory limits and said levies shall be subject to the same review as
7 school city levies. **This subsection expires January 1, 2005.**

8 SECTION 214. IC 20-4-8-21 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 21. (a) The board as
10 referred to in this chapter shall make decisions pertaining to the general
11 conduct of the schools which shall be enforced as entered upon the
12 minutes recorded by the secretary of the board, and, subject to this
13 chapter, shall exercise all powers previously exercised under the law,
14 by or through township trustees or meetings or petitions of the
15 township trustees of the county, and/or county boards of education
16 previously existing, and such offices, namely township trustee, county
17 board and/or county boards of education insofar as the conduct of
18 public schools is concerned are hereby abolished as of noon on the day
19 and date the metropolitan school district is created and comes into
20 existence.

21 (b) The metropolitan superintendent of schools and other persons
22 employed for administrative or supervisory duties may be deemed to
23 be supervisors of instruction and as such eligible, subject to the rules
24 that have been or shall be adopted by the state board of education, to
25 qualify for teaching units in accordance with law.

26 (c) The government of the common schools of said district shall be
27 vested in the board, and the board shall function with all the authority,
28 powers, privileges, duties, and obligations previously granted to or
29 required of school cities and their governing boards generally under the
30 laws pertaining thereto with reference to the purchase of supplies,
31 purchase and sale of buildings, grounds, and equipment, the erection
32 of buildings, the employment and dismissal of school personnel, the
33 insuring of property and employees, the levying and collecting of taxes,
34 the making and executing of a budget, the borrowing of money, the
35 paying of the salaries and expenses of the county superintendent and
36 employees as approved by the board; shall be a body corporate and
37 politic by the name and style of "The Metropolitan School District of
38 _____, Indiana" with the right to prosecute and defend suits and
39 shall act in any manner necessary to the proper administration of the
40 common schools of the county.

41 (d) Such school districts shall be vested with all rights, titles, and
42 interests of their respective predecessor township and town school

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1 corporations hereby terminated and in all the real, personal, and other
 2 property of any nature and from whatever source derived, and shall
 3 assume, pay, and be liable for all the indebtedness, obligations, and
 4 liabilities and duties of said predecessor corporations from whatever
 5 source derived and however arising and shall institute and defend suits
 6 arising out of aforesaid liabilities, obligations, duties, and rights
 7 assumed as a metropolitan school district.

8 (e) The treasurer, before entering upon the duties of his office, shall
 9 execute a bond to the acceptance of the county auditor which shall in
 10 no event be greater than the largest sum of money that will be in the
 11 possession of the treasurer at any one time. The board of education may
 12 purchase said bond from a reliable surety company and pay for it out
 13 of the special school revenue of the metropolitan district.

14 (f) The powers set forth in this section shall not be considered as or
 15 construed to limit the power and authority of such boards to the powers
 16 therein expressly conferred or to restrict or modify any powers or
 17 authority granted by any other law not in conflict with the provisions
 18 of this section.

19 (g) Every such board shall have the power annually to levy such
 20 amount of taxes as in the judgment of such board, made matter of
 21 record in its minutes, should be levied to produce income sufficient to
 22 conduct and carry on the common schools committed to such board,
 23 and it is hereby made the duty of such board annually to levy a rate and
 24 levy that will produce a sum sufficient to meet all payments of
 25 principal and interest as they will mature in the year for which such
 26 levy is made on the bonds, notes, or other obligations of such board.
 27 The power of such board in so making tax levies shall be exercised
 28 within statutory limits and said levies shall be subject to the same
 29 review as school city levies. **This subsection expires January 1, 2005.**

30 SECTION 215. IC 20-4-8-22 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. Provided, however,
 32 That wherever a metropolitan school district formed hereunder shall
 33 include territory lying in more than one (1) county the respective
 34 counties, boards, commissions, and officers of each of said counties
 35 shall do and perform and cause to be done and performed all things
 36 required hereby to form such metropolitan school district jointly and
 37 severally as the case may require for the proper formation and
 38 functioning thereof including but not restricted to the following: the
 39 dividing of the same into board member districts, the levying **or**
 40 **imposition** and collection of taxes **authorized by law** and allocation
 41 of receipts thereof, the filing of petitions for nomination, the printing
 42 and distribution of ballots, tabulating and certifying election results,

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1 and filling of vacancies.

2 SECTION 216. IC 20-4-8-23 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 23. Whenever any
4 county or metropolitan school district shall have been created as
5 provided herein, the boards of education of such districts shall be
6 empowered to levy **or impose** and collect taxes **authorized by law**
7 **that are** sufficient in amount to conduct the schools of said district. ~~in~~
8 ~~the same manner and with the same supervision that taxes are levied~~
9 ~~and collected by cities and towns.~~

10 SECTION 217. IC 20-4-15-3 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. Whenever any civil
12 city or town shall after March 9, 1959, annex territory and the original
13 school corporation at the time of annexation has an outstanding
14 indebtedness, other than the indebtedness to be paid by the acquiring
15 school corporation under section 2 of this chapter, the civil city or town
16 shall assume and pay as the same shall become due, a portion of all
17 installments of principal and interest which fall due on such
18 indebtedness after the end of the last calendar year in which the
19 original school corporation is entitled to receive current tax receipts
20 ~~from property tax levies on the property~~ in the annexed territory. Such
21 proportion shall be the same proportion as the valuation of the real
22 property in the annexed territory bears to the valuation of all of the real
23 property in the original school corporation, as the same is assessed for
24 general taxation immediately prior to the annexation. Such payments
25 shall be made to the original school corporation as agent for payment
26 to the holders of the indebtedness.

27 SECTION 218. IC 20-4-16-1 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. As used in this
29 chapter, the following terms shall have the following meanings:

30 (a) "City" or "town" shall be a city or town which conducts its
31 school as school city or school town or as part of a consolidated or
32 metropolitan school corporation.

33 (b) "Annexing school corporation" shall be the school corporation
34 of any city or town which annexes territory.

35 (c) "Original school corporation" shall be a school corporation from
36 whom territory is annexed.

37 (d) "Annexed territory" shall be the territory annexed from an
38 original school corporation by such city or town.

39 (e) "Tax receipts" shall be the amounts received from ~~the property~~
40 ~~tax levy for the tuition and special school funds levies or the local~~
41 **income tax for education** by the original school corporation from the
42 annexed territory.

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1 SECTION 219. IC 20-4-56-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. Whenever, in the
 3 judgment of a school trustee, or a board of school trustees, of any
 4 school corporation in this state lying adjacent to a school corporation
 5 of another state, the best interests of the public schools can be
 6 promoted by purchasing school grounds, repairing or erecting a
 7 schoolhouse or schoolhouses, and maintaining a school jointly between
 8 the two (2) adjacent school corporations, the school trustee or school
 9 trustees of the school corporation of this state so situated are hereby
 10 empowered to enter into an agreement with the school authorities of
 11 said adjacent school corporation for the purpose of purchasing school
 12 grounds, repairing or constructing school building or buildings,
 13 purchasing school furniture, equipment, appliances, fuel, employing
 14 teachers and maintaining a school when, in the judgment of said school
 15 trustee or trustees of this state, the best interests of the public school
 16 can be promoted by so doing, and such trustee or trustees of this state
 17 are hereby empowered to levy **or impose** taxes **authorized by law** and
 18 perform such other duties in maintaining such joint school as are
 19 otherwise provided by law for maintaining the public schools in this
 20 state. In carrying out the provisions of this section, the school
 21 corporation shall pay such proportion of the cost of purchasing school
 22 grounds, repairing or erecting new building or buildings, and in
 23 maintaining the joint school, as shall seem to be equitable and just, in
 24 the judgment of the school trustees of the two (2) adjacent school
 25 corporations.

26 SECTION 220. IC 20-4-57-5, AS ADDED BY P.L.178-2002,
 27 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2004]: Sec. 5. (a) An annexing corporation may file a petition
 29 of appeal with the department of local government finance for
 30 emergency financial relief **before January 1, 2005.**

31 (b) The annexing corporation shall serve the petition on the
 32 following:

- 33 (1) The department.
- 34 (2) The township.
- 35 (3) The township school.
- 36 (4) Any other annexing corporation that annexed the township
 37 school on the same date.

38 (c) All annexing corporations are parties to the petition.

39 SECTION 221. IC 20-4-57-6, AS ADDED BY P.L.178-2002,
 40 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2004]: Sec. 6. If the department of local government finance
 42 receives a petition of appeal under section 5 of this chapter, the

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1 department of local government finance shall submit the petition to the
 2 school property tax control board (**terminated January 1, 2005**)
 3 established under IC 6-1.1-19-4.1 (**repealed January 1, 2005**) for a
 4 fact finding hearing.

5 SECTION 222. IC 20-4-57-7, AS ADDED BY P.L.178-2002,
 6 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2004]: Sec. 7. (a) If the department of local government
 8 finance submits a petition to the school property tax control board
 9 (**terminated January 1, 2005**) under section 5 of this chapter, the
 10 school property tax control board shall hold a fact finding hearing.

11 (b) At a hearing described in subsection (a), the school property tax
 12 control board shall determine the following:

13 (1) Whether the township school has made all payments required
 14 by any statute, including the following:

15 (A) P.L.32-1999.

16 (B) IC 20-4-4-7 and IC 20-4-16-3.

17 (C) The resolution or plan of annexation of the township
 18 school, including:

19 (i) any amendment to the resolution or plan;

20 (ii) any supporting or related documents; and

21 (iii) any agreement between the township school and an
 22 annexing corporation relating to the winding up of affairs of
 23 the township school.

24 (2) The amount, if any, by which the township school is in arrears
 25 on any payment described in subdivision (1).

26 (3) Whether the township school has filed with the department all
 27 reports concerning the affairs of the township school, including
 28 all transfer tuition reports required for the two (2) school years
 29 immediately preceding the date on which the township school was
 30 annexed.

31 (c) In determining the amount of arrears under subsection (b)(2), the
 32 school property tax control board shall consider all amounts due to an
 33 annexing corporation, including the following:

34 (1) Any transfer tuition payments due to the annexing corporation.

35 (2) All levies, excise tax distributions, and state distributions
 36 received by the township school and due to the annexing
 37 corporation, including levies and distributions received by the
 38 township school after the date on which the township school was
 39 annexed.

40 (3) All excessive levies that the township school agreed to impose
 41 and pay to an annexing corporation but failed to impose.

42 (d) If, in a hearing under this section, a school property tax control

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1 board determines that a township school has:
2 (1) under subsection (b)(1), failed to make a required payment; or
3 (2) under subsection (b)(3), failed to file a required report;
4 the department may act under section 8 of this chapter.

5 SECTION 223. IC 20-4-57-8, AS ADDED BY P.L.178-2002,
6 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2004]: Sec. 8. (a) If a school property tax control board
8 **(terminated January 1, 2005)** makes a determination under section
9 7(d) of this chapter, the department:

- 10 (1) may prohibit a township from:
11 (A) acquiring real estate;
12 (B) making a lease or incurring any other contractual
13 obligation calling for an annual outlay by the township
14 exceeding ten thousand dollars (\$10,000);
15 (C) purchasing personal property for a consideration greater
16 than ten thousand dollars (\$10,000); and
17 (D) adopting or advertising a budget, tax levy, or tax rate for
18 any calendar year;

19 until the township school has made all required payments under
20 section 7(b)(1) of this chapter and filed all required reports under
21 section 7(b)(3) of this chapter; and
22 (2) shall certify to the treasurer of state the amount of arrears
23 determined under section 7(b)(3) of this chapter.

24 (b) Upon being notified of the amount of arrears certified under
25 subsection (a)(2), the treasurer of state shall make payments from the
26 funds of state to the extent, but not in excess, of any amounts
27 appropriated by the general assembly for distribution to the township
28 school, deducting the payments from any amount distributed to the
29 township school.

30 SECTION 224. IC 20-4-57-9, AS ADDED BY P.L.178-2002,
31 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2004]: Sec. 9. The department may **not** grant permission to a
33 township school or a township to impose an excess levy to satisfy its
34 obligations under this chapter.

35 SECTION 225. IC 20-5-1-3 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in
37 IC 20-5-1 through IC 20-5-6, the following terms shall have the
38 following meanings:

39 (a) "School corporation" shall mean any local public school
40 corporation established under the laws of the state of Indiana, including
41 but not limited to school cities, school towns, metropolitan school
42 districts, consolidated school corporations, county school corporations,

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1 community school corporations, ~~and~~ united school corporations,
2 ~~excluding, however,~~ and school townships.

3 (b) "Governing body" shall mean the board of commissioners
4 charged by law with the responsibility of administering the affairs of a
5 school corporation, including but not limited to a board of school
6 commissioners, metropolitan board of education, board of school
7 trustees, or board of trustees, and "member" shall mean a member of
8 such governing body.

9 (c) "School purposes" shall mean the general purposes and powers
10 provided in IC 20-5-2-1.2 and IC 20-5-2-2. However, the delineation
11 of a specific power in IC 20-5-2-2 shall not be construed as a limitation
12 on the general powers and purposes set out in IC 20-5-2-1.2.

13 SECTION 226. IC 20-5-1.5-7 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. A school corporation
15 does not have any of the following powers:

16 (1) Those powers expressly prohibited of a unit under
17 IC 36-1-3-8.

18 (2) The power for eminent domain, unless specifically authorized
19 by statute.

20 (3) The power to prescribe a civil penalty or a fine.

21 (4) The power to adopt ordinances.

22 (5) The power to require the attendance of witnesses and the
23 production of documents relative to matters being considered,
24 unless specifically authorized by statute.

25 (6) The power to exercise powers outside of the boundaries of the
26 school corporation, unless authorized by statute through joint
27 agreements or otherwise.

28 **(7) The power to impose an ad valorem property tax levy for**
29 **property taxes first due and payable after December 31, 2005.**

30 SECTION 227. IC 20-5-2-2, AS AMENDED BY P.L.286-2001,
31 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2004]: Sec. 2. In carrying out the school purposes of each
33 school corporation, its governing body acting on its behalf shall have
34 the following specific powers:

35 (1) In the name of the school corporation, to sue and be sued and
36 to enter into contracts in matters permitted by applicable law.

37 (2) To take charge of, manage, and conduct the educational affairs
38 of the school corporation and to establish, locate, and provide the
39 necessary schools, school libraries, other libraries where
40 permitted by law, other buildings, facilities, property, and
41 equipment therefor.

42 (2.5) To appropriate ~~from the general fund~~ an amount, not to

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1 exceed the greater of three thousand dollars (\$3,000) per budget
2 year or one dollar (\$1) per pupil, not to exceed twelve thousand
3 five hundred dollars (\$12,500), based upon the school
4 corporation's previous year's average daily membership (as
5 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
6 interests of the school corporation by:

- 7 (A) the purchase of meals, decorations, memorabilia, or
- 8 awards;
- 9 (B) provision for expenses incurred in interviewing job
- 10 applicants; or
- 11 (C) developing relations with other governmental units.

12 (3) To acquire, construct, erect, maintain, hold, and to contract for
13 such construction, erection, or maintenance of such real estate,
14 real estate improvements, or any interest in either, as the
15 governing body deems necessary for school purposes, including
16 but not limited to buildings, parts of buildings, additions to
17 buildings, rooms, gymnasiums, auditoriums, playgrounds, playing
18 and athletic fields, facilities for physical training, buildings for
19 administrative, office, warehouse, repair activities, or housing of
20 school owned buses, landscaping, walks, drives, parking areas,
21 roadways, easements and facilities for power, sewer, water,
22 roadway, access, storm and surface water, drinking water, gas,
23 electricity, other utilities and similar purposes, by purchase, either
24 outright for cash (or under conditional sales or purchases money
25 contracts providing for a retention of a security interest by seller
26 until payment is made or by notes where such contract, security
27 retention, or note is permitted by applicable law), by exchange, by
28 gift, by devise, by eminent domain, by lease with or without
29 option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or
30 IC 21-5-12. To repair, remodel, remove, or demolish any such real
31 estate, real estate improvements, or interest in either, as the
32 governing body deems necessary for school purposes, and to
33 contract therefor. To provide for energy conservation measures
34 through utility energy efficiency programs or under a guaranteed
35 energy savings contract as described in IC 36-1-12.5.

36 (4) To acquire such personal property or any interest therein as
37 the governing body deems necessary for school purposes,
38 including but not limited to buses, motor vehicles, equipment,
39 apparatus, appliances, books, furniture, and supplies, either by
40 outright purchase for cash, or under conditional sales or purchase
41 money contracts providing for a security interest by the seller
42 until payment is made or by notes where such contract, security,

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1 retention, or note is permitted by applicable law, by gift, by
 2 devise, by loan, or by lease with or without option to purchase and
 3 to repair, remodel, remove, relocate, and demolish such personal
 4 property. All purchases and contracts delineated under the powers
 5 given under subdivision (3) and this subdivision shall be subject
 6 solely to applicable law relating to purchases and contracting by
 7 municipal corporations in general and to the supervisory control
 8 of agencies of the state as provided in section 3 of this chapter.
 9 (5) To sell or exchange any of such real or personal property or
 10 interest therein, which in the opinion of the governing body is not
 11 necessary for school purposes, in accordance with IC 20-5-5, to
 12 demolish or otherwise dispose of such property if, in the opinion
 13 of the governing body, it is not necessary for school purposes and
 14 is worthless, and to pay the expenses for such demolition or
 15 disposition.
 16 (6) To lease any school property for a rental which the governing
 17 body deems reasonable or to permit the free use of school
 18 property for:
 19 (A) civic or public purposes; or
 20 (B) the operation of a school age child care program for
 21 children aged five (5) through fourteen (14) years that operates
 22 before or after the school day, or both, and during periods
 23 when school is not in session;
 24 if the property is not needed for school purposes. Under this
 25 subdivision, the governing body may enter into a long term lease
 26 with a nonprofit corporation, community service organization, or
 27 other governmental entity, if the corporation, organization, or
 28 other governmental entity will use the property to be leased for
 29 civic or public purposes or for a school age child care program.
 30 However, if the property subject to a long term lease is being paid
 31 for from money in the school corporation's debt service fund, then
 32 all proceeds from the long term lease shall be deposited in that
 33 school corporation's debt service fund so long as the property has
 34 not been paid for. The governing body may, at its option, use the
 35 procedure specified in IC 36-1-11-10 in leasing property under
 36 this subdivision.
 37 (7) To employ, contract for, and discharge superintendents,
 38 supervisors, principals, teachers, librarians, athletic coaches
 39 (whether or not they are otherwise employed by the school
 40 corporation and whether or not they are licensed under
 41 IC 20-6.1-3), business managers, superintendents of buildings and
 42 grounds, janitors, engineers, architects, physicians, dentists,

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1 nurses, accountants, teacher aides performing noninstructional
 2 duties, educational and other professional consultants, data
 3 processing and computer service for school purposes, including
 4 but not limited to the making of schedules, the keeping and
 5 analyzing of grades and other student data, the keeping and
 6 preparing of warrants, payroll, and similar data where approved
 7 by the state board of accounts as provided below, and such other
 8 personnel or services, all as the governing body considers
 9 necessary for school purposes. To fix and pay the salaries and
 10 compensation of such persons and such services. To classify such
 11 persons or services and to adopt schedules of salaries or
 12 compensation. To determine the number of such persons or the
 13 amount of services thus employed or contracted for. To determine
 14 the nature and extent of their duties. The compensation, terms of
 15 employment, and discharge of teachers shall, however, be subject
 16 to and governed by the laws relating to employment, contracting,
 17 compensation, and discharge of teachers. The compensation,
 18 terms of employment, and discharge of bus drivers shall be
 19 subject to and shall be governed by any laws relating to
 20 employment, contracting, compensation, and discharge of bus
 21 drivers. The forms and procedures relating to the use of computer
 22 and data processing equipment in handling the financial affairs of
 23 such school corporation shall be submitted to the state board of
 24 accounts for approval to the end that such services shall be used
 25 by the school corporation when the governing body determines
 26 that it is in the best interests of the school corporation while at the
 27 same time providing reasonable accountability for the funds
 28 expended.

29 (8) Notwithstanding the appropriation limitation in subdivision
 30 (2.5), when the governing body by resolution deems a trip by an
 31 employee of the school corporation or by a member of the
 32 governing body to be in the interest of the school corporation,
 33 including but not limited to attending meetings, conferences, or
 34 examining equipment, buildings, and installation in other areas,
 35 to permit such employee to be absent in connection with such trip
 36 without any loss in pay and to refund to such employee or to such
 37 member his reasonable hotel and board bills and necessary
 38 transportation expenses. To pay teaching personnel for time spent
 39 in sponsoring and working with school related trips or activities.
 40 (9) To transport children to and from school, when in the opinion
 41 of the governing body such transportation is necessary, including
 42 but not limited to considerations for the safety of such children

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1 and without regard to the distance they live from the school, such
2 transportation to be otherwise in accordance with the laws
3 applicable thereto.

4 (10) To provide a lunch program for a part or all of the students
5 attending the schools of the school corporation, including but not
6 limited to the establishment of kitchens, kitchen facilities, kitchen
7 equipment, lunch rooms, the hiring of the necessary personnel to
8 operate such program, and the purchase of any material and
9 supplies therefor, charging students for the operational costs of
10 such lunch program, fixing the price per meal or per food item. To
11 operate such lunch program as an extracurricular activity, subject
12 to the supervision of the governing body. To participate in any
13 surplus commodity or lunch aid program.

14 (11) To purchase textbooks, to furnish them without cost or to
15 rent them to students, to participate in any textbook aid program,
16 all in accordance with applicable law.

17 (12) To accept students transferred from other school corporations
18 and to transfer students to other school corporations in accordance
19 with applicable law.

20 (13) To levy **or impose** taxes **authorized by law**, to make
21 budgets, to appropriate funds, and to disburse the money of the
22 school corporation in accordance with the laws applicable thereto.
23 To borrow money against current tax collections and otherwise to
24 borrow money, in accordance with IC 20-5-4.

25 (14) To purchase insurance or to establish and maintain a
26 program of self-insurance relating to the liability of the school
27 corporation or its employees in connection with motor vehicles or
28 property and for any additional coverage to the extent permitted
29 and in accordance with IC 34-13-3-20. To purchase additional
30 insurance or to establish and maintain a program of self-insurance
31 protecting the school corporation and members of the governing
32 body, employees, contractors, or agents of the school corporation
33 from any liability, risk, accident, or loss related to any school
34 property, school contract, school or school related activity,
35 including but not limited to the purchase of insurance or the
36 establishment and maintenance of a self-insurance program
37 protecting such persons against false imprisonment, false arrest,
38 libel, or slander for acts committed in the course of their
39 employment, protecting the school corporation for fire and
40 extended coverage and other casualty risks to the extent of
41 replacement cost, loss of use, and other insurable risks relating to
42 any property owned, leased, or held by the school corporation. To:

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- 1 (A) participate in a state employee health plan under
- 2 IC 5-10-8-6.6;
- 3 (B) purchase insurance; or
- 4 (C) establish and maintain a program of self-insurance;
- 5 to benefit school corporation employees, which may include
- 6 accident, sickness, health, or dental coverage, provided that any
- 7 plan of self-insurance shall include an aggregate stop-loss
- 8 provision.
- 9 (15) To make all applications, to enter into all contracts, and to
- 10 sign all documents necessary for the receipt of aid, money, or
- 11 property from the state government, the federal government, or
- 12 from any other source.
- 13 (16) To defend any member of the governing body or any
- 14 employee of the school corporation in any suit arising out of the
- 15 performance of his duties for or employment with, the school
- 16 corporation, provided the governing body by resolution
- 17 determined that such action was taken in good faith. To save any
- 18 such member or employee harmless from any liability, cost, or
- 19 damage in connection therewith, including but not limited to the
- 20 payment of any legal fees, except where such liability, cost, or
- 21 damage is predicated on or arises out of the bad faith of such
- 22 member or employee, or is a claim or judgment based on his
- 23 malfeasance in office or employment.
- 24 (17) To prepare, make, enforce, amend, or repeal rules,
- 25 regulations, and procedures for the government and management
- 26 of the schools, property, facilities, and activities of the school
- 27 corporation, its agents, employees, and pupils and for the
- 28 operation of its governing body, which rules, regulations, and
- 29 procedures may be designated by any appropriate title such as
- 30 "policy handbook", "bylaws", or "rules and regulations".
- 31 (18) To ratify and approve any action taken by any member of the
- 32 governing body, any officer of the governing body, or by any
- 33 employee of the school corporation after such action is taken, if
- 34 such action could have been approved in advance, and in
- 35 connection therewith to pay any expense or compensation
- 36 permitted under IC 20-5-1 through IC 20-5-6 or any other law.
- 37 (19) To exercise any other power and make any expenditure in
- 38 carrying out its general powers and purposes provided in this
- 39 chapter or in carrying out the powers delineated in this section
- 40 which is reasonable from a business or educational standpoint in
- 41 carrying out school purposes of the school corporation, including
- 42 but not limited to the acquisition of property or the employment

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1 or contracting for services, even though such power or
 2 expenditure shall not be specifically set out herein. The specific
 3 powers set out in this section shall not be construed to limit the
 4 general grant of powers provided in this chapter except where a
 5 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
 6 language or by reference to other law.

7 SECTION 228. IC 20-5-2.5-2, AS ADDED BY P.L.232-1999,
 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2004]: Sec. 2. Subject to IC 20-5-2-2(14) and IC 21-2-5.6
 10 **(repealed January 1, 2005)** and notwithstanding any other law, any
 11 self-insurance program must comply with this chapter.

12 SECTION 229. IC 20-5-2.5-4, AS AMENDED BY P.L.14-2000,
 13 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2004]: Sec. 4. (a) A self-insurance program must be written
 15 on an incurred claims basis.

16 (b) The governing body must fund a self-insurance program as
 17 described in IC 21-2-5.6-1(2) **(repealed January 1, 2005)** to ~~include~~
 18 **provide health care services (as defined in IC 27-8-11-1)** coverage
 19 for all eligible incurred claims.

20 (c) ~~Subject to IC 21-2-5.6 and~~ Notwithstanding any other law:

21 (1) contributions made on behalf of individuals covered under the
 22 self-insurance program, including employee and employer
 23 contributions; and

24 (2) transfers or allocations of funds by a governing body;
 25 for coverage for health care services under a self-insurance program
 26 must be directly deposited into ~~the self-insurance~~ **a separate** fund
 27 ~~established under IC 21-2-5.6-1(2)~~ **or account** and may not be
 28 transferred to other accounts or expended for any other purpose.

29 **(d) The separate fund or account may be used to provide money**
 30 **for the following purposes:**

31 **(1) The payment of any judgment rendered against the school**
 32 **corporation or any officer or employee of the school**
 33 **corporation for which the school corporation is liable under**
 34 **IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5,**
 35 **IC 34-4-16.6, or IC 34-4-16.7 before their repeal).**

36 **(2) The payment of any claim or settlement for which the**
 37 **school corporation is liable under IC 34-13-2, IC 34-13-3, or**
 38 **IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7**
 39 **before their repeal).**

40 **(3) The payment of any premium, management fee, claim, or**
 41 **settlement for which the school corporation is liable under**
 42 **any federal or state statute including but not limited to**

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1 payments under IC 22-3 and IC 22-4.

2 **(4) The payment of any settlement or claim for which**
3 **insurance coverage is permitted under IC 20-5-2-2(14).**

4 **(e) Any balance remaining in the separate fund or account at the**
5 **end of any fiscal year must carry over in the fund for the following**
6 **year, and must not revert to the general fund.**

7 SECTION 230. IC 20-5-4-5 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. The governing body
9 shall provide for the payment of principal and interest of such bonds by
10 levying **or imposing** annually a tax **authorized by law** sufficient to
11 pay the principal and interest as they shall become due. ~~The bodies~~
12 ~~charged with the review of budgets and tax levies shall review such~~
13 ~~levy for principal and interest to ascertain that such levy is sufficient~~
14 ~~for such purposes.~~

15 SECTION 231. IC 20-5-4-6 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. If the governing
17 board shall find, by written resolution, that an emergency exists which
18 requires the expenditure of any money for any lawful corporate purpose
19 which was not included in its existing budget and tax levy **or rate**, it
20 may authorize the making of an emergency loan which may be
21 evidenced by the issuance of its note or notes in the same manner and
22 subject to the same procedure and restrictions as provided for the
23 issuance of its bonds, except as to purpose. At the time for making the
24 next annual budget and tax levy for such school corporation, the
25 governing body shall make a levy **(before January 1, 2005) or a**
26 **distribution of local income taxes for education (after December**
27 **31, 2005)** to the credit of the fund for which such expenditure is made
28 sufficient to pay such debt and the interest thereon; however, the
29 interest on the loan may be paid from the debt service fund.

30 SECTION 232. IC 20-5-4-7, AS AMENDED BY P.L.90-2002,
31 SECTION 406, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2004]: Sec. 7. The provisions of all general
33 statutes and rules relating to filing of petitions requesting the issuance
34 of bonds and giving notice thereof, giving notice of determination to
35 issue bonds, giving notice of a hearing on the appropriation of the
36 proceeds of the bonds and the right of taxpayers to appear and be heard
37 on the proposed appropriation, the approval of the appropriation by the
38 department of local government finance **(if applicable)**, and the right
39 of taxpayers to remonstrate against the issuance of bonds shall be
40 applicable to proceedings for the issuance of bonds and the making of
41 an emergency loan under IC 20-5-1 through IC 20-5-6. No action to
42 contest the validity of such bonds or emergency loans shall be brought

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1 later than five (5) days after the acceptance of a bid for the sale thereof.

2 SECTION 233. IC 20-5-4-8 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. (a) Whenever the
4 governing board of a school corporation finds and declares that an
5 emergency exists for the borrowing of money with which to pay current
6 expenses from a particular fund before the receipt of revenues from
7 taxes levied **or imposed** or state tuition support distributions for such
8 fund, the governing board may issue warrants in anticipation of the
9 receipt of said revenues.

10 (b) The principal of these warrants shall be payable solely from the
11 fund for which the taxes are levied or from the general fund in the case
12 of anticipated state tuition support distributions. However, the interest
13 on these warrants may be paid from the debt service fund, from the
14 fund for which the taxes are levied, or the general fund in the case of
15 anticipated state tuition support distributions.

16 (c) The amount of principal of temporary loans maturing on or
17 before June 30 for any fund shall not exceed eighty percent (80%) of
18 the amount of taxes and state tuition support distributions estimated to
19 be collected or received for and distributed to the fund at the June
20 settlement.

21 (d) The amount of principal of temporary loans maturing after June
22 30, and on or before December 31, shall not exceed eighty percent
23 (80%) of the amount of taxes and state tuition support distributions
24 estimated to be collected or received for and distributed to the fund at
25 the December settlement.

26 (e) At each settlement, the amount of taxes and state tuition support
27 distributions estimated to be collected or received for and distributed
28 to the fund includes any allocations to the fund from the property tax
29 replacement fund.

30 (f) The estimated amount of taxes and state tuition support
31 distributions to be collected or received and distributed shall be made
32 by the county auditor or the auditor's deputy. The warrants evidencing
33 any loan in anticipation of tax revenue or state tuition support
34 distributions shall not be delivered to the purchaser of the warrant nor
35 payment made on the warrant before January 1 of the year the loan is
36 to be repaid. However, the proceedings necessary to the loan may be
37 held and carried out before January 1 and before the approval. The loan
38 may be made even though a part of the last preceding June or
39 December settlement has not yet been received.

40 (g) Proceedings for the issuance and sale of warrants for more than
41 one (1) fund may be combined, but separate warrants for each fund
42 shall be issued and each warrant shall state on its face the fund from

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1 which its principal is payable. No action to contest the validity of such
 2 warrants shall be brought later than fifteen (15) days from the first
 3 publication of notice of sale.

4 (h) No issue of tax or state tuition support anticipation warrants
 5 shall be made if the aggregate of all these warrants exceed twenty
 6 thousand dollars (\$20,000) until the issuance is advertised for sale, bids
 7 received, and an award made by the governing board as required for the
 8 sale of bonds, except that the sale notice need not be published outside
 9 of the county nor more than ten (10) days before the date of sale.

10 SECTION 234. IC 20-5-4-10, AS AMENDED BY P.L.90-2002,
 11 SECTION 407, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2004]: Sec. 10. ~~(†)~~ **(a) This subsection applies**
 13 **only to the extent that a school corporation is authorized to impose**
 14 **a property tax levy before January 1, 2005.** Prior to the end of each
 15 calendar year the department of local government finance shall review
 16 the bond and lease rental levies, or any levies which replace such
 17 levies, of each school corporation, payable in the next succeeding year,
 18 and the appropriations from such levies from which the school
 19 corporation is to pay the amount, if any, of principal and interest on its
 20 general obligation bonds and of its lease rentals under IC 21-5-11
 21 through IC 21-5-12, during such succeeding year (such amounts being
 22 referred to in this section as its "debt service obligations"). In the event
 23 such levies and appropriations of the school corporation are not
 24 sufficient to pay the debt service obligations, the department of local
 25 government finance shall establish for each school corporation bond
 26 and lease, rental levies, or any levies which replace such levies and
 27 appropriations which are sufficient to pay such debt service
 28 obligations.

29 ~~(2)~~ **(b)** Upon the failure of any school corporation to pay any of its
 30 debt service obligations during any calendar year when due, the
 31 treasurer of state upon being notified of such failure by any claimant
 32 shall make such payment from the funds of the state to the extent, but
 33 not in excess, of any amounts appropriated by the general assembly for
 34 the calendar year for distribution to such school corporation from state
 35 funds, deducting such payment from such amounts thus appropriated.
 36 ~~Such deducting being made, first from property tax relief funds to the~~
 37 ~~extent thereof, second from all other funds except tuition support and~~
 38 ~~third from tuition support.~~

39 ~~(3)~~ **(c)** This section shall be interpreted liberally so that the state of
 40 Indiana shall to the extent legally valid ensure that the debt service
 41 obligations of each school corporation shall be paid, but nothing
 42 contained in this section shall be construed to create a debt of the state

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1 of Indiana.

2 SECTION 235. IC 20-5-6-10, AS ADDED BY P.L.45-2002,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2004]: Sec. 10. (a) The governing body of a school
5 corporation may donate the proceeds of a grant, a gift, a donation, an
6 endowment, a bequest, a trust, or an agreement to share tax revenue
7 received by a city or county under IC 4-33-12-6 or IC 4-33-13, or other
8 funds not generated from taxes levied **or imposed** by the school
9 corporation, to a foundation under the following conditions:

10 (1) The foundation is a charitable nonprofit community
11 foundation.

12 (2) The foundation retains all rights to the donation, including
13 investment powers, except as provided in subdivision (3).

14 (3) The foundation agrees to do the following:

15 (A) Hold the donation as a permanent endowment.

16 (B) Distribute the income from the donation only to the school
17 corporation as directed by resolution of the governing body of
18 the school corporation.

19 (C) Return the donation to the general fund of the school
20 corporation if the foundation:

21 (i) loses the foundation's status as a public charitable
22 organization;

23 (ii) is liquidated; or

24 (iii) violates any condition of the endowment set by the
25 governing body of the school corporation.

26 (b) A school corporation may use income received under this
27 section from a community foundation only for purposes of the school
28 corporation.

29 SECTION 236. IC 20-5-13-9 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) All school cities,
31 school townships, school towns, and joint districts are hereby
32 authorized to establish, equip, operate, and maintain school kitchens
33 and school lunch rooms, for the improvement of the health of the
34 school children attending school therein, and for the advancement of
35 the educational work of their respective schools; to employ all
36 necessary directors, assistants, and agents; and appropriate funds of
37 such school corporations for such purpose. Such participation in a
38 school lunch program pursuant to the provisions of this chapter shall
39 be discretionary with the governing board of any school corporation.

40 (b) In the event that federal funds are not available for the purpose
41 of carrying on a school lunch program, the state of Indiana shall not
42 participate in such school lunch program and any money appropriated

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1 by the state of Indiana for such purpose, and not expended, shall
 2 immediately revert to the state general fund. Failure on the part of the
 3 state of Indiana to participate in the school lunch program shall not
 4 invalidate any appropriation made or school lunch program carried on
 5 by any school corporation by means of gifts or money raised by tax ~~levy~~
 6 ~~pursuant to the provisions of this chapter~~ **revenues** for the purpose of
 7 such school lunch program.

8 SECTION 237. IC 20-5-15-1 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. In all the cities and
 10 incorporated towns of this state, the board of school trustees, board of
 11 school commissioners, or whatever board may be established by law to
 12 take charge of the public or common schools of said city or
 13 incorporated town, shall have power, if, in their discretion, they deem
 14 it to the public interest, to establish a free public library in connection
 15 with the common schools of said city or incorporated town, and to
 16 make such rules and regulations for the care and protection and
 17 government of such library and for the care of the books provided
 18 therefor, and for the taking from and returning to said library of such
 19 books as the said board may deem necessary and proper, and to provide
 20 penalties for the violation thereof. However, in any city or incorporated
 21 town where there is already established a library open to all the people,
 22 no tax shall be levied for the purpose herein named. **This section does**
 23 **not authorize a school corporation to impose a property tax after**
 24 **December 31, 2005.**

25 SECTION 238. IC 20-5-15-2 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. Such board shall also
 27 have power to levy a tax of not exceeding one (1) mill on each dollar
 28 of taxable property assessed for taxation in such city in each year;
 29 which tax shall be placed on the tax duplicate of such city, and
 30 collected in the same manner as other taxes; and when said taxes are
 31 so collected, they shall be paid over to the said board for the support
 32 and maintenance of said public library. Such board shall have power,
 33 and it shall be its duty, to disburse said fund, and all revenues derived
 34 from gift or devise, in providing and fitting up suitable rooms for such
 35 library, in the purchase, care and binding of books therefor, and in the
 36 payment of salaries to a librarian and necessary assistants. **This section**
 37 **expires January 1, 2005.**

38 SECTION 239. IC 20-5-17.5-2 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) This subsection
 40 does not apply to a school corporation in a county having a population
 41 of more than two hundred thousand (200,000) but less than three
 42 hundred thousand (300,000). The governing body of a school

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1 corporation may annually appropriate, from its general fund, a sum of
 2 not more than five-tenths of one cent (\$0.005) on each one hundred
 3 dollars (\$100) of assessed valuation in the school corporation to be
 4 paid to a historical society, subject to subsection (c). **This subsection**
 5 **does not authorize a school corporation to impose a property tax**
 6 **after December 31, 2005.**

7 (b) This subsection applies only to a school corporation in a county
 8 having a population of more than two hundred thousand (200,000) but
 9 less than three hundred thousand (300,000). To provide funding for a
 10 historical society under this section, the governing body of a school
 11 corporation may **before January 1, 2005, only** impose a tax of not
 12 more than five-tenths of one cent (\$0.005) on each one hundred dollars
 13 (\$100) of assessed valuation in the school corporation. This tax is not
 14 subject to the tax levy limitations imposed on the school corporation by
 15 IC 6-1.1-19-1.5 (**repealed January 1, 2005**) or the provisions of
 16 IC 21-2-11-8 (**repealed January 1, 2005**). The school corporation
 17 shall deposit the proceeds of the tax in a fund to be known as the
 18 historical society fund. The historical society fund is separate and
 19 distinct from the school corporation's general fund and may be used
 20 only for the purpose of providing funds for a historical society under
 21 this section. Subject to subsection (c), the governing body of the school
 22 corporation may annually appropriate the money in the fund to be paid
 23 in semiannual installments to a historical society having facilities in the
 24 county.

25 (c) Before a historical society may receive payments under this
 26 section, its governing board must adopt a resolution that entitles:

- 27 (1) the governing body of the school corporation to appoint its
 28 superintendent and one (1) of its history teachers as visitors, with
 29 the privilege of attending all meetings of the society's governing
 30 board;
- 31 (2) the governing body of the school corporation to nominate two
 32 (2) persons for membership on the society's governing board;
- 33 (3) the school corporation to use any of the society's facilities and
 34 equipment for educational purposes consistent with the society's
 35 purposes;
- 36 (4) the students and teachers of the school corporation to tour the
 37 society's museum, if any, free of charge; and
- 38 (5) the school corporation to borrow artifacts from the society's
 39 collection, if any, for temporary exhibit in the schools.

40 SECTION 240. IC 20-5-17.5-3, AS AMENDED BY P.L.170-2002,
 41 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) This section applies to school

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1 corporations in a county containing a city having a population of:

2 (1) more than one hundred fifty thousand (150,000) but less than
3 five hundred thousand (500,000);

4 (2) more than one hundred twenty thousand (120,000) but less
5 than one hundred fifty thousand (150,000);

6 (3) more than ninety thousand (90,000) but less than one hundred
7 five thousand (105,000);

8 (4) more than one hundred five thousand (105,000) but less than
9 one hundred twenty thousand (120,000); or

10 (5) more than seventy-five thousand (75,000) but less than ninety
11 thousand (90,000).

12 (b) In order to provide funding for an art association under this
13 section, the governing body of a school corporation may **before**
14 **January 1, 2005, only** impose a tax of not more than five-tenths of one
15 cent (\$0.005) on each one hundred dollars (\$100) of assessed valuation
16 in the school corporation. This tax is not subject to the tax levy
17 limitations imposed on the school corporation by IC 6-1.1-19-1.5
18 **(repealed January 1, 2005)** or the provisions of IC 21-2-11-8
19 **(repealed January 1, 2005)**.

20 (c) The school corporation shall deposit the proceeds of the tax
21 imposed under subsection (b) in a fund to be known as the art
22 association fund. The art association fund is separate and distinct from
23 the school corporation's general fund and may be used only for the
24 purpose of providing funds for an art association under this section.
25 The governing body of the school corporation may annually
26 appropriate the money in the fund to be paid in semiannual installments
27 to an art association having facilities in a city that is listed in subsection
28 (a), subject to subsection (d).

29 (d) Before an art association may receive payments under this
30 section, its governing board must adopt a resolution that entitles:

31 (1) the governing body of the school corporation to appoint its
32 superintendent and its director of art instruction as visitors, with
33 the privilege of attending all meetings of the association's
34 governing board;

35 (2) the governing body of the school corporation to nominate
36 persons for membership on the association's governing board,
37 with at least two (2) of the nominees to be elected;

38 (3) the school corporation to use any of the association's facilities
39 and equipment for educational purposes consistent with the
40 association's purposes;

41 (4) the students and teachers of the school corporation to tour the
42 association's museum and galleries free of charge;

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- 1 (5) the school corporation to borrow materials from the
- 2 association for temporary exhibit in the schools;
- 3 (6) the teachers of the school corporation to receive normal
- 4 instruction in the fine and applied arts at half the regular rates
- 5 charged by the association; and
- 6 (7) the school corporation to expect such exhibits in the
- 7 association's museum as will supplement the work of the students
- 8 and teachers of the corporation.

9 A copy of the resolution, certified by the president and secretary of the
 10 association, must be filed in the office of the school corporation before
 11 payments may be received.

12 (e) A resolution filed under subsection (d) need not be renewed
 13 from year to year but continues in effect until rescinded. An art
 14 association that complies with this section is entitled to continue to
 15 receive payments under this section as long as it so complies.

16 (f) Whenever more than one (1) art association in a city that is listed
 17 in subsection (a) qualifies to receive payments under this section, the
 18 governing body of the school corporation shall select the one (1) art
 19 association best qualified to perform the services described by
 20 subsection (c). A school corporation may select only one (1) art
 21 association to receive payments under this section.

22 SECTION 241. IC 20-5-28-1, AS AMENDED BY P.L.90-2002,
 23 SECTION 408, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A school corporation in
 25 Indiana may purchase buildings, lands, or lands and buildings for
 26 school purposes, and for that purpose improve the buildings or land.

27 (b) An existing building, other than a building obtained under
 28 IC 5-17-2 (before its repeal) or IC 4-13-1.7, permitting the purchase of
 29 suitable surplus government buildings, may not be purchased for use
 30 as a school building unless the building was originally constructed for
 31 use by the school corporation and used for that purpose for a period of
 32 five (5) years or more next preceding the acquisition as provided in this
 33 chapter.

34 (c) Notwithstanding any provisions in this chapter limiting the
 35 purchase of school buildings, a school corporation may purchase
 36 suitable buildings, lands, or lands and suitable buildings adjacent to
 37 school property for school purposes, and for that purpose improve the
 38 buildings or land after giving notice to the taxpayers of the intention of
 39 the school corporation to purchase. ~~The taxpayers of the school~~
 40 ~~corporation have the same right of appeal to the department of local~~
 41 ~~government finance under the same procedure as provided for in~~
 42 ~~IC 6-1.1-20-5 through IC 6-1.1-20-6.~~

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1 SECTION 242. IC 20-5-37-4 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) The board of
 3 school trustees in a third class city may establish, maintain, and equip
 4 public playgrounds to be used by children during the summer vacation
 5 period. The board may use the public school buildings and grounds in
 6 the cities as is necessary to carry out this section. **Before January 1,**
 7 **2005,** the board may levy a tax not exceeding sixty-seven hundredths
 8 of one cent (\$0.0067) on each one hundred dollars (\$100) of assessed
 9 valuation of the property in the city to create a fund to carry out this
 10 section. The board may lease or purchase grounds in addition to the
 11 school grounds, either adjacent to the school grounds or elsewhere in
 12 the city. The board may also, under eminent domain statutes, condemn
 13 ground to be used for these purposes and pay for condemned ground
 14 out of the school revenues of the city not otherwise appropriated.

15 (b) The board has full control of all playgrounds, including the
 16 preservation of order on them, and may adopt suitable rules,
 17 regulations, and bylaws for the control of them. The board may enforce
 18 the rules by suitable penalties.

19 (c) The board may select and pay for directors and assistants. The
 20 directors and assistants, while on duty and for the purpose of
 21 preserving order and the observance of the rules, regulations, and
 22 bylaws of the board, have all the powers of police officers of the city.
 23 The compensation for the directors and assistants shall be fixed by the
 24 board and paid for out of the school revenues not otherwise
 25 appropriated.

26 SECTION 243. IC 20-5-62-6, AS AMENDED BY P.L.77-1999,
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2004]: Sec. 6. Except as provided in this chapter and
 29 notwithstanding any other law, a freeway school corporation or a
 30 freeway school may do the following during the contract period:

- 31 (1) Disregard the observance of any statute or rule that is listed in
 32 the contract.
 33 (2) Lease school transportation equipment to others for nonschool
 34 use when the equipment is not in use for a school corporation
 35 purpose, if the lessee has not received a bid from a private entity
 36 to provide transportation equipment or services for the same
 37 purpose.
 38 (3) Replace the budget and accounting system that is required by
 39 law with a budget or accounting system that is frequently used in
 40 the private business community. The state board of accounts may
 41 not go beyond the requirements imposed upon the state board of
 42 accounts by statute in reviewing the budget and accounting

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- 1 system used by a freeway school corporation or a freeway school.
- 2 (4) Establish a professional development and technology fund to
- 3 be used for:
- 4 (A) professional development; or
- 5 (B) technology, including video distance learning.
- 6 However, any money deposited in the professional development
- 7 and technology fund for technology purposes must be transferred
- 8 to the school technology fund established under IC 21-2-18
- 9 **(repealed January 1, 2005).**
- 10 (5) Subject to subdivision (4), transfer funds obtained from
- 11 sources other than state or local government taxation among any
- 12 accounts of the school corporation, including a professional
- 13 development and technology fund established under subdivision
- 14 (4).
- 15 (6) ~~Transfer funds obtained from property taxation and from state~~
- 16 ~~distributions money among the general fund (established under~~
- 17 ~~IC 21-2-11) and the school transportation fund (established under~~
- 18 ~~IC 21-2-11.5); subject to the following:~~
- 19 ~~(A) The sum of the property tax rates for the general fund and~~
- 20 ~~the school transportation fund after a transfer occurs under this~~
- 21 ~~subdivision may not exceed the sum of the property tax rates~~
- 22 ~~for the general fund and the school transportation fund before~~
- 23 ~~a transfer occurs under this subdivision.~~
- 24 ~~(B) funds. However~~ this subdivision does not allow a school
- 25 corporation to transfer to any other fund money from the:
- 26 (i) (A) capital projects fund (established under IC 21-2-15)
- 27 **(repealed January 1, 2005); or**
- 28 (ii) (B) debt service fund (established under IC 21-2-4).
- 29 (7) Establish a locally adopted assessment program to replace the
- 30 assessment of students under the ISTEP program established
- 31 under IC 20-10.1-16-8, subject to the following:
- 32 (A) A locally adopted assessment program must be established
- 33 by the governing body and approved by the department.
- 34 (B) A locally adopted assessment program may use a locally
- 35 developed test or a nationally developed test.
- 36 (C) Results of assessments under a locally adopted assessment
- 37 program are subject to the same reporting requirements as
- 38 results under the ISTEP program.
- 39 (D) Each student who completes a locally adopted assessment
- 40 program and the student's parent or guardian has the same
- 41 rights to inspection and rescoring as are set forth in
- 42 IC 20-10.1-16-7(d).

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1 SECTION 244. IC 20-5.5-7-3, AS AMENDED BY P.L.1-2004,
 2 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2004]: Sec. 3. (a) Not later than the date established by the
 4 department for determining average daily membership under
 5 IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the
 6 department the following information on a form prescribed by the
 7 department:

- 8 (1) The number of students enrolled in the charter school.
 9 (2) The name and address of each student.
 10 (3) The name of the school corporation in which the student has
 11 legal settlement.
 12 (4) The name of the school corporation, if any, that the student
 13 attended during the immediately preceding school year.
 14 (5) The grade level in which the student will enroll in the charter
 15 school.

16 The department shall verify the accuracy of the information reported.

17 (b) This subsection applies after December 31 of the calendar year
 18 in which a charter school begins its initial operation. The department
 19 shall distribute to the organizer the amount determined under
 20 IC 21-3-1.7 for the charter school. The department shall make a
 21 distribution under this subsection at the same time and in the same
 22 manner as the department makes a distribution under IC 21-3-1.7.

23 (c) The department shall provide to the department of local
 24 government finance the following information:

- 25 (1) For each county, the number of students who:
 26 (A) have legal settlement in the county; and
 27 (B) attend a charter school.
 28 (2) The school corporation in which each student described in
 29 subdivision (1) has legal settlement.
 30 (3) The charter school that a student described in subdivision (1)
 31 attends and the county in which the charter school is located.
 32 (4) The amount determined under IC 6-1.1-19-1.5(f) STEP
 33 EIGHT for 2004 and IC 6-1.1-19-1.5(b) STEP SIX (**repealed**
 34 **January 1, 2005**) for 2005 for each school corporation described
 35 in subdivision (2).
 36 (5) The amount determined under STEP TWO of the following
 37 formula:
 38 STEP ONE: Determine the product of:
 39 (A) the amount determined under IC 21-3-1.7-6.7(d) or
 40 IC 21-3-1.7-6.7(e) for a charter school described in
 41 subdivision (3); multiplied by
 42 (B) thirty-five hundredths (0.35).

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1 STEP TWO: Determine the product of:
 2 (A) the STEP ONE amount; multiplied by
 3 (B) the current ADM of a charter school described in
 4 subdivision (3).
 5 (6) The amount determined under STEP THREE of the following
 6 formula:
 7 STEP ONE: Determine the number of students described in
 8 subdivision (1) who:
 9 (A) attend the same charter school; and
 10 (B) have legal settlement in the same school corporation
 11 located in the county.
 12 STEP TWO: Determine the subdivision (5) STEP ONE
 13 amount for a charter school described in STEP ONE (A).
 14 STEP THREE: Determine the product of:
 15 (A) the STEP ONE amount; multiplied by
 16 (B) the STEP TWO amount.
 17 SECTION 245. IC 20-5.5-7-3.5, AS ADDED BY P.L.276-2003,
 18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2004]: Sec. 3.5. (a) This section applies to a conversion
 20 charter school.
 21 (b) Not later than the date established by the department for
 22 determining average daily membership under IC 21-3-1.6-1.1(d), and
 23 after July 2, the organizer shall submit to a governing body on a form
 24 prescribed by the department the information reported under section
 25 3(a) of this chapter for each student who:
 26 (1) is enrolled in the organizer's conversion charter school; and
 27 (2) has legal settlement in the governing body's school
 28 corporation.
 29 (c) Beginning not more than sixty (60) days after the department
 30 receives the information reported under section 3(a) of this chapter, the
 31 department shall distribute to the organizer:
 32 (1) tuition support and other state funding for any purpose for
 33 students enrolled in the conversion charter school;
 34 (2) a proportionate share of state and federal funds received for
 35 students with disabilities or staff services for students with
 36 disabilities for students with disabilities enrolled in the
 37 conversion charter school; and
 38 (3) a proportionate share of funds received under federal or state
 39 categorical aid programs for students who are eligible for the
 40 federal or state categorical aid and are enrolled in the conversion
 41 charter school;
 42 for the second six (6) months of the calendar year in which the

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1 conversion charter school is established. The department shall make a
 2 distribution under this subsection at the same time and in the same
 3 manner as the department makes a distribution to the governing body
 4 of the school corporation in which the conversion charter school is
 5 located. A distribution to the governing body of the school corporation
 6 in which the conversion charter school is located is reduced by the
 7 amount distributed to the conversion charter school. This subsection
 8 does not apply to a conversion charter school after December 31 of the
 9 calendar year in which the conversion charter school is established.

10 (d) This subsection applies beginning with the first property tax
 11 distribution described in IC 6-1.1-27-1 to the governing body of the
 12 school corporation in which a conversion charter school is located after
 13 the governing body receives the information reported under subsection
 14 (b). Not more than ten (10) days after the governing body receives a
 15 property tax distribution described in IC 6-1.1-27-1, the governing
 16 body shall distribute to the conversion charter school the amount
 17 determined under STEP THREE of the following formula:

18 STEP ONE: Determine the quotient of:

19 (A) the number of students who:

- 20 (i) are enrolled in the conversion charter school; and
- 21 (ii) were counted in the ADM of the previous year for the
- 22 school corporation in which the conversion charter school is
- 23 located; divided by

24 (B) the current ADM of the school corporation in which the
 25 conversion charter school is located.

26 In determining the number of students enrolled under clause
 27 (A)(i), each kindergarten pupil shall be counted as one-half (1/2)
 28 pupil.

29 STEP TWO: Determine the total amount of the following
 30 revenues to which the school corporation in which the conversion
 31 charter school is located is entitled for the second six (6) months
 32 of the calendar year in which the conversion charter school is
 33 established:

34 (A) Revenues obtained by the school corporation's:

- 35 (i) general fund property tax levy **for years before January**
- 36 **1, 2005, or local income tax for education for years after**
- 37 **December 31, 2005 (excluding amounts devoted to**
- 38 **transportation, capital improvements, or debt service);**
- 39 and
- 40 (ii) excise tax revenue (as defined in IC 21-3-1.7-2).

41 (B) The school corporation's certified distribution of county
 42 adjusted gross income tax revenue under IC 6-3.5-1.1 that is

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1 to be used as property tax replacement credits.
 2 STEP THREE: Determine the product of:
 3 (A) the STEP ONE amount; multiplied by
 4 (B) the STEP TWO amount.
 5 (e) Subsection (d) does not apply to a conversion charter school
 6 after the later of the following dates:
 7 (1) December 31 of the calendar year in which the conversion
 8 charter school is established.
 9 (2) Ten (10) days after the date on which the governing body of
 10 the school corporation in which the conversion charter school is
 11 located receives the final distribution described in IC 6-1.1-27-1
 12 of revenues to which the school corporation in which the
 13 conversion charter school is located is entitled for the second six
 14 (6) months of the calendar year in which the conversion charter
 15 school is established.
 16 (f) This subsection applies during the second six (6) months of the
 17 calendar year in which a conversion charter school is established. A
 18 conversion charter school may apply for an advance from the charter
 19 school advancement account under IC 20-5.5-7.5 in the amount
 20 determined under STEP FOUR of the following formula:
 21 STEP ONE: Determine the result under subsection (d) STEP
 22 ONE (A).
 23 STEP TWO: Determine the difference between:
 24 (A) the conversion charter school's current ADM; minus
 25 (B) the STEP ONE amount.
 26 STEP THREE: Determine the quotient of:
 27 (A) the STEP TWO amount; divided by
 28 (B) the conversion charter school's current ADM.
 29 STEP FOUR: Determine the product of:
 30 (A) the STEP THREE amount; multiplied by
 31 (B) the quotient of:
 32 (i) the subsection (d) STEP TWO amount; divided by
 33 (ii) two (2).
 34 SECTION 246. IC 20-5.5-7-4, AS AMENDED BY P.L.276-2003,
 35 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2004]: Sec. 4. (a) Services that a school corporation provides
 37 to a charter school, including transportation, may be provided at not
 38 more than one hundred three percent (103%) of the actual cost of the
 39 services.
 40 (b) This subsection applies to a sponsor that is a state educational
 41 institution described in IC 20-5.5-1-15(1)(B). In a calendar year, a state
 42 educational institution may receive from the organizer of a charter

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1 school sponsored by the state educational institution an administrative
 2 fee equal to not more than three percent (3%) of the total amount the
 3 organizer receives during the calendar year under IC 6-1.1-19-12
 4 **(repealed January 1, 2005)** and IC 21-3-1.7-8.2.

5 SECTION 247. IC 20-6.1-5-12 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. (a) If a governing
 7 body of a school corporation agrees to a retirement, savings, or
 8 severance pay plan with a teacher or with an exclusive representative
 9 pursuant to IC 20-7.5-1, the benefits may be paid to the teacher who is
 10 eligible under a negotiated retirement, savings, or severance pay plan,
 11 or, in the case of the teacher's death, to the teacher's designated
 12 beneficiary or the teacher's estate if there is no designated beneficiary.
 13 Payments may be made in a lump sum or in installments as agreed
 14 upon by the parties or to a savings plan established under
 15 IC 5-10-1.1-1(2).

16 (b) ~~Notwithstanding IC 6-1.1-20,~~ The payments under this section
 17 shall be made from the general fund of the school corporation and may
 18 be made for a period exceeding one (1) year.

19 SECTION 248. IC 20-8.1-3-17, AS AMENDED BY P.L.291-2001,
 20 SECTION 111, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) Subject to the specific
 22 exceptions under this chapter, each individual shall attend either a
 23 public school which the individual is entitled to attend under
 24 IC 20-8.1-6.1 or some other school which is taught in the English
 25 language.

26 (b) An individual is bound by the requirements of this chapter from
 27 the earlier of the date on which the individual officially enrolls in a
 28 school or, except as provided in subsection (h), the beginning of the fall
 29 school term for the school year in which the individual becomes seven
 30 (7) years of age until the date on which the individual:

- 31 (1) graduates;
- 32 (2) reaches at least sixteen (16) years of age but who is less than
- 33 eighteen (18) years of age and the requirements under subsection
- 34 (j) concerning an exit interview are met enabling the individual to
- 35 withdraw from school before graduation; or
- 36 (3) reaches at least eighteen (18) years of age;

37 whichever occurs first.

38 (c) An individual who:

- 39 (1) enrolls in school before the fall school term for the school year
- 40 in which the individual becomes seven (7) years of age; and
- 41 (2) is withdrawn from school before the school year described in
- 42 subdivision (1) occurs;

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1 is not subject to the requirements of this chapter until the individual is
 2 reenrolled as required in subsection (b). Nothing in this section shall
 3 be construed to require that a child complete grade 1 before the child
 4 reaches eight (8) years of age.

5 (d) An individual for whom education is compulsory under this
 6 section shall attend school each year:

7 (1) for the number of days public schools are in session in the
 8 school corporation in which the individual is enrolled in Indiana;

9 or

10 (2) if the individual is enrolled outside Indiana, for the number of
 11 days the public schools are in session where the individual is
 12 enrolled.

13 (e) In addition to the requirements of subsections (a) through (d), an
 14 individual must be at least five (5) years of age on July 1 of the
 15 2001-2002 school year or any subsequent school year;

16 to officially enroll in a kindergarten program offered by a school
 17 corporation. However, subject to subsection (g), the governing body of
 18 the school corporation shall adopt a procedure affording a parent of an
 19 individual who does not meet the minimum age requirement set forth
 20 in this subsection the right to appeal to the superintendent of the school
 21 corporation for enrollment of the individual in kindergarten at an age
 22 earlier than the age that is set forth in this subsection.

23 (f) In addition to the requirements of subsections (a) through (e),
 24 and subject to subsection (g), if an individual enrolls in school as
 25 permitted under subsection (b) and has not attended kindergarten, the
 26 superintendent of the school corporation shall make a determination as
 27 to whether the individual shall enroll in kindergarten or grade 1 based
 28 on the particular model assessment adopted by the governing body
 29 under subsection (g).

30 (g) To assist the principal and governing bodies, the department
 31 shall do the following:

32 (1) Establish guidelines to assist each governing body in
 33 establishing a procedure for making appeals to the superintendent
 34 of the school corporation under subsection (e).

35 (2) Establish criteria by which a governing body may adopt a
 36 model assessment which will be utilized in making the
 37 determination under subsection (f).

38 (h) If the parents of an individual who would otherwise be subject
 39 to compulsory school attendance under subsection (b), upon request of
 40 the superintendent of the school corporation, certify to the
 41 superintendent of the school corporation that the parents intend to:

42 (1) enroll the individual in a nonaccredited, nonpublic school; or

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1 (2) begin providing the individual with instruction equivalent to
 2 that given in the public schools as permitted under section 34 of
 3 this chapter;
 4 not later than the date on which the individual reaches seven (7) years
 5 of age, the individual is not bound by the requirements of this chapter
 6 until the individual reaches seven (7) years of age.

7 (i) The governing body of each school corporation shall designate
 8 the appropriate employees of the school corporation to conduct the exit
 9 interviews for students described in subsection (b)(2). Each exit
 10 interview must be personally attended by:

- 11 (1) the student's parent or guardian;
- 12 (2) the student;
- 13 (3) each designated appropriate school employee; and
- 14 (4) the student's principal.

15 (j) A student who is at least sixteen (16) years of age but less than
 16 eighteen (18) years of age is bound by the requirements of compulsory
 17 school attendance and may not withdraw from school before graduation
 18 unless:

- 19 (1) the student, the student's parent or guardian, and the principal
 20 agree to the withdrawal; and
- 21 (2) at the exit interview, the student provides written
 22 acknowledgment of the withdrawal and the student's parent or
 23 guardian and the school principal each provide written consent for
 24 the student to withdraw from school.

25 (k) For the purposes of this section, "school year" has the meaning
 26 set forth in ~~IC 21-2-12-3(h)~~ **IC 20-10.1-2-1**.

27 SECTION 249. IC 20-8.1-3-36 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 36. (a) It is
 29 unlawful for a person operating or responsible for an educational,
 30 correctional, charitable, or benevolent institution or training school to
 31 fail to ensure that a child under his authority attends school as required
 32 under this chapter. Each day of violation of this section constitutes a
 33 separate offense.

34 (b) If a child is placed in an institution or facility under a court
 35 order, the institution or facility shall charge the ~~county office of the~~
 36 ~~county of the student's legal settlement under IC 12-19-7~~ **state** for the
 37 use of the space within the institution or facility (commonly called
 38 capital costs) that is used to provide educational services to the child
 39 based upon a prorated per student cost.

40 SECTION 250. IC 20-8.1-6.1-7 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) If a student
 42 is transferred under section 2 of this chapter from a school corporation

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1 in Indiana to a public school corporation in another state, the transferor
 2 corporation shall pay the transferee corporation the full tuition fee
 3 charged by the transferee corporation. However, the amount of the full
 4 tuition fee must not exceed the amount charged by the transferor
 5 corporation for the same class of school, or if the school has no such
 6 classification, the amount must not exceed the amount charged by the
 7 geographically nearest school corporation in Indiana which has such
 8 classification.

9 (b) If a child is:

10 (1) placed by a court order in an out-of-state institution or other
 11 facility; and

12 (2) provided all educational programs and services by a public
 13 school corporation in the state where the child is placed, whether
 14 at the facility, the public school, or another location;

15 ~~the county office of family and children for the county placing the child~~
 16 ~~state~~ shall pay ~~from the county family and children's fund~~ to the public
 17 school corporation in which the child is enrolled the amount of transfer
 18 tuition specified in subsection (c).

19 (c) The transfer tuition for which ~~a county office~~ ~~the state~~ is
 20 obligated under subsection (b) is equal to the following:

21 (1) The amount under a written agreement among the ~~county~~
 22 ~~office, state,~~ the institution or other facility, and the governing
 23 body of the public school corporation in the other state that
 24 specifies the amount and method of computing transfer tuition.

25 (2) The full tuition fee charged by the transferee corporation, if
 26 subdivision (1) does not apply. However, the amount of the full
 27 tuition fee must not exceed the amount charged by the transferor
 28 corporation for the same class of school, or if the school has no
 29 such classification, the amount must not exceed the amount
 30 charged by the geographically nearest school corporation in
 31 Indiana which has such classification.

32 (d) If a child is:

33 (1) placed by a court order in an out-of-state institution or other
 34 facility; and

35 (2) provided:

36 (A) onsite educational programs and services either through
 37 the facility's employees or by contract with another person or
 38 organization that is not a public school corporation; or

39 (B) educational programs and services by a nonpublic school;
 40 ~~the county office of family and children for the county placing the child~~
 41 ~~state~~ shall pay ~~from the county family and children's fund~~ in an amount
 42 and in the manner specified in a written agreement between the county

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1 office and the institution or other facility.

2 (e) An agreement described in subsection (c) or (d) is subject to the
3 approval of the director of the division of family and children.
4 However, for purposes of IC 4-13-2, the agreement shall not be treated
5 as a contract.

6 SECTION 251. IC 20-8.1-6.1-8, AS AMENDED BY P.L.111-2002,
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2005]: Sec. 8. (a) As used in this section, the following
9 terms have the following meanings:

10 (1) "Class of school" refers to a classification of each school or
11 program in the transferee corporation by the grades or special
12 programs taught at the school. Generally, these classifications are
13 denominated as kindergarten, elementary school, middle school
14 or junior high school, high school, and special schools or classes,
15 such as schools or classes for special education, vocational
16 training, or career education.

17 (2) "ADM" means the following:

18 (A) For purposes of allocating to a transfer student state
19 distributions under IC 21-1-30 (primetime), "ADM" as
20 computed under IC 21-1-30-2.

21 (B) For all other purposes, "ADM" as set forth in
22 IC 21-3-1.6-1.1.

23 (3) "Pupil enrollment" means the following:

24 (A) The total number of students in kindergarten through
25 grade 12 who are enrolled in a transferee school corporation
26 on a date determined by the Indiana state board of education.

27 (B) The total number of students enrolled in a class of school
28 in a transferee school corporation on a date determined by the
29 Indiana state board of education.

30 However, a kindergarten student shall be counted under clauses
31 (A) and (B) as one-half (1/2) a student.

32 (4) "Special equipment" means equipment that during a school
33 year:

34 (A) is used only when a child with disabilities is attending
35 school;

36 (B) is not used to transport a child to or from a place where the
37 child is attending school;

38 (C) is necessary for the education of each child with
39 disabilities that uses the equipment, as determined under the
40 individualized instruction program for the child; and

41 (D) is not used for or by any child who is not a child with
42 disabilities.

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1 The Indiana state board of education may select a different date for
 2 counts under subdivision (3). However, the same date shall be used for
 3 all school corporations making a count for the same class of school.

4 (b) Each transferee corporation is entitled to receive for each school
 5 year on account of each transferred student, except a student
 6 transferred under section 3 of this chapter, transfer tuition from the
 7 transferor corporation or the state as provided in this chapter. Transfer
 8 tuition equals the amount determined under STEP THREE of the
 9 following formula:

10 STEP ONE: Allocate to each transfer student the capital
 11 expenditures for any special equipment used by the transfer
 12 student and a proportionate share of the operating costs incurred
 13 by the transferee school for the class of school where the transfer
 14 student is enrolled.

15 STEP TWO: If the transferee school included the transfer student
 16 in the transferee school's ADM for a school year, allocate to the
 17 transfer student a proportionate share of the following general
 18 fund revenues of the transferee school for, except as provided in
 19 clause (C), the calendar year in which the school year ends:

20 (A) The following state distributions that are computed in any
 21 part using ADM or other pupil count in which the student is
 22 included:

- 23 (i) Primetime grant under IC 21-1-30.
- 24 (ii) Tuition support for basic programs and at-risk weights
 25 under IC 21-3-1.7-8 (before January 1, 1996) and only for
 26 basic programs (after December 31, 1995).
- 27 (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- 28 (iv) At-risk grant under IC 21-3-1.7-9.7.
- 29 (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- 30 (vi) Vocational education grant under IC 21-3-12.
- 31 (vii) Special education grant under IC 21-3-2.1.
- 32 (viii) The portion of the ADA flat grant that is available for
 33 the payment of general operating expenses under
 34 IC 21-3-4.5-2(b)(1).

35 (B) For school years beginning after June 30, 1997, property
 36 tax levies.

37 (C) For school years beginning after June 30, 1997, excise tax
 38 revenue (as defined in IC 21-3-1.7-2) received for deposit in
 39 the calendar year in which the school year begins.

40 (D) For school years beginning after June 30, 1997, allocations
 41 to the transferee school under IC 6-3.5.

42 STEP THREE: Determine the greater of:

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- 1 (A) zero (0); or
 2 (B) the result of subtracting the STEP TWO amount from the
 3 STEP ONE amount.

4 If a child is placed in an institution or facility in Indiana under a court
 5 order, the institution or facility shall charge the ~~county office of the~~
 6 ~~county of the student's legal settlement under IC 12-19-7~~ state for the
 7 use of the space within the institution or facility (commonly called
 8 capital costs) that is used to provide educational services to the child
 9 based upon a prorated per student cost.

10 (c) Operating costs shall be determined for each class of school
 11 where a transfer student is enrolled. The operating cost for each class
 12 of school is based on the total expenditures of the transferee
 13 corporation for the class of school from its general fund expenditures
 14 as specified in the classified budget forms prescribed by the state board
 15 of accounts. This calculation excludes:

- 16 (1) capital outlay;
 17 (2) debt service;
 18 (3) costs of transportation;
 19 (4) salaries of board members;
 20 (5) contracted service for legal expenses; and
 21 (6) any expenditure which is made out of the general fund from
 22 extracurricular account receipts;

23 for the school year.

24 (d) The capital cost of special equipment for a school year is equal
 25 to:

- 26 (1) the cost of the special equipment; divided by
 27 (2) the product of:
 28 (A) the useful life of the special equipment, as determined
 29 under the rules adopted by the Indiana state board of
 30 education; multiplied by
 31 (B) the number of students using the special equipment during
 32 at least part of the school year.

33 (e) When an item of expense or cost described in subsection (c)
 34 cannot be allocated to a class of school, it shall be prorated to all
 35 classes of schools on the basis of the pupil enrollment of each class in
 36 the transferee corporation compared to the total pupil enrollment in the
 37 school corporation.

38 (f) Operating costs shall be allocated to a transfer student for each
 39 school year by dividing:

- 40 (1) the transferee school corporation's operating costs for the class
 41 of school in which the transfer student is enrolled; by
 42 (2) the pupil enrollment of the class of school in which the

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1 transfer student is enrolled.
 2 When a transferred student is enrolled in a transferee corporation for
 3 less than the full school year of pupil attendance, the transfer tuition
 4 shall be calculated by the portion of the school year for which the
 5 transferred student is enrolled. A school year of pupil attendance
 6 consists of the number of days school is in session for pupil attendance.
 7 A student, regardless of the student's attendance, is enrolled in a
 8 transferee school unless the student is no longer entitled to be
 9 transferred because of a change of residence, the student has been
 10 excluded or expelled from school for the balance of the school year or
 11 for an indefinite period, or the student has been confirmed to have
 12 withdrawn from school. The transferor and the transferee corporation
 13 may enter into written agreements concerning the amount of transfer
 14 tuition due in any school year. Where an agreement cannot be reached,
 15 the amount shall be determined by the Indiana state board of education,
 16 and costs may be established, when in dispute, by the state board of
 17 accounts.

18 (g) A transferee school shall allocate revenues described in
 19 subsection (b) STEP TWO to a transfer student by dividing:

- 20 (1) the total amount of revenues received; by
 21 (2) the ADM of the transferee school for the school year that ends
 22 in the calendar year in which the revenues are received.

23 However, for state distributions under IC 21-1-30, IC 21-3-2.1,
 24 IC 21-3-12, or any other statute that computes the amount of a state
 25 distribution using less than the total ADM of the transferee school, the
 26 transferee school shall allocate the revenues to the transfer student by
 27 dividing the revenues that the transferee school is eligible to receive in
 28 a calendar year by the pupil count used to compute the state
 29 distribution.

30 (h) In lieu of the payments provided in subsection (b), the transferor
 31 corporation or state owing transfer tuition may enter into a long term
 32 contract with the transferee corporation governing the transfer of
 33 students. This contract is for a maximum period of five (5) years with
 34 an option to renew, and may specify a maximum number of pupils to
 35 be transferred and fix a method for determining the amount of transfer
 36 tuition and the time of payment, which may be different from that
 37 provided in section 9 of this chapter.

38 (i) If the school corporation can meet the requirements of
 39 IC 21-1-30-5, it may negotiate transfer tuition agreements with a
 40 neighboring school corporation that can accommodate additional
 41 students. Agreements under this section may be for one (1) year or
 42 longer and may fix a method for determining the amount of transfer

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1 tuition or time of payment that is different from the method, amount,
 2 or time of payment that is provided in this section or section 9 of this
 3 chapter. A school corporation may not transfer a student under this
 4 section without the prior approval of the child's parent or guardian.

5 (j) If a school corporation experiences a net financial impact with
 6 regard to transfer tuition that is negative for a particular school year as
 7 described in IC 6-1.1-19-5.1, the school corporation may appeal for an
 8 excessive levy as provided under IC 6-1.1-19-5.1. **This subsection**
 9 **expires January 1, 2005.**

10 SECTION 252. IC 20-8.1-6.5-2 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. ~~Definitions.~~ As used
 12 in this chapter:

13 (a) "Transferor corporation", "transferee corporation" and
 14 "transferred student" shall mean, respectively, the school corporation
 15 transferring students, the school corporation receiving students, and
 16 any student transferred pursuant to a court order described in section
 17 1 of this chapter.

18 (b) "General fund", "capital projects fund", and "debt service fund"
 19 shall refer, respectively, to the school corporation funds set up under
 20 the provisions of IC 21-2-11 (**repealed January 1, 2005**), IC 21-2-15
 21 (**repealed January 1, 2005**), and IC 21-2-4, respectively.

22 (c) "Class of school" shall refer to a classification of each school in
 23 the transferee corporation by the grades taught therein (generally
 24 denominated as elementary schools, middle schools or junior high
 25 schools, high schools, and special schools such as schools for special
 26 education, vocational training or career education). Elementary schools
 27 shall include schools containing kindergarten, but for all purposes
 28 under this chapter, a kindergarten student shall be counted as one-half
 29 (1/2) a student.

30 (d) "ADM" shall refer to ADM as defined in IC 21-3-1.6-1.1.

31 SECTION 253. IC 20-8.1-6.5-4, AS AMENDED BY P.L.90-2002,
 32 SECTION 409, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) Where a transfer is ordered
 34 to commence in a school year, where the transferor corporation has net
 35 additional costs over savings (on account of any transfer ordered)
 36 allocable to the calendar year in which the school year begins, and
 37 where the transferee corporation has no budgeted funds for such net
 38 additional costs, they may be recovered by one (1) or more of the
 39 following methods in addition to any other methods provided by
 40 applicable law:

41 (1) An emergency loan made pursuant to IC 20-5-4-6 to be paid,
 42 however, out of the debt service levy and fund, or a loan from any

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- 1 state fund made available therefor.
- 2 (2) An advance in such calendar year of state funds, which would
- 3 otherwise become payable to the transferee corporation after such
- 4 calendar year pursuant to applicable law.
- 5 (3) A grant or grants in such calendar year from any funds of the
- 6 state made available therefor.

7 (b) The net additional costs shall be certified by the department of
 8 local government finance, and any grant shall be made solely after
 9 affirmative recommendation of the tax control board created by
 10 IC 6-1.1-19-4.1. ~~IC 6-1.1-19~~. Repayment of any advance or loan from
 11 the state shall be made in accordance with IC 6-1.1-19-4.5(d)
 12 ~~IC 6-1.1-19~~. The use of any of the methods enumerated above shall not
 13 subject the transferor corporation to the provisions of IC 6-1.1-19-4.7.

14 **This subsection expires January 1, 2005.**

15 SECTION 254. IC 20-8.1-6.5-9 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. ~~Transportation Costs~~
 17 ~~– State Reimbursement~~: Transportation costs for transferred students
 18 for each calendar year or for capital outlay and for operations shall be
 19 reimbursed by the state to the transferor corporation in the same
 20 percent of the total outlay which the distributions to the transferor
 21 corporation under IC ~~1971~~, 21-3-1.5-3, or from the state flat grant
 22 distribution account where it is credited to the general fund, constitute
 23 of its total annual general fund appropriations for such year. In this
 24 calculation there shall be excluded from general fund appropriations
 25 capital outlay, debt service, and any expenditure which is made out of
 26 the general fund from extracurricular accounts. Any amount not thus
 27 reimbursed and raised as part of the transferor corporation's general
 28 fund levy shall constitute an increase in its base tax levy for such
 29 budget year, as otherwise defined and as applied in IC 6-1.1-1-16 and
 30 IC 6-1.1-19 (**repealed January 1, 2005**). In no event shall the state
 31 reimbursement for transportation operating expense to the transferor
 32 corporation be less than it would receive under applicable law without
 33 regard to this section.

34 SECTION 255. IC 20-8.1-7-18 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18. (a) Whenever the
 36 test required under section 17 of this chapter discloses that the hearing
 37 of any child is impaired and the child cannot be taught advantageously
 38 in regular classes, the governing body of the school corporation shall
 39 provide appropriate remedial measures and correctional devices. The
 40 governing body shall advise the child's parents of the proper medical
 41 care, attention, and treatment needed. The governing body shall
 42 provide approved mechanical auditory devices and prescribe courses

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1 in lip reading by qualified, competent and approved instructors. The
 2 superintendent of public instruction and the head of the rehabilitative
 3 services bureau of the division of disability, aging, and rehabilitative
 4 services shall cooperate with school corporations to provide this
 5 assistance; they shall also provide advice and information to assist
 6 school corporations in complying with this section. The local governing
 7 body may adopt rules and regulations for the administration of this
 8 section.

9 (b) Each school corporation may receive and accept bequests and
 10 donations for immediate use or as trusts or endowments to assist in
 11 meeting costs and expenses incurred in complying with the
 12 requirements of this section. When funds for the full payment of these
 13 expenses are not otherwise available, in any school corporation, any
 14 unexpended balance in the state treasury which is available for the use
 15 of local schools and is otherwise unappropriated may be loaned to the
 16 school corporation for that purpose by the governor. Any loan made by
 17 the governor under this section shall be repaid to the fund in the state
 18 treasury from which it came within two (2) years after the date it was
 19 advanced. These loans shall be repaid through the levying of taxes **or**
 20 **imposition of a local income tax for education (as authorized by**
 21 **law)** in the borrowing school corporation.

22 SECTION 256. IC 20-9.1-6-3 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. ~~Security~~
 24 ~~Agreements, Appropriation~~. Before a security agreement is executed,
 25 an appropriation for the amount of the purchase price shall be made.
 26 This appropriation is made in the same manner as any other
 27 appropriation, except that its amount is not limited by the amount of
 28 funds presently available or the amount to be raised by a presently
 29 effective tax levy **or local income tax for education**. No petition to
 30 borrow, notice to taxpayers or other formality is necessary except as
 31 specifically provided under this chapter and except as may be required
 32 by law for the issuance of general obligation bonds.

33 SECTION 257. IC 20-9.1-6-5 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. When a school
 35 corporation requires funds to purchase a school bus for cash, it may, in
 36 lieu of issuing general obligation bonds, negotiate for and borrow funds
 37 or purchase the bus on an installment conditional sales contract or
 38 promissory note secured by the bus. To effect a loan, the school
 39 corporation shall execute its negotiable note or notes to the lender. The
 40 notes shall not extend for more than six (6) years and shall be payable
 41 at the same times and in the same manner as provided for security
 42 agreements in section 2 of this chapter. Before a note is executed, an

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1 appropriation for the amount of the purchase price of the buses and any
 2 incidental expenses connected with the purchase or the loan, shall be
 3 made in the same manner as other appropriations are made, except that
 4 the amount of the appropriation is not limited by the amount of funds
 5 available at the time of loan or purchase or by the amount of funds to
 6 be raised by a tax levy **or local income tax for education** effective at
 7 the time of the loan. No petition to borrow, notice to taxpayers, or other
 8 formality is necessary to borrow funds under this section except as
 9 specifically provided in this chapter.

10 SECTION 258. IC 20-10.1-6.5-1 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. As used in this
 12 chapter:

13 "Advancement fund" refers to the school technology advancement
 14 account as created under section 4 of this chapter.

15 "Board" refers to the state board of education established under
 16 IC 20-1-1-1.

17 "School corporation" ~~means any corporation authorized by law to~~
 18 ~~establish public schools and levy taxes for their maintenance:~~ **has the**
 19 **meaning set forth in IC 20-5-1-3.**

20 SECTION 259. IC 20-10.1-25-1 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) The educational
 22 technology program and fund is established for the purpose of
 23 providing and extending educational technologies to elementary and
 24 secondary schools for:

25 (1) the 4R's technology grant program to assist school
 26 corporations (on behalf of public schools) in purchasing
 27 technology equipment:

28 (A) for kindergarten and grade 1 students, to learn reading,
 29 writing, and arithmetic using technology;

30 (B) for students in all grades, to understand that technology is
 31 a tool for learning; and

32 (C) for students in kindergarten through grade 3 who have
 33 been identified as needing remediation, to offer daily
 34 remediation opportunities using technology to prevent those
 35 students from failing to make appropriate progress at the
 36 particular grade level;

37 (2) providing educational technologies, including computers in
 38 the homes of students;

39 (3) conducting educational technology training for teachers; and
 40 (4) other innovative educational technology programs.

41 (b) The department may also utilize money in the fund under
 42 contracts entered into with the Indiana department of administration

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1 and the state data processing oversight commission to study the
 2 feasibility of establishing an information telecommunications gateway
 3 that provides access to information on employment opportunities,
 4 career development, and instructional services from data bases
 5 operated by the state among the following:

- 6 (1) Elementary and secondary schools.
- 7 (2) Institutions of higher learning.
- 8 (3) Vocational educational institutions.
- 9 (4) Libraries.
- 10 (5) Any other agencies offering education and training programs.

11 (c) The fund consists of:

- 12 (1) state appropriations;
- 13 (2) private donations to the fund;
- 14 (3) money directed to the fund from the corporation for
 15 educational technology under IC 20-10.1-25.1; or
- 16 (4) any combination of the amounts described in subdivisions (1)
 17 through (3).

18 (d) The program and fund shall be administered by the department.

19 (e) Unexpended money appropriated to or otherwise available in the
 20 fund for the department's use in implementing the program under this
 21 chapter at the end of a state fiscal year does not revert to the state
 22 general fund but remains available to the department for use under this
 23 chapter.

24 (f) Subject to section 1.2 of this chapter, a school corporation may
 25 use money from the school corporation's capital projects fund
 26 **(repealed January 1, 2005)** as permitted under IC 21-2-15-4
 27 **(repealed January 1, 2005)** for educational technology equipment.

28 SECTION 260. IC 20-10.1-25-1.2, AS AMENDED BY
 29 P.L.77-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2004]: Sec. 1.2. (a) Notwithstanding any other
 31 law and beginning July 1, 1993, a school corporation is not entitled to:

- 32 (1) receive any money under this chapter or IC 20-10.1-25.1;
- 33 (2) use money from the school corporation's capital projects fund
 34 **(repealed January 1, 2005)** for educational technology
 35 equipment under IC 21-2-15-4 **(repealed January 1, 2005)**; or
- 36 (3) receive an advance from the common school fund for an
 37 educational technology program under IC 21-1-5;

38 unless the school corporation develops a three (3) year technology plan.

39 (b) Each technology plan must include at least the following
 40 information:

- 41 (1) A description of the school corporation's intent to integrate
 42 technology into the school corporation's curriculum.

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- 1 (2) A plan for providing inservice training.
- 2 (3) A schedule for maintaining and replacing educational
- 3 technology equipment.
- 4 (4) A description of the criteria used to select the appropriate
- 5 educational technology equipment for the appropriate use.
- 6 (5) Other information requested by the department after
- 7 consulting with the budget agency.

8 (c) The department shall develop guidelines concerning the
 9 development of technology plans. The guidelines developed under this
 10 subsection are subject to the approval of the governor.

11 SECTION 261. IC 20-10.1-25-5, AS ADDED BY P.L.77-1999,
 12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2004]: Sec. 5. A school corporation that receives a grant under
 14 this chapter must deposit the grant in the school technology fund
 15 established under IC 21-2-18 (**repealed January 1, 2005**).

16 SECTION 262. IC 20-10.1-25.3-11, AS AMENDED BY
 17 P.L.234-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) The department shall list all
 19 school corporations in Indiana **before January 1, 2005**, according to
 20 assessed valuation for property tax purposes per student in ADM,
 21 beginning with the school corporation having the lowest assessed
 22 valuation for property tax purposes per student in ADM **and after**
 23 **December 31, 2004, according to estimated collections of the local**
 24 **income tax for education per student in ADM**. For purposes of the
 25 list made under this section, the Indiana School for the Deaf and the
 26 Indiana School for the Blind shall be considered to have the lowest
 27 assessed valuation for property tax purposes **and lowest local income**
 28 **tax for education** per student in ADM during the six (6) year period
 29 beginning on July 1, 2001.

30 (b) The department must prepare a revised list under subsection (a)
 31 before a new series of grants may begin.

32 (c) The department shall determine those school corporations to be
 33 placed in a group to receive a grant in a fiscal year under this chapter
 34 as follows:

- 35 (1) Beginning with the school corporation that is first on the list
- 36 developed under subsection (a), the department shall continue
- 37 sequentially through the list and place school corporations that
- 38 qualify for a grant under section 6 of this chapter in a group until
- 39 the cumulative total ADM of all school corporations in the group
- 40 depletes the money that is available for grants in the fiscal year.
- 41 (2) Each fiscal year the department shall develop a new group by
- 42 continuing sequentially through the list beginning with the first

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- 1 qualifying school corporation on the list that was not placed in a
- 2 group in the prior fiscal year.
- 3 (3) If the final group developed from the list contains substantially
- 4 fewer students in ADM than available money, the department
- 5 shall:
- 6 (A) prepare a revised list of school corporations under
- 7 subsection (a); and
- 8 (B) place in the group qualifying school corporations from the
- 9 top of the revised list.
- 10 (4) The department shall label the groups with sequential
- 11 numbers beginning with "group one".

12 SECTION 263. IC 20-10.1-25.3-16, AS AMENDED BY
 13 P.L.234-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2004]: Sec. 16. A school corporation that
 15 receives a grant under this chapter must deposit the grant in the school
 16 technology fund established under IC 21-2-18 (**repealed January 1,**
 17 **2005**). If the Indiana School for the Deaf or the Indiana School for the
 18 Blind receives a grant under this chapter, the school must deposit the
 19 grant in an account or fund that the school uses exclusively for the
 20 funding of technology.

21 SECTION 264. IC 20-12-14-2, AS AMENDED BY P.L.224-2003,
 22 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) Instruction in laboratory
 24 schools may be provided for pre-school pupils, kindergarten pupils,
 25 special education pupils, and for all or a portion of the twelve (12)
 26 common school grades.

27 (b) Agreements may be entered into with local school units and
 28 educational organizations for the assignment of pupils to such
 29 laboratory schools, the payment of transfer fees, and contributions to
 30 the cost of establishing and maintaining the laboratory schools.

- 31 (c) A laboratory school that:
- 32 (1) is operated by a university under this chapter without an
- 33 agreement described in subsection (b); and
- 34 (2) has an ADM (as defined in IC 21-3-1.6-1.1(d)) of not more
- 35 seven hundred fifty (750);

36 shall be treated as a charter school for purposes of local funding under
 37 IC 6-1.1-19 (**repealed January 1, 2005**) and state funding under
 38 IC 21-3.

39 (d) A pupil who attends a laboratory school full time may not be
 40 counted in ADM or ADA by any local school unit when his attendance
 41 is not regulated under an agreement.

42 SECTION 265. IC 21-1-5-4 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) To qualify for an
 2 advance under this chapter, the school corporation or school township
 3 is required to establish a capital projects fund under IC 21-2-15
 4 **(repealed January 1, 2005)**. However, the Indiana state board of
 5 education, after consulting with the department of education and the
 6 budget agency, may waive or modify this requirement upon a showing
 7 of good cause by the school corporation or school township.

8 (b) No advance to a school corporation or a school township for any
 9 school building construction program may exceed the greater of:

- 10 (1) fifteen million dollars (\$15,000,000); or
 11 (2) the product of fifteen thousand dollars (\$15,000) multiplied by
 12 the number of pupils accommodated as a result of the school
 13 construction building program. However, if a school corporation
 14 or school township has sustained loss by fire, wind, cyclone, or
 15 other disaster, this limitation may be waived by the Indiana state
 16 board of education after consulting with the department of
 17 education and the budget agency.

18 (c) Advances for educational technology programs are without
 19 limitation in amount other than the availability of funds in the common
 20 school fund for this purpose and the ability of the school corporation
 21 or school township desiring an advance to pay the advance in
 22 accordance with the terms of the advance.

23 SECTION 266. IC 21-1-11-2 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) The state
 25 board of education is authorized, subject to the provisions of this
 26 chapter, to order and direct the auditor of state to divert and make an
 27 advancement periodically from the state school tuition fund for the
 28 construction, remodeling, or repair of school buildings to any school
 29 corporation or school organized and existing under and pursuant to any
 30 law of the state of Indiana for the operation of a public school which is
 31 a part of the common school system of the state. An advancement to
 32 any school or school corporation under section 3 of this chapter shall
 33 not be in excess of two hundred fifty thousand dollars (\$250,000).
 34 However, this dollar limitation is waived if:

- 35 (1) the school corporation has an adjusted assessed valuation per
 36 pupil ADA of less than eight thousand four hundred dollars
 37 (\$8,400);
 38 (2) the school corporation's debt service tax rate would exceed
 39 one dollar (\$1) for each one hundred dollars (\$100) of assessed
 40 valuation without a waiver of the dollar limitation; and
 41 (3) the school property tax control board recommends a waiver of
 42 the limitation.

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1 (b) All advancements shall be made by the state board of education
 2 only as set forth in this chapter. In no instance shall an advancement be
 3 made for any purpose other than the construction, remodeling, or
 4 repairing of school buildings and classrooms and shall not be made for
 5 gymnasiums, auditoriums, or any athletic facilities.

6 SECTION 267. IC 21-1-11-3 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. The state board of
 8 education shall make nondisaster advancements to schools and school
 9 corporations under the provisions of this chapter only when the
 10 following conditions exist:

11 (a) The school buildings and classrooms of any school or school
 12 corporation are not adequate for the proper education of the pupils
 13 in that school or school corporation and the school or school
 14 corporation is unable to finance the construction, remodeling, or
 15 repair of the necessary classrooms under existing debt and tax
 16 limitations without undue financial hardship.

17 (b) The school corporation or school has issued its bonds for the
 18 purpose of constructing, remodeling, or repairing schools and
 19 school buildings in ninety percent (90%) of the maximum amount
 20 allowable under the constitution and laws of the state of Indiana.

21 (c) The school or school corporation does not have funds
 22 available for the construction, remodeling, or repair of school
 23 buildings and classrooms sufficient to meet the requirements for
 24 the proper education of the pupils therein.

25 (d) The school corporation or school shall have established and
 26 maintained:

27 **(1) to qualify for a loan before January 1, 2005**, a tax levy
 28 in the amount of at least sixteen and sixty-seven hundredths
 29 cents (\$0.1667) on each one hundred dollars (\$100) of taxable
 30 property within the school corporation for school building
 31 purposes continuously for three (3) years prior to the time
 32 when the school or school corporation shall make application
 33 to the state board of education for an advancement; **and**

34 **(2) to qualify for a loan after December 31, 2004, any**
 35 **combination of:**

36 **(A) the tax levies required under subdivision (1) for**
 37 **school building purposes; and**

38 **(B) a local income tax for education rate of at least two**
 39 **and one-half percent (2.5%);**

40 **continuously for three (3) years before the time when the**
 41 **school or school corporation shall make application to the**
 42 **Indiana state board of education for an advancement.**

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1 SECTION 268. IC 21-2-4-2 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. **(a)** The governing
 3 body of each school corporation in Indiana shall establish a debt
 4 service fund for the payment of **the following:**

5 (1) All debt and other obligations arising out of funds borrowed
 6 or advanced for school buildings when purchased from the
 7 proceeds of a bond issue for capital construction.

8 (2) A lease to provide capital construction.

9 (3) Interest on emergency and temporary loans.

10 (4) All debt and other obligations arising out of funds borrowed
 11 or advanced for the purchase or lease of school buses when
 12 purchased or leased from the proceeds of a bond issue, or from
 13 money obtained from a loan made under IC 20-9.1-6-5, for that
 14 purpose.

15 (5) All debt and other obligations arising out of funds borrowed
 16 to pay judgments against the school corporation. ~~or~~

17 (6) All debt and other obligations arising out of funds borrowed
 18 to purchase equipment.

19 **(7) All debt and other obligations arising under IC 20-5-4-1.7**
 20 **(repealed), IC 20-8.1-6.5-4, IC 21-1-5, or IC 21-1-11.**

21 **(b)** The term "debt service" shall include but not be limited to lease
 22 rental obligations, school bonds and coupons and civil bond obligations
 23 assumed by school corporations reorganized pursuant to IC 20-4-1, and
 24 any interest cost on emergency and temporary loans but shall not
 25 include the repayment of the principal of the emergency and temporary
 26 loans obtained for benefit of any other fund, **except as authorized**
 27 **under subsection (a).**

28 **(c)** All receipts and disbursements authorized by law for school
 29 funds and tax levies for the lease rental fund, bond fund, sinking fund,
 30 civil bond obligation fund, and payment of interest on emergency and
 31 temporary loans shall be received in and disbursed from the debt
 32 service fund.

33 SECTION 269. IC 21-2-4-3, AS AMENDED BY P.L.90-2002,
 34 SECTION 421, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~A tax levy shall be~~
 36 ~~established by the governing body of each school corporation for the~~
 37 ~~1968 calendar year and all succeeding calendar years~~ **A school**
 38 **corporation shall make an annual appropriation** sufficient to pay all
 39 debt service obligations.

40 If the advertised levy is insufficient to produce revenue to meet all
 41 debt service obligations for any calendar year, the department of local
 42 government finance is hereby authorized to establish a levy greater

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1 than advertised, if necessary, to meet such obligations.

2 SECTION 270. IC 21-2-19 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2004]:

5 **Chapter 19. School System of Accounts and Accounting**

6 **Sec. 1. The state board of accounts shall exercise its authority**
7 **under IC 5-11-1-2 to establish a uniform system of accounts and**
8 **accounting for school corporations (as defined in IC 20-5-1-3). The**
9 **state board of accounts may revise the system of accounts and**
10 **accounting established under this chapter as the state board of**
11 **accounts determines necessary to meet the requirements under**
12 **section 2 of this chapter.**

13 **Sec. 2. The system of accounts and accounting must meet the**
14 **following requirements:**

15 (1) **Promote the development of financial reports that are**
16 **consistent with generally accepted governmental accounting**
17 **principles.**

18 (2) **Facilitate the comparison of annual revenues and**
19 **expenditures among school corporations.**

20 (3) **Assist school corporations in meeting all special reporting**
21 **requirements imposed under the terms of state law, federal**
22 **law, an agreement, or a gift.**

23 (4) **Provide adequate internal controls.**

24 (5) **Assist the state board of accounts and other auditors in**
25 **auditing the finances and internal controls of school**
26 **corporations.**

27 **Sec. 3. The system of accounts and accounting may provide for**
28 **one (1) or more funds and one (1) or more accounts within a fund.**
29 **The system must provide for a debt service fund as long as the**
30 **school corporation has outstanding debt service (as defined in**
31 **IC 21-2-4-2) obligations.**

32 **Sec. 4. Money in a fund of a school corporation on December 31,**
33 **2004, shall be transferred on January 1, 2005, to the funds and**
34 **accounts established under this chapter in conformity with the**
35 **policies and procedures prescribed by the state board of accounts.**

36 **Sec. 5. The system of accounts and accounting established under**
37 **this chapter shall be used by all school corporations after**
38 **December 31, 2004.**

39 **Sec. 6. Every person who has charge of the collection, custody,**
40 **and disbursement of any funds that are collected and expended for**
41 **the purpose of paying any expenses that may be incurred in**
42 **conducting any athletic, social, or other school function, the cost of**

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1 which is not paid from public funds, shall keep an accurate account
 2 of all money so received and expended, showing the sources of all
 3 such receipts and the purposes for which the money was expended
 4 and the balance on hand. A copy of the report shall be filed with
 5 the township trustee, board of school trustees, or board of school
 6 commissioners within two (2) weeks after the close of each school
 7 year. The filed report shall be a public record open to inspection by
 8 any interested person at any reasonable time during office hours.

9 SECTION 271. IC 21-2-20 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 5, 2005]:

12 **Chapter 20. Elimination of Property Tax Levies; Repayment of**
 13 **Prior Debt**

14 **Sec. 1. This chapter does not apply to a statute that authorizes**
 15 **a school corporation to impose an ad valorem property tax levy for**
 16 **a public library, a historical society, an art association, or a public**
 17 **playground.**

18 **Sec. 2. After June 30, 2005, a school corporation may not impose**
 19 **an ad valorem property tax levy for any school purpose, including**
 20 **the repayment of debt or to make payments under a lease**
 21 **agreement. A school corporation may impose an ad valorem**
 22 **property tax only for the first six (6) months in 2005. The amount**
 23 **of the levy in 2005 may not exceed fifty percent (50%) of the**
 24 **amount that the school corporation could levy if the school**
 25 **corporation were allowed to impose a property tax for the full**
 26 **calendar year. Property taxes first due and payable and imposed**
 27 **for the first six (6) months in 2005 shall be taxed in one (1)**
 28 **installment due on May 10, 2005.**

29 **Sec. 3. A school corporation may consolidate services to which**
 30 **this chapter applies and other services payable from a property tax**
 31 **levy. However, the governing body delivering the consolidated**
 32 **services shall allocate the joint costs between amounts received by**
 33 **the school corporation for school purposes and property taxes**
 34 **based on the relative benefit of the consolidated services to school**
 35 **purposes and other purposes.**

36 **Sec. 4. Section 1 of this chapter does not release or extinguish**
 37 **the debt of a school corporation that was incurred before July 1,**
 38 **2005. However, to the extent permitted under the Constitution of**
 39 **the United States and the Constitution of the State of Indiana, a**
 40 **law entitling a holder of an obligation to enforce a right to**
 41 **repayment from property tax levies does not apply after June 30,**
 42 **2005, to a holder of an obligation that was created before July 1,**

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2005, but was incurred to finance an activity to which this chapter applies.

Sec. 5. If an agreement with a school corporation entered into before July 1, 2005, or a judgment entered against a political subdivision before July 1, 2005, requires the school corporation to make payments after June 30, 2005, from property tax levies that are prohibited by section 1 of this chapter, the holders of the obligations are entitled to payment from all other sources of receipts that are available to the school corporation after June 30, 2005, except receipts that by statute or the terms of a grant are restricted to another use.

SECTION 272. IC 21-10 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

ARTICLE 10. BUDGETS

Chapter 1. Application; Definitions

Sec. 1. This article applies to all school corporations (as defined in IC 36-1-2-17).

Sec. 2. This article applies only to budgets for a budget year beginning after June 30, 2004.

Sec. 3. The definitions in this chapter apply throughout this article.

Sec. 4. The definitions in IC 36-1-2 apply throughout this article.

Sec. 5. As used in this article, "budget year" means a year beginning on July 1 in a calendar year and ending on June 30 of the following calendar year.

Sec. 6. "General money" means revenue, including distributions from the state, that is subject to the expenditure limit under this article. The term does not include money from an exempted source (as defined in IC 21-10-2-7).

Sec. 7. Not later than November 1, 2004, the department of local government finance shall recalculate all calendar year school budget and tax information necessary to implement this article on a budget year basis. The department of local government finance shall distribute the information to school corporations, county auditors, county treasurers, and county boards of tax adjustment not later than November 1, 2004. The information distributed under this subsection shall be used to implement this article.

Chapter 2. Expenditure Limitation

Sec. 1. This chapter does not apply to the part of an appropriation that is funded from any of the following sources:

- (1) Revenues received from the government of the United

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- States.
- (2) Revenues contributed by a governmental entity described in IC 36-1-7-1 to the political subdivision to administer an interlocal agreement under IC 36-1-7 or another statute providing for a joint enterprise, if the revenues were either counted toward the expenditure limit of the political subdivision contributing the revenues or qualified as exempted source revenues for the political subdivision contributing the revenues.
- (3) The proceeds of:
 - (A) contracts with; and
 - (B) grants, gifts, donations, and bequests made to; the political subdivision for a purpose specified by the contractor or donor.
- (4) User charges derived by the political subdivision from the sale of a product or service:
 - (A) pledged or legally available to repay any security; or
 - (B) for which the quantity of the product or level of service provided to a user is at the discretion of the user.
- (5) Revenues derived from the issuance of any security. However, this subdivision does not exempt the money pledged to repay the principal of and interest on the security or to establish a reserve for repayment.
- (6) Revenues received from the sale of fixed assets or gains on fixed asset transfers.
- (7) Revenues raised to meet a fiscal emergency.
- (8) Unexpended appropriated balances remaining in a cumulative fund after the year in which the money was appropriated.

Sec. 2. As used in this chapter, "adjustment factor" refers to the adjustment factor determined under section 17 of this chapter.

Sec. 3. As used in this chapter, "appropriations" refers to the total capital or operating appropriations of a political subdivision. The term includes the amount needed to meet the obligations of an allocation district. The term does not include debt service expenditures, emergency expenditures, or expenditures from an exempted source.

Sec. 4. As used in this chapter, "base year" means:

- (1) a political subdivision's first budget year beginning after June 30, 2004, if the term is used to compute the expenditure limit for a political subdivision that was initially established before July 1, 2004; or

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- 1 (2) the first budget year in which a political subdivision
2 operated for an entire budget year, if subdivision (1) does not
3 apply.
- 4 Sec. 5. As used in this chapter, "base year per capita
5 appropriations" refers to the base year per capita appropriations
6 of a political subdivision, as determined under section 18 of this
7 chapter.
- 8 Sec. 6. As used in this chapter, "estimated population" means
9 the total number of individuals who are residents of a political
10 subdivision or an allocation district, as determined under section
11 15 of this chapter.
- 12 Sec. 7. As used in this chapter, "exempted source" means a
13 source of revenue exempted from the application of this chapter
14 under section 1 of this chapter.
- 15 Sec. 8. As used in this chapter, "expenditure limit" means the
16 maximum amount of appropriations that a political subdivision or
17 an allocation district may appropriate for a budget year, as
18 determined under section 19 of this chapter. The term does not
19 refer to actual appropriations or actual expenditures.
- 20 Sec. 9. As used in this chapter, "fiscal emergency" means
21 circumstances requiring an expenditure exceeding the expenditure
22 limit, as determined under section 28 of this chapter.
- 23 Sec. 10. As used in this chapter, "inflation index" means the
24 change in the general price level of goods and services as
25 determined under section 16 of this chapter.
- 26 Sec. 11. As used in this chapter, "revenues" means money
27 received by a political subdivision or an allocation district from
28 interest, a tax, a penalty, a grant, a state distribution, or any other
29 receipt.
- 30 Sec. 12. As used in this chapter, "security" means any bond,
31 note, warrant, or other evidence of indebtedness, whether or not
32 the bond, note, warrant, or other evidence of indebtedness
33 constitutes a debt of the political subdivision or allocation district
34 within the meaning of Article 13, Section 1 of the Constitution of
35 the State of Indiana.
- 36 Sec. 13. A political subdivision may not appropriate, allot, or
37 expend in a budget year more than an amount equal to the
38 expenditure limit for the political subdivision or as determined
39 under the latest computation made by the department of local
40 government finance under section 14 of this chapter before the
41 beginning of the budget year.
- 42 Sec. 14. (a) Not later than six (6) months before the beginning of

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1 a political subdivision's budget year, the department of local
2 government finance shall make a preliminary estimate of each of
3 the computations required under sections 15 through 26 of this
4 chapter for the political subdivision.

5 (b) In order to:

6 (1) correct a clerical or computational error; or

7 (2) incorporate data that becomes available after the
8 preliminary estimate is computed under subsection (a);
9 the department of local government finance may adjust a
10 computation under sections 15 through 26 of this chapter for a
11 budget year at any time before the first day of the budget year.

12 (c) Not later than five (5) business days after the department of
13 local government finance computes an estimate under subsection
14 (a) or (b), the department of local government finance shall
15 distribute a copy of the estimate for a political subdivision in a
16 county to the political subdivision and the county auditor.

17 (d) If the total appropriations of a political subdivision will
18 exceed the latest expenditure limit computed under subsection (a)
19 or (b), the political subdivision or the department of local
20 government finance shall adjust the appropriations to comply with
21 section 13 of this chapter.

22 Sec. 15. The department of local government finance shall
23 compute the estimated population in the budget year for each
24 political subdivision. The estimated population shall be estimated
25 for the first day of the month preceding the budget year by six (6)
26 months using the latest available actual or estimated population
27 data from the Bureau of the Census of the United States
28 Department of Commerce.

29 Sec. 16. (a) The department of local government finance shall
30 compute an inflation index for each political subdivision's:

31 (1) base year; and

32 (2) next budget year.

33 (b) The inflation index shall be estimated for the first day of the
34 month preceding the budget year by six (6) months using the
35 implicit price deflator for the gross national product, or its closest
36 equivalent, which is available from the United States Bureau of
37 Economic Analysis.

38 Sec. 17. (a) The department of local government finance shall
39 compute the adjustment factor for each political subdivision's:

40 (1) base year; and

41 (2) next budget year.

42 (b) The adjustment factor for the base year is equal to the result

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1 in STEP THREE of the following formula:
 2 STEP ONE: Determine the estimated population for the base
 3 year.
 4 STEP TWO: Determine the quotient of the inflation index for
 5 the base year divided by one hundred (100).
 6 STEP THREE: Multiply the STEP ONE amount by the STEP
 7 TWO amount.
 8 (c) The adjustment factor for a budget year after the base year
 9 is equal to the result in STEP FOUR of the following formula:
 10 STEP ONE: Determine the estimated population for the
 11 budget year.
 12 STEP TWO: Determine the quotient of:
 13 (A) the inflation index for the budget year minus the
 14 inflation index for the base year; divided by
 15 (B) one hundred (100).
 16 STEP THREE: Determine the greater of zero (0) or the STEP
 17 TWO result.
 18 STEP FOUR: Multiply the STEP ONE amount by the sum of
 19 one (1) plus the STEP THREE result.
 20 Sec. 18. The department of local government finance shall
 21 compute the base year per capita appropriations for each political
 22 subdivision. The base year per capita appropriations of a political
 23 subdivision is equal to the quotient of:
 24 (1) the total appropriations actually expended by a political
 25 subdivision in the political subdivision's base year; divided by
 26 (2) the adjustment factor for the base year.
 27 Sec. 19. (a) The department of local government finance shall
 28 compute the expenditure limit for each political subdivision.
 29 (b) The expenditure limit for a political subdivision in a year
 30 after the base year is the result determined under STEP TWO of
 31 the following formula:
 32 STEP ONE: Determine the base year per capita
 33 appropriations of the political subdivision.
 34 STEP TWO: Multiply the STEP ONE result by the
 35 adjustment factor for the political subdivision's budget year.
 36 (c) The expenditure limit for a political subdivision that has not
 37 operated for at least one (1) full budget year is the total amount of
 38 appropriations approved by the department of local government
 39 finance for that year.
 40 Sec. 20. If the Bureau of Economic Analysis of the United States
 41 Department of Commerce, or its successor agency, changes the
 42 base year on which it calculates the implicit price deflator for the

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1 gross national product, the department of local government finance
2 shall adjust the implicit price deflator for the gross national
3 product used in making the calculations under this chapter to
4 compensate for the change in the base year.

5 Sec. 21. If a political subdivision transfers out or accepts the
6 responsibility of a program or service to or from another unit of
7 government, the expenditure limit and the base year per capita
8 appropriations shall be decreased or increased correspondingly to
9 reflect these changes.

10 Sec. 22. If a program or service administered by a political
11 subdivision that is totally or partially funded by the federal
12 government ceases to be funded by the federal government, the
13 political subdivision may elect to fund the entire program or
14 service, and the expenditure limitations shall be increased to reflect
15 these changes.

16 Sec. 23. If a political subdivision transfers the funding source of
17 a program or service from taxes to user charges or other exempted
18 revenue sources as specified in this chapter, the expenditure limit
19 shall be decreased to reflect these changes.

20 Sec. 24. If a political subdivision transfers programs or services
21 that are funded by exempted sources to programs or services that
22 are funded by money subject to this chapter, the expenditure
23 limitation shall be increased to reflect these changes.

24 Sec. 25. If a political subdivision transfers revenues from
25 sources exempt under this chapter to funds containing revenues
26 from nonexempt sources, the revenues transferred shall be part of
27 and subject to the expenditure limit of this chapter.

28 Sec. 26. If a school corporation is initially created in a county
29 after June 30, 2005, the expenditure limits of all school
30 corporations shall be proportionally reduced so that the sum of the
31 expenditure limits for all school corporations in the county is the
32 same before and after the establishment of the new school
33 corporation. However, with the consent of the fiscal body of each
34 school corporation in the county, the department of local
35 government finance may use a different formula for adjusting the
36 expenditure limits of the school corporations.

37 Sec. 27. With the consent of the fiscal body of each affected
38 political subdivision, the department of local government finance
39 may lower the expenditure limit of one (1) or more political
40 subdivisions and raise the expenditure limit of one (1) or more
41 other political subdivisions by the same amount.

42 Sec. 28. (a) The limits as provided in this chapter may be

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- 1 exceeded if:
- 2 (1) a fiscal emergency is declared by at least a two-thirds (2/3)
- 3 vote of the fiscal body of the political subdivision; and
- 4 (2) the department of local government finance approves the
- 5 declaration of a fiscal emergency.
- 6 (b) A political subdivision may petition the department of local
- 7 government finance to approve a declaration of a fiscal emergency
- 8 for the political subdivision. The petition must describe the fiscal
- 9 emergency and indicate the source of revenues that will be used to
- 10 meet the fiscal emergency. After giving at least ten (10) days notice
- 11 to the political subdivision and the county auditor and publishing
- 12 at least one (1) notice under IC 5-3-1 in the county, the department
- 13 of local government finance shall conduct a hearing concerning the
- 14 petition.
- 15 (c) After the hearing under subsection (b), the department of
- 16 local government finance shall approve a declaration of a fiscal
- 17 emergency only if the department of local government finance
- 18 determines that:
- 19 (1) an extraordinary occurrence requires immediate
- 20 expenditures; or
- 21 (2) a shortfall of revenues will result in default on the
- 22 repayment of principal or interest on an indebtedness.
- 23 (d) Payment of expenses directly related to elimination of an ad
- 24 valorem property tax system, including the costs of refinancing
- 25 bonds or leases and settling disputes related to bonds or leases,
- 26 shall be treated as a fiscal emergency.
- 27 (e) The department of local government finance shall approve
- 28 the sources that the political subdivision may use to pay for the
- 29 fiscal emergency. If the department of local government finance
- 30 authorizes a distribution from the political subdivision's account
- 31 in the state emergency reserve fund established by IC 21-10-5-1,
- 32 the auditor of state shall make the disbursement to the political
- 33 subdivision in the amount approved by the department of local
- 34 government finance. The political subdivision shall reimburse the
- 35 political subdivision's account in the state emergency reserve fund
- 36 for the distribution under the schedule determined by the
- 37 department of local government finance. Reimbursement of the
- 38 state emergency reserve fund may be treated as a fiscal emergency.
- 39 **Sec. 29. Funding for fiscal emergencies may not be included in**
- 40 **the appropriations base for computing the expenditure limit for**
- 41 **appropriations in subsequent years. Fiscal emergency**
- 42 **appropriations shall remain separate from appropriations subject**

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1 to limits imposed by this chapter and shall be assigned expiration
2 dates.

3 **Sec. 30. If upon audit or examination of the results of an audit**
4 **of a political subdivision, the state board of accounts determines**
5 **that:**

6 (1) funds have been improperly accounted or budgeted for in
7 order to avoid the limitations imposed by this chapter;

8 (2) funds have been improperly exempted from the limitations
9 as provided in this chapter;

10 (3) general governmental functions have been improperly
11 financed by user or service charges; or

12 (4) the limitations imposed by this chapter have been
13 exceeded;

14 the state board of accounts shall notify the department of local
15 government finance and the political subdivision through the
16 appropriate officer or officers of necessary corrective action. If
17 after a reasonable time the political subdivision has not corrected
18 the deficiency, the state board of accounts shall refer the matter to
19 the attorney general.

20 **Chapter 3. Adoption of Budget**

21 **Sec. 1. The definitions in IC 21-10-2 apply throughout this**
22 **chapter.**

23 **Sec. 2. Not later than November 1 of each year, the department**
24 **of local government finance shall send a certified statement to each**
25 **county auditor:**

26 (1) estimating the expenditure limit for each political
27 subdivision in the county; and

28 (2) computing the total amount of money that is available for
29 distribution under IC 6-10 to the political subdivisions in the
30 county for the last six (6) months of the current year and the
31 next budget year.

32 **Sec. 3. (a) Before December 2 of each year, the county auditor**
33 **shall send a certified statement, under the seal of the board of**
34 **county commissioners, to the fiscal officer of each political**
35 **subdivision of the county and the department of local government**
36 **finance. The statement shall contain the expenditure limit for the**
37 **political subdivision and an estimate of the revenues to be**
38 **distributed to the political subdivision during:**

39 (1) the last six (6) months of the current budget year; and

40 (2) the next budget year.

41 (b) The fiscal officer of each political subdivision shall present
42 the county auditor's statement to the proper officers of the political

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1 subdivision.

2 **Sec. 4.** When formulating an annual budget estimate, the proper
3 officers of a political subdivision shall prepare an estimate of the
4 revenue that the political subdivision will receive from the state for
5 and during the year for which the budget is being formulated.
6 These estimated revenues shall be shown in the budget estimate
7 and shall be taken into consideration in calculating any tax that
8 will be imposed in the ensuing budget year.

9 **Sec. 5. (a)** The proper officers of a political subdivision shall
10 formulate its estimated budget on the form prescribed by the state
11 board of accounts.

12 **(b)** The political subdivision shall give notice to taxpayers of the
13 estimated budget. In the notice, the political subdivision shall also
14 state the time and place at which a public hearing will be held on
15 these items. The notice shall be published two (2) times in
16 accordance with IC 5-3-1 with the first publication at least ten (10)
17 days before the date fixed for the public hearing.

18 **(c)** The county auditor shall estimate the amount necessary to
19 meet the cost of:

- 20 (1) township assistance in each township of the county; and
21 (2) meeting the obligations of each allocation district in the
22 county that, before July 1, 2005, were payable from the levy
23 of property taxes;

24 for the ensuing budget year and publish with the county budget the
25 estimated amount for each township and allocation district. The
26 amount, if approved by the department of local government
27 finance, shall be treated as the distribution of the allocation
28 district.

29 **(d)** Except as provided for the adoption of a supplemental
30 budget, the officers of a political subdivision may not fix a budget
31 that exceeds the amount published by the political subdivision. The
32 portion of a budget that exceeds the published amount is void.

33 **Sec. 6. (a)** The officers of political subdivisions shall meet each
34 year to fix the budget of their respective subdivisions for the
35 ensuing budget year not later than March 1, with notice given by
36 the same board. The public hearing required by section 5 of this
37 chapter must be completed at least seven (7) days before the proper
38 officers of the political subdivision meet to fix the budget.

39 **(b)** Not later than March 15, a political subdivision shall file
40 with the county auditor two (2) copies of the budget adopted by the
41 political subdivision for the ensuing budget year. Each year the
42 county auditor shall present these items to the county board of tax

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1 adjustment at the board's first meeting.

2 **Sec. 7. (a) The county board of tax adjustment shall review the**
 3 **budget of each political subdivision. The board shall revise or**
 4 **reduce, but not increase, a budget in order to limit the budget to**
 5 **the:**

6 (1) expenditure limit under IC 21-10-2 or any other limitation
 7 on expenditures set by statute; and

8 (2) amount of revenue to be available in the ensuing budget
 9 year.

10 (b) The county board of tax adjustment shall make a revision or
 11 reduction in a political subdivision's budget only with respect to
 12 the total amounts budgeted for each office or department within
 13 each of the major budget classifications prescribed by the state
 14 board of accounts.

15 (c) If the county board of tax adjustment makes a revision or
 16 reduction in a budget, it shall file with the county auditor a written
 17 order that indicates the action taken. If the board reduces the
 18 budget, it shall indicate the reason for the reduction in the order.
 19 The chairman of the county board shall sign the order.

20 **Sec. 8. If the boundaries of a political subdivision cross one (1)**
 21 **or more county lines, the budget fixed by the political subdivision**
 22 **shall be filed with the county auditor of each affected county in the**
 23 **manner prescribed in section 6 of this chapter. The board of tax**
 24 **adjustment of the county that contains the largest portion of the**
 25 **general money receivable by the political subdivision has**
 26 **jurisdiction over the budget to the same extent as if the property**
 27 **taxable by the political subdivision were wholly within the county.**
 28 **The secretary of the county board of tax adjustment shall notify**
 29 **the county auditor of each affected county of the action of the**
 30 **board. Appeals from actions of the county board of tax adjustment**
 31 **may be initiated in any affected county.**

32 **Sec. 9. (a) If the county board of tax adjustment determines that**
 33 **a fiscal emergency exists, the county board shall file its written**
 34 **recommendations in duplicate with the county auditor. The board**
 35 **shall include with its recommendations information that the county**
 36 **board considers relevant to the matter.**

37 (b) The county auditor shall send one (1) copy of the county
 38 board's recommendations to the department of local government
 39 finance and shall retain the other copy in the county auditor's
 40 office. The department of local government finance shall, in the
 41 manner prescribed in section 17 of this chapter, review the budgets
 42 of each political subdivision.

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1 **Sec. 10. (a)** The county board of tax adjustment shall complete
 2 the duties assigned to it under this chapter before April 2 of each
 3 year.

4 **(b)** If the county board of tax adjustment fails to complete the
 5 duties assigned to it within the time prescribed in this section, the
 6 county auditor shall carry out the duties of the county board.

7 **(c)** When the county auditor acts under subsection (b), the
 8 county auditor shall send a certificate notice of actions taken by the
 9 county auditor to each political subdivision of the county. The
 10 county auditor shall send these notices within five (5) days after
 11 publication of the notice required by section 13 of this chapter.

12 **(d)** When the county auditor acts under subsection (b), the
 13 action shall be treated as if it were the action of the county board
 14 of tax adjustment.

15 **Sec. 11.** The county auditor shall certify the budget of a political
 16 subdivision in the county to the department of local government
 17 finance, if the budget, as approved or modified by the county board
 18 of tax adjustment, exceeds the:

- 19 **(1)** expenditure limit under IC 21-10-2 or any other limitation
 20 on expenditures set by statute; or
 21 **(2)** amount of revenue to be available in the ensuing budget
 22 year.

23 **Sec. 12.** The budget of a political subdivision, as approved or
 24 modified by the county board of tax adjustment, is final unless:

- 25 **(1)** action is taken by the county auditor in the manner
 26 provided under section 11 of this chapter;
 27 **(2)** the action of the county board is subject to review by the
 28 department of local government finance under section 9 or 11
 29 of this chapter; or
 30 **(3)** an appeal to the department of local government finance
 31 is initiated with respect to the budget.

32 **Sec. 13.** When the budgets are approved or modified by the
 33 county board of tax adjustment, the county auditor shall within
 34 fifteen (15) days prepare a notice of proposed changes in tax rates
 35 to be charged in the ensuing budget year in each taxing district.
 36 The notice shall also inform the taxpayers of the manner in which
 37 they may initiate an appeal of the county board's action. The
 38 county auditor shall post the notice at the county courthouse and
 39 publish it in two (2) newspapers that represent different political
 40 parties and have a general circulation in the county. However, if
 41 only one (1) newspaper of general circulation is published in the
 42 county, the county auditor shall publish the notice in that

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1 newspaper.

2 **Sec. 14. Ten (10) or more taxpayers may initiate an appeal from**
 3 **the county board of tax adjustment's action on a political**
 4 **subdivision's budget by filing a statement of their objections with**
 5 **the county auditor. The statement must be filed within ten (10)**
 6 **days after the publication of the notice required by section 13 of**
 7 **this chapter. The statement shall specifically identify the provisions**
 8 **of the budget to which the taxpayers object. The county auditor**
 9 **shall forward the statement, with the budget, to the department of**
 10 **local government finance.**

11 **Sec. 15. The county auditor shall initiate an appeal to the**
 12 **department of local government finance if the county board of tax**
 13 **adjustment reduces a township assistance tax rate below the rate**
 14 **necessary to meet the estimated cost of township assistance.**

15 **Sec. 16. A political subdivision may appeal to the department of**
 16 **local government finance for an increase in its budget as fixed by**
 17 **the county board of tax adjustment or the county auditor. To**
 18 **initiate the appeal, the political subdivision must file a statement**
 19 **with the board within ten (10) days after publication of the notice**
 20 **required by section 13 of this chapter. The legislative body of the**
 21 **political subdivision must authorize the filing of the statement by**
 22 **adopting a resolution. The resolution must be attached to the**
 23 **statement of objections, and the statement must be signed by the**
 24 **highest executive officer and by the presiding officer of the**
 25 **legislative body.**

26 **Sec. 17. (a) Subject to the limitations and requirements**
 27 **prescribed in this section, the department of local government**
 28 **finance may revise, reduce, or increase a political subdivision's**
 29 **budget that the board reviews under section 9 or 11 of this chapter.**

30 **(b) Subject to the limitations and requirements in this section,**
 31 **the department of local government finance may review, revise,**
 32 **reduce, or increase the budget of any political subdivision whose**
 33 **budget is the subject of an appeal initiated under this chapter.**

34 **(c) Before the department of local government finance reviews,**
 35 **revises, reduces, or increases a political subdivision's budget under**
 36 **this section, the board must hold a public hearing on the budget.**
 37 **The board shall hold the hearing in the county in which the**
 38 **political subdivision is located. The board may consider the**
 39 **budgets of several political subdivisions at the same public hearing.**
 40 **At least five (5) days before the date fixed for a public hearing, the**
 41 **board shall give notice of the time and place of the hearing and of**
 42 **the budgets to be considered at the hearing. The board shall**

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1 publish the notice in two (2) newspapers of general circulation
 2 published in the county. However, if only one (1) newspaper of
 3 general circulation is published in the county, the board shall
 4 publish the notice in that newspaper.

5 (d) The department of local government finance may not
 6 increase a political subdivision's budget to an amount that exceeds
 7 the amount originally fixed by the political subdivision. The
 8 department of local government finance shall give the political
 9 subdivision written notification specifying any revision, reduction,
 10 or increase that the department of local government finance
 11 proposes. The political subdivision has one (1) week from the date
 12 the political subdivision receives the notice to provide a written
 13 response to the department of local government finance'
 14 Indianapolis office specifying how to make the required reductions
 15 in the amount budgeted for each office or department. The
 16 department of local government finance shall make reductions as
 17 specified in the political subdivision's response if the response is
 18 provided as required by this subsection and sufficiently specifies all
 19 necessary reductions. The department of local government finance
 20 may make a revision, reduction, or increase in a political
 21 subdivision's budget only in the total amounts budgeted for each
 22 office or department within each of the major budget
 23 classifications prescribed by the state board of accounts.

24 (e) The department of local government finance may not
 25 approve an appropriation for lease payments by a political
 26 subdivision if the lease payments are payable to a building
 27 corporation for use by the building corporation for debt service on
 28 bonds and if:

- 29 (1) no bonds of the building corporation are outstanding; or
- 30 (2) the building corporation has enough legally available
 31 funds on hand to redeem all outstanding bonds payable from
 32 the particular lease rental levy requested.

33 (f) The action of the department of local government finance on
 34 a budget is final. The board shall certify its action to:

- 35 (1) the county auditor; and
- 36 (2) the political subdivision if the state board acts under an
 37 appeal initiated by the political subdivision.

38 (g) The department of local government finance shall complete
 39 the duties assigned to it under this section not later than May 1 of
 40 each year.

41 **Sec. 18.** The department of local government finance may at any
 42 time increase the budget of a political subdivision for the following

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reasons:

- (1) To pay the principal or interest upon a funding, refunding, or judgment funding obligation of a political subdivision.
- (2) To pay the interest or principal upon an outstanding obligation of the political subdivision.
- (3) To pay a judgment rendered against the political subdivision.
- (4) To pay lease rentals that have become an obligation of the political subdivision under IC 21-5-11 or IC 21-5-12.

Sec. 19. (a) Except as provided in subsection (b), a political subdivision may not expend funds that it has received from the state and that it is required to include in its budget estimate unless the funds have been:

- (1) included in a budget estimate by the political subdivision; and
- (2) appropriated by the proper officers of the political subdivision in the amounts and for the specific purposes for which they may be used.

(b) In the event of a casualty, an accident, or an extraordinary emergency, the proper officers of a political subdivision may use state funds to make an additional appropriation under IC 21-10-4-1.

Chapter 4. Supplemental Budget; Miscellaneous Provisions

Sec. 1. If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of the proposed additional appropriation. The notice shall state the time and place of a public hearing on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

Sec. 2. If the additional appropriation by the political subdivision is made from a fund that receives general money, the political subdivision must report the additional appropriation to the department of local government finance. Section 5 of this chapter applies to the political subdivision only if the additional appropriation is made from a fund described under this subsection.

Sec. 3. A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under section 2 of this chapter. However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local

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1 government finance.

2 Sec. 4. After the public hearing, the proper officers of the
3 political subdivision shall file a certified copy of the final proposal
4 and other relevant information to the department of local
5 government finance.

6 Sec. 5. (a) When the department of local government finance
7 receives a certified copy of a proposal for an additional
8 appropriation under section 4 of this chapter, the board shall
9 determine whether sufficient funds are available or will be
10 available for the proposal. The determination shall be made in
11 writing and sent to the political subdivision not more than fifteen
12 (15) days after the board receives the proposal.

13 (b) In making the determination under subsection (a), the board
14 shall limit the amount of the additional appropriation to revenues
15 available, or to be made available, that have not been previously
16 appropriated.

17 (c) If the department of local government finance disapproves
18 an additional appropriation under subsection (a), the department
19 of local government finance shall specify the reason for its
20 disapproval on the determination sent to the political subdivision.

21 (d) A political subdivision may request a reconsideration of a
22 determination of the department of local government finance
23 under this section by filing a written request for reconsideration.
24 A request for reconsideration must:

25 (1) be filed with the department of local government finance
26 within fifteen (15) days after the receipt of the determination
27 by the political subdivision; and

28 (2) state with reasonable specificity the reason for the request.
29 The department of local government finance must act on a request
30 for reconsideration within fifteen (15) days of receiving the
31 request.

32 Sec. 6. (a) The proper officers of a political subdivision may
33 transfer money from one (1) major budget classification to another
34 within a department or office if:

35 (1) they determine that the transfer is necessary;
36 (2) the transfer does not require the expenditure of more
37 money than the total amount set out in the budget as finally
38 determined under this article;

39 (3) the transfer is made at a regular public meeting and by
40 proper ordinance or resolution; and

41 (4) the transfer is certified to the county auditor.

42 (b) A transfer may be made under this section without notice

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1 and without the approval of the department of local government
2 finance.

3 Sec. 7. The appropriating body of a political subdivision may
4 appropriate funds received from an insurance company if:

5 (1) the funds are received as a result of damage to property of
6 the political subdivision; and

7 (2) the funds are appropriated for the purpose of repairing or
8 replacing the damaged property.

9 However, this section applies only if the funds are in fact expended
10 to repair or replace the property within the twelve (12) month
11 period after they are received.

12 Sec. 8. Notwithstanding the other provisions of this chapter, the
13 proper officer or officers of a political subdivision may:

14 (1) make an appropriation with respect to a contract for the
15 discovery of omitted property if the contract provides that the
16 payment for the services performed is to be made from
17 charges or penalties collected on the discovered property;

18 (2) reappropriate money recovered from erroneous or
19 excessive disbursements if the error and recovery are made
20 within the current budget year; or

21 (3) refund, without appropriation, money erroneously
22 received.

23 Sec. 9. (a) If the proper officers of a political subdivision make
24 an appropriation for an item that exceeds the amount they are
25 permitted to appropriate under this chapter, they are guilty of
26 malfeasance in office and are liable to the political subdivision in
27 an amount equal to the sum of one hundred twenty-five percent
28 (125%) of the excess appropriated and court costs.

29 (b) Upon the relation of a taxpayer who owns property that is
30 located in the political subdivision, the appropriate prosecuting
31 attorney shall initiate an action in the name of the state to recover
32 the amount for which the proper officers of the political
33 subdivision are liable under this section.

34 Sec. 10. Except as otherwise provided in this chapter, the proper
35 officers of a political subdivision shall appropriate funds in such a
36 manner that the expenditures for a budget year do not exceed the
37 budget for that budget year as finally determined under this
38 article.

39 Sec. 11. A unit may appropriate money to repay an obligation
40 of an allocation district.

41 Chapter 5. State Emergency Reserve Fund

42 Sec. 1. (a) The state emergency reserve fund is established. The

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1 budget agency shall administer the fund. Money in the fund at the
2 end of a state fiscal year does not revert to the state general fund.

3 (b) An account in the state emergency reserve fund is
4 established for each political subdivision.

5 (c) During each budget year, without an appropriation, the
6 political subdivision shall transfer to the state for deposit in the
7 state emergency reserve fund all money that is received by the
8 political subdivision in excess of the lesser of the:

9 (1) expenditure limit; or

10 (2) budget;

11 of the political subdivision.

12 (d) A political subdivision may appropriate other money for
13 deposit in the emergency reserve fund.

14 Sec. 2. Deposits in an account of the emergency reserve fund
15 shall be made at the end of each quarter based on projections of
16 general money and the expenditure limit. A political subdivision
17 may transfer money out of the political subdivision's account in the
18 state emergency reserve fund as approved by the department of
19 local government finance.

20 Sec. 3. A political subdivision may receive money from the
21 political subdivision's account in the state emergency reserve fund
22 only to meet a fiscal emergency, as determined and approved
23 under IC 21-10-2.

24 Sec. 4. Except as ordered by the department of local government
25 finance, a political subdivision shall maintain a balance of at least
26 five percent (5%) of the amount budgeted for the latest budget
27 approved by the department of local government finance in the
28 political subdivision's account in the fund.

29 Chapter 6. Bonding Limit

30 Sec. 1. As used in this chapter, "average total revenue" means
31 the result determined under sections 2 through 5 of this chapter.

32 Sec. 2. Except as provided in sections 4 and 5 of this chapter, the
33 average total revenue of a political subdivision is equal to the result
34 determined under STEP THREE of the following formula:

35 STEP ONE: Determine, for each of the three (3) budget years
36 immediately preceding the budget year in which the political
37 subdivision will incur a debt, the total receipts:

38 (A) received by a political subdivision, including
39 distributions from the state but excluding the proceeds
40 from loans, the sale of property, the sale of bonds, or the
41 issuance of other debt; and

42 (B) available to pay the expenditures of the political

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1 subdivision, including repayment of principal and interest
2 on debt.

3 **STEP TWO: Determine the sum of the amounts determined**
4 **under STEP ONE.**

5 **STEP THREE: Divide the amount determined under STEP**
6 **TWO by three (3).**

7 **Sec. 3. Funds dedicated to a particular purpose may be included**
8 **in the computation of average total revenue only to the extent that**
9 **the funds are or may be pledged to repay any part of the debt of a**
10 **political subdivision.**

11 **Sec. 4. The department of local government finance shall**
12 **compute an average total revenue for a political or municipal**
13 **subdivision that may issue debt less than three (3) budget years**
14 **after the political subdivision is established based on an estimate of**
15 **the receipts that the political subdivision will receive in the first full**
16 **budget years after the debt is incurred.**

17 **Sec. 5. A political subdivision may include in the computation of**
18 **average total revenue an amount that is:**

19 (1) equal to an estimate of what the political subdivision will
20 receive from a state distribution, tax, or fee that was not
21 collected in any of the three (3) budget years preceding the
22 budget year in which the political subdivision incurs a debt
23 but is pledged to repay a debt; and

24 (2) approved by the department of local government finance.

25 **Sec. 6. A political subdivision may not become indebted, in any**
26 **manner or for any purpose to an amount that, in total, would result**
27 **in payments of principal and interest in any year over the term of**
28 **all debt that exceeds twenty percent (20%) of the average total**
29 **revenues of the political subdivision previous to the incurring of**
30 **the indebtedness.**

31 **Sec. 7. Subject to sections 8 and 9 of this chapter, all bonds or**
32 **obligations of a political subdivision in excess of the amount**
33 **determined under section 6 of this chapter are void.**

34 **Sec. 8. In time of war, foreign invasion, or other great public**
35 **calamity, on petition of a majority of the property owners in**
36 **number and value within the limits of a political subdivision, the**
37 **public authorities, in their discretion, may incur obligations**
38 **necessary for the public protection and defense to an amount as**
39 **may be requested in petition.**

40 **Sec. 9. This chapter does not release or extinguish the debt of a**
41 **political subdivision that has debt on July 1, 2005, exceeding the**
42 **maximum debt limit allowed under section 6 of this chapter.**

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1 However, the political subdivision may not incur additional debt
2 that will increase the total debt of the political subdivision until the
3 political subdivision is in compliance with section 6 of this chapter.

4 **Chapter 7. Repayment of Bonds; Lease Agreements**

5 **Sec. 1. This chapter applies to a bond or lease agreement that:**

6 (1) was issued or entered into before July 1, 2005, and for
7 which property tax levies were pledged to make payments
8 coming due after June 30, 2005; and

9 (2) is not by the terms of the bonds or lease agreement
10 repayable solely from a specific source of revenue other than
11 property taxes.

12 **Sec. 2. The holder of an obligation may file an action in a court**
13 **with jurisdiction in the county where the principal office of the**
14 **political subdivision is located to mandate a political subdivision to**
15 **pay an obligation that is in default.**

16 **Sec. 3. A court order under section 2 of this chapter may require**
17 **the political subdivision to pay an obligation that is in default**
18 **before making other expenditures from funds available to the**
19 **political subdivision, except funds held in trust or received on**
20 **condition that the funds be used only for a particular purpose that**
21 **is inconsistent with the repayment of the obligation.**

22 **Sec. 4. A court order under section 2 of this chapter may require**
23 **the state to make payments to the holders of an obligation that is**
24 **in default of:**

25 (1) distributions under IC 6-3.5-10, IC 21-3-1.7-9, or another
26 law to which a political subdivision would otherwise be
27 entitled; or

28 (2) money in the political subdivision's account of the state
29 emergency reserve fund.

30 **A payment made under this section to satisfy an obligation of a**
31 **political subdivision reduces the amount of the distribution that the**
32 **state is obligated to pay to the political subdivision.**

33 **Chapter 8. Replacement of Property Tax Levies in Allocation**
34 **Areas**

35 **Sec. 1. (a) This section applies to allocation areas established**
36 **under the following statutes only to the extent that the elimination**
37 **of the property tax levy for a school corporation adversely affects**
38 **the holders of bonds or other contractual obligations that became**
39 **payable from allocated tax proceeds in the allocation area before**
40 **July 1, 2005, in a way that creates a reasonable expectation that the**
41 **bonds or other contractual obligations will not be paid when due:**

42 **IC 8-22-3.5-9**

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1 **IC 36-7-14-30**
 2 **IC 36-7-14-32**
 3 **IC 36-7-14-39**
 4 **IC 36-7-14-41**
 5 **IC 36-7-14-43**
 6 **IC 36-7-14.5-12.5**
 7 **IC 36-7-15.1-20**
 8 **IC 36-7-15.1-22**
 9 **IC 36-7-15.1-26**
 10 **IC 36-7-15.1-29**
 11 **IC 36-7-15.1-30**
 12 **IC 36-7-30-25.**

13 **(b) An allocation area located within the boundaries of a school**
 14 **corporation is eligible for a distribution of money that would**
 15 **otherwise be distributed to a school corporation under**
 16 **IC 21-3-1.7-9. The amount of the distribution is equal to the lesser**
 17 **of the amount necessary to pay the amount due in a budget year to**
 18 **the holders of the bond or other contractual obligations or the**
 19 **amount determined under subsection (c). The distribution to a**
 20 **school corporation under IC 21-3-1.7-9 shall be reduced by the**
 21 **amount distributed to an allocation area under this subsection.**

22 **(c) The maximum amount distributable to an allocation area in**
 23 **a school corporation is equal to the result determined under STEP**
 24 **THREE of the following formula:**

25 **STEP ONE: Determine the result of five-tenths (0.5)**
 26 **multiplied by the amount distributed to a school corporation**
 27 **in a budget year under IC 21-3-1.7-9.**

28 **STEP TWO: Divide the STEP ONE result by the assessed**
 29 **valuation of tangible property in the area within the school**
 30 **corporation.**

31 **STEP THREE: Multiply the STEP TWO result by the**
 32 **assessed valuation attributable to the allocation area that is**
 33 **also in the school corporation.**

34 **(d) Amounts distributable to an allocation area under**
 35 **subsection (c) shall be distributed to the county auditor at the same**
 36 **time as other distributions are made under IC 21-3-1.7-9.**

37 **Sec. 2. (a) An economic development district that is located in**
 38 **one (1) or more taxing districts in a county qualifies the county and**
 39 **the taxpayers in the taxing districts for an additional distribution**
 40 **under this section if the following requirements are met:**

41 **(1) The economic development district was established under**
 42 **IC 6-1.1-39.**

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1 **(2) The economic development district was established before**
2 **January 1, 1988.**

3 **(3) The additional distributions and credits for the economic**
4 **development district were approved by the department of**
5 **commerce before January 1, 1988.**

6 **(b) The amount of the distribution under subsection (a) is the**
7 **amount determined under STEP FOUR of the following formula:**
8 **STEP ONE: Determine the result of five-tenths (0.5)**
9 **multiplied by the amount distributed to a school corporation**
10 **in a budget year under IC 21-3-1.7-9.**
11 **STEP TWO: Divide the STEP ONE result by the assessed**
12 **valuation of tangible property in the area within the school**
13 **corporation.**
14 **STEP THREE: Multiply the STEP TWO result by the**
15 **assessed valuation attributable to the allocation area.**
16 **STEP FOUR: Multiply the STEP THREE result by**
17 **two-tenths (0.2).**

18 **(c) The amount determined under subsection (b) shall be**
19 **certified and distributed in the same manner as additional**
20 **distributions under IC 6-1.1-21-3(c) and IC 6-1.1-21-4(a)(2).**

21 **Chapter 9. Review of Bonds and Leases**

22 **Sec. 1. This chapter does not apply to temporary loans made in**
23 **anticipation of and to be paid from current revenues of the political**
24 **subdivision receivable and in the course of collection for the fiscal**
25 **year in which the loans are made.**

26 **Sec. 2. A school corporation may not incur bond indebtedness,**
27 **enter into a lease rental agreement, or repay from the debt service**
28 **fund loans made for the purchase of school buses under**
29 **IC 20-9.1-6-5 unless the school corporation has first obtained the**
30 **department of local government finance's approval of the lease**
31 **rental agreement, bond issue, or school bus purchase loan.**

32 **Sec. 3. The department of local government finance may**
33 **approve, disapprove, or modify then approve a school**
34 **corporation's proposed lease rental agreement, bond issue, or**
35 **school bus purchase loan.**

36 **Sec. 4. The department of local government finance shall render**
37 **a decision not more than three (3) months after the date it receives**
38 **a request for approval under subsection (a). However, the**
39 **department of local government finance may extend this three (3)**
40 **month period by an additional three (3) months if, at least ten (10)**
41 **days before the end of the original three (3) month period, the**
42 **board sends notice of the extension to the executive officer of the**

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1 school corporation.

2 **Sec. 5. The department of local government finance may not**
 3 **approve a school corporation's proposed lease rental agreement or**
 4 **bond issue to finance the construction of additional classrooms**
 5 **unless the school corporation first:**

6 (1) establishes that additional classroom space is necessary;
 7 and

8 (2) conducts a feasibility study, holds public hearings, and
 9 hears public testimony on using a twelve (12) month school
 10 term (instead of the nine (9) month school term (as defined in
 11 IC 20-10.1-2-2)) rather than expanding classroom space.

12 **Sec. 6. (a) If the proper officers of a school corporation decide**
 13 **to issue bonds in a total amount that exceeds five thousand dollars**
 14 **(\$5,000), they shall give notice of the decision by:**

15 (1) posting; and

16 (2) publication once each week for two (2) weeks.

17 The notice required by this section shall be posted in three (3)
 18 public places in the school corporation and published in
 19 accordance with IC 5-3-1-4. The decision to issue bonds may be a
 20 preliminary decision.

21 (b) Ten (10) or more taxpayers who will be affected by the
 22 proposed issuance of the bonds and who wish to object to the
 23 issuance on the grounds that it is unnecessary or excessive may file
 24 a petition in the office of the auditor of the county in which the
 25 school corporation is located. The petition must be filed within
 26 fifteen (15) days after the notice required by subsection (a) of this
 27 section is given, and it must contain the objections of the taxpayers
 28 and facts that show that the proposed issue is unnecessary or
 29 excessive. When taxpayers file a petition in the manner prescribed
 30 in this subsection, the county auditor shall immediately forward a
 31 certified copy of the petition and other relevant information to the
 32 department of local government finance.

33 **Sec. 7. (a) Upon receipt of a certified petition filed in the manner**
 34 **prescribed in section 6(b) of this chapter, the department of local**
 35 **government finance shall fix a date, time, and place for a hearing**
 36 **on the matter. The state board shall hold the hearing not less than**
 37 **five (5) or more than thirty (30) days after the board receives the**
 38 **petition, and the state board shall hold the hearing in the school**
 39 **corporation or in the county where the school corporation is**
 40 **located. At least five (5) days before the date fixed for the hearing,**
 41 **the department of local government finance shall give notice of the**
 42 **hearing, by mail, to the executive officer of the political subdivision**

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1 and to the first ten (10) taxpayers who signed the petition. The
 2 mailings shall be addressed to the officer and the taxpayers at their
 3 usual place of residence.

4 (b) After the hearing required by this section, the department of
 5 local government finance may approve, disapprove, or reduce the
 6 amount of the proposed issue. The board must render a decision
 7 not later than three (3) months after the hearing, and if no decision
 8 is rendered within that time, the issue is considered approved
 9 unless the board takes the extension provided for in this section.
 10 However, a three (3) month extension of the period during which
 11 the decision must be rendered may be taken by the board if the
 12 board gives notice by mail of the extension to the executive officer
 13 of the school corporation and to the first ten (10) taxpayers who
 14 signed the petition at least ten (10) days before the end of the
 15 original three (3) month period. If no decision is rendered within
 16 the extension period, the issue is considered approved. The action
 17 taken by the department of local government finance on the
 18 proposed issue is final.

19 **Sec. 8.** When the proper officers of a school corporation decide
 20 to issue any bonds, notes, or warrants that will be payable from
 21 property taxes and will bear interest in excess of eight percent
 22 (8%) per annum, the school corporation shall submit the matter to
 23 the department of local government finance for review. The board
 24 may either approve or disapprove the rate of interest.

25 **Sec. 9. (a)** When the proper officers of a school corporation
 26 decide to issue bonds payable from property taxes to finance a
 27 public improvement, they shall adopt an ordinance or resolution
 28 that sets forth their determination to issue the bonds. Except as
 29 provided in subsection (b), the school corporation may not
 30 advertise for or receive bids for the construction of the
 31 improvement until the expiration of the later of:

- 32 (1) the period within which taxpayers may file a petition for
 33 review of or a remonstrance against the proposed issue; or
 34 (2) the period during which a petition for review of the
 35 proposed issue is pending before the department of local
 36 government finance.

37 (b) When a petition for review of a proposed issue is pending
 38 before the department of local government finance, the board may
 39 order the school corporation to advertise for and receive bids for
 40 the construction of the public improvement. When the board issues
 41 an order, the school corporation shall file a bid report with the
 42 department of local government finance within five (5) days after

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1 **the bids are received, and the board shall render a final decision on**
2 **the proposed issue within fifteen (15) days after it receives the bid**
3 **report. Notwithstanding the provisions of this subsection, a school**
4 **corporation may not enter into a contract for the construction of**
5 **a public improvement while a petition for review of the bond issue**
6 **that is to finance the improvement is pending before the**
7 **department of local government finance.**

8 SECTION 273. IC 22-5-6-9 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2006]: **Sec. 9. Any school corporation that offers an**
11 **institutional farm training program in any high school to veterans**
12 **under 38 U.S.C. 1601 et seq. may accept tuition fees from any**
13 **students to be paid by such student from any allotment for tuition**
14 **fees received by the student from the United States Department of**
15 **Veterans Affairs.**

16 SECTION 274. IC 23-13-5-8 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) Should for
18 any cause any action of the board of directors or trustees of a
19 corporation be invalid or ineffective in whole or in part as and for a
20 cancellation or retirement of capital stock as provided in this chapter,
21 then the entire act of cancellation or retirement as to all other stock
22 shall be held null and void. If at any time after the transfer of any stock
23 to the corporation or to the trustees or directors it becomes no longer
24 possible for the corporation to operate the university, college, or
25 institution of learning as a university, college, or institution of learning,
26 and the fact is found to exist by the board of trustees or directors, the
27 property and assets of the corporation vest in and belong absolutely to
28 the local public school corporation within whose territorial limits the
29 college, university, or institution of learning is situated unless the local
30 public school corporation elects to refuse to accept the property and
31 assets in writing served upon the board of trustees or an officer thereof
32 within one hundred twenty (120) days. If the local public school
33 corporation elects to refuse to accept the property and assets, then the
34 property and assets of the corporation vest in and belong absolutely to
35 the county within whose territorial limits the college, university, or
36 institution of learning is situated unless the county, acting by its
37 legislative body, elects to refuse to accept the property and assets in
38 writing served upon the board of trustees or an officer within one
39 hundred twenty (120) days. If the county refuses to accept the property
40 and assets, the property and assets vest in and belong absolutely to the
41 common school fund of the state of Indiana. If the university, college,
42 or institution of learning is situated in a school township, the election

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1 shall be made by the township executive with the approval of the
 2 township legislative body. If situated in a school city or town
 3 corporation, the election shall be made by the school board of the
 4 municipality.

5 (b) The local school corporation receiving the property or assets is
 6 responsible for the payment of the lawful debts and liabilities of the
 7 corporation. For the purpose of raising funds to pay the debts and
 8 liabilities, the township executive, with the concurrence and sanction
 9 of the township legislative body, or the city or town school board, as
 10 the case may be, is authorized and empowered to issue and sell bonds
 11 of the school township, school city, or school town. The debt created
 12 by the bonds, together with all other indebtedness of the school
 13 corporation, may not exceed two percent (2%) of the adjusted value of
 14 the taxable property within the school corporation as determined under
 15 IC 36-1-15. If the building or property of the corporation vested in the
 16 school corporation is suitable for instructing students of the township
 17 in the arts of agriculture, domestic science, or physical or practical
 18 mental culture, and in which to hold school or civic entertainments or
 19 be used for township, town, or city purposes, then the township
 20 executive, with the concurrence and sanction of the township, city, or
 21 town legislative body, as the case may be, is authorized and empowered
 22 to issue and sell bonds of the civil township, city, or town, as the case
 23 may be, and apply the proceeds to the payment of the debts and
 24 liabilities of the corporation. The proceeds of the bonds, together with
 25 all other indebtedness of the civil township, city, or town, may not
 26 exceed two percent (2%) of the adjusted value of the taxable property
 27 within the civil township, city, or town, as determined under
 28 IC 36-1-15. If the county receives the property, it is authorized to issue
 29 its general obligation bonds to pay the debts and liabilities as general
 30 obligation bonds of counties are issued under the general law. Unless
 31 the school and civil townships and school and civil cities and towns can
 32 liquidate the debts and liabilities without violating Article 13, Section
 33 1 of the Constitution of the State of Indiana and IC 36-1-15, they shall
 34 elect to refuse to accept the property. Unless the county can liquidate
 35 the debts and liabilities without violating the constitutional provision,
 36 it shall elect to refuse the property. If a civil township, city, or town
 37 uses its funds or the proceeds of the sale of its bonds to liquidate the
 38 debts and liabilities, it shall have an interest in the property in the
 39 proportion the funds expended by it bear to the funds expended by the
 40 school township, school city, or school town.

41 (c) Any bonds issued under this chapter shall be payable in not more
 42 than twenty (20) years after the date of their issuance. ~~The municipal~~

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1 corporation issuing the bonds shall annually levy a tax on all of the
 2 taxable property within the municipal corporation in an amount
 3 sufficient to pay the interest on and the principal of such bonds as they
 4 mature. The bonds may mature and be payable either semiannually or
 5 annually. Notice of sale of the bonds shall be published once each week
 6 for two (2) weeks in a newspaper published in the municipal
 7 corporation issuing the bonds, or in a newspaper published in the
 8 county seat of the county in which the municipal corporation is located.
 9 Additional notices may be published.

10 (d) If the corporation ceases to exist or winds up its affairs without
 11 its board of trustees or directors finding that it is no longer possible for
 12 the corporation to operate the university, college, or institution of
 13 learning as a university, college, or institution of learning, this shall
 14 have the same effect as such a finding.

15 SECTION 275. IC 23-13-17-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The county
 17 council of ~~the Knox County of Knox is hereby authorized to fix and~~
 18 ~~establish annually the rate of a special tax levy to be imposed on the~~
 19 ~~taxable property of such county, may appropriate money~~ for the
 20 support of Vincennes University. ~~This levy shall not, however, exceed~~
 21 ~~in any year, three cents (\$0.03) on each one hundred dollars (\$100) of~~
 22 ~~the taxable property in said county. All revenue accruing from any tax~~
 23 ~~levy so imposed shall be paid into the county treasury as a separate and~~
 24 ~~distinct fund; and shall be paid to the proper fiduciary officer of the~~
 25 ~~university on warrant of the county auditor.~~

26 SECTION 276. IC 23-13-17-2 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. At the time the
 28 county auditor of Knox County makes his regular semiannual
 29 settlement with the proper fiduciary officer of Vincennes University for
 30 ~~the proceeds of the special tax levy appropriations~~ that may be then
 31 due the university, as provided in section 1 of this chapter, such county
 32 auditor shall also forward to the auditor of state a certificate showing

- 33 (a) the total valuation of the taxable property of such county;
- 34 (b) the special tax rate duly established by the county council for
- 35 the support of such university for the current year; and
- 36 (c) the aggregate amount paid on behalf of such county as public
- 37 aid to such university at such semiannual settlement.

38 Thereupon, and semiannually thereafter, upon receipt of any such
 39 certificate, the auditor of state shall promptly draw and forward to such
 40 university a warrant on the treasurer of state in double the amount
 41 shown by such certificate of said county auditor to have been paid as
 42 public aid to the university at such semiannual settlement, which

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1 warrant shall be charged to and paid out of the state school tuition fund.

2 SECTION 277. IC 23-14-66-2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. ~~(a)~~ If the
4 legislative body is satisfied with the accuracy of the petition, it shall:

5 (1) record its findings at that meeting or at any regular meeting;
6 and

7 (2) ~~subject to subsection (b), levy and collect an annual tax, as~~
8 ~~other taxes are levied and collected, appropriate money~~ in an
9 amount that it considers reasonable, to provide additional care
10 and maintenance for the cemetery.

11 ~~(b) Taxes collected by a city or town for the care and maintenance~~
12 ~~of a cemetery lying entirely outside of the corporate limits of the city~~
13 ~~or town may not exceed three cents (\$0.03) on each one hundred~~
14 ~~dollars (\$100) of assessed valuation of property in the city or town.~~

15 SECTION 278. IC 23-14-67-3 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. A county
17 ~~cemetery commission may request the levy of an annual tax~~
18 **appropriate money** for the purpose of restoring and maintaining one
19 (1) or more cemeteries described in section 1 of this chapter that are
20 located in the county. ~~The tax may not exceed fifty cents (\$0.50) on~~
21 ~~each one hundred dollars (\$100) of assessed valuation of property in~~
22 ~~the county.~~

23 SECTION 279. IC 31-17-3-19 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. Hearings and
25 Studies in Another State; Orders to Appear. (a) A court of this state
26 may request the appropriate court of another state to hold a hearing to
27 adduce evidence, to order a party to produce or give evidence under
28 other procedures of that state, or to have social studies (an investigation
29 and report pursuant to IC 31-17-2-12) made with respect to the custody
30 of a child involved in proceedings pending in the court of this state;
31 and to forward to the court of this state certified copies of the transcript
32 of the record of the hearing, the evidence otherwise adduced, or any
33 social studies prepared in compliance with the request. The cost of the
34 services may be assessed against the parties, or, if necessary, ordered
35 paid by the ~~county~~ **state**.

36 (b) A court of this state may request the appropriate court of another
37 state to order a party to custody proceedings pending in the court of this
38 state to appear in the proceedings, and if that party has physical custody
39 of the child, to appear with the child. The request may state that travel
40 and other necessary expenses of the party and of the child whose
41 appearance is desired will be assessed against another party or will
42 otherwise be paid.

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1 SECTION 280. IC 31-31-8-3, AS AMENDED BY P.L.273-1999,
 2 SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2005]: Sec. 3. (a) The juvenile court may establish
 4 juvenile detention and shelter care facilities for children, except as
 5 provided by IC 31-31-9.

6 (b) The court may contract with other agencies to provide juvenile
 7 detention and shelter care facilities.

8 (c) If the juvenile court operates the juvenile detention and shelter
 9 care facilities, the judge shall appoint staff and determine the budgets.

10 (d) The county shall pay all expenses. The expenses for the juvenile
 11 detention facility shall be paid from the county general fund. ~~Payment~~
 12 ~~of the expenses for the juvenile detention facility may not be paid from~~
 13 ~~the county family and children's fund established by IC 12-19-7-3.~~

14 SECTION 281. IC 31-31-8-4, AS AMENDED BY P.L.170-2002,
 15 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) This section applies to
 17 a county having a population of more than one hundred ten thousand
 18 (110,000) but less than one hundred fifteen thousand (115,000).

19 (b) Notwithstanding section 3 of this chapter, the juvenile court
 20 shall operate a juvenile detention facility or juvenile shelter care
 21 facility established in the county. However, the county legislative body
 22 shall determine the budget for the juvenile detention facility or juvenile
 23 shelter care facility. The expenses for the juvenile detention facility
 24 shall be paid from the county general fund. ~~Payment of the expenses for~~
 25 ~~the juvenile detention facility may not be paid from the county family~~
 26 ~~and children's fund established by IC 12-19-7-3.~~

27 SECTION 282. IC 31-34-24-8, AS AMENDED BY P.L.273-1999,
 28 SECTION 101, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2005]: Sec. 8. In preparing the plan, the
 30 team shall review and consider existing publicly and privately funded
 31 programs that are available or that could be made available in the
 32 county to provide supportive services to or for the benefit of children
 33 described in section 3 of this chapter without removing the child from
 34 the family home, including programs funded through the following:

- 35 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 36 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 37 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 38 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
 39 5106 et seq.).
- 40 (5) Community corrections programs under IC 11-12.
- 41 (6) Special education programs under IC 20-1-6-19.
- 42 (7) All programs designed to prevent child abuse, neglect, or

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1 delinquency, or to enhance child welfare and family preservation
 2 administered by, or through funding provided by, the division of
 3 family and children, county offices, prosecutors, or juvenile
 4 courts. ~~including programs funded under IC 12-19-7 and~~
 5 ~~IC 31-40.~~

6 (8) Probation user's fees under IC 31-40-2-1.

7 (9) Child advocacy fund under IC 12-17-17.

8 SECTION 283. IC 31-40-1-1 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. This article
 10 applies to a financial burden sustained by a county **or state** as the result
 11 of costs paid ~~by the county~~ under section 2 of this chapter, including
 12 costs resulting from the institutional placement of a child adjudicated
 13 a delinquent child or a child in need of services.

14 SECTION 284. IC 31-40-1-2, AS AMENDED BY P.L.273-1999,
 15 SECTION 119, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) The ~~county~~ **state** shall
 17 pay ~~from the county family and children's fund~~ the cost of

18 ~~(†)~~ any services ordered by the juvenile court for any child or the
 19 child's parent, guardian, or custodian, other than secure detention.
 20 ~~and~~

21 ~~(‡)~~ **(b) The county shall pay the cost of** returning a child under
 22 IC 31-37-23.

23 ~~(†)~~ **(c) The county fiscal body shall provide sufficient money to**
 24 meet the court's requirements **under subsection (b).**

25 SECTION 285. IC 31-40-1-3, AS AMENDED BY P.L.273-1999,
 26 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) A parent or guardian of
 28 the estate of a child adjudicated a delinquent child or a child in need of
 29 services is financially responsible as provided in this chapter (or
 30 IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

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

36 (c) At:

37 (1) a detention hearing;

38 (2) a hearing that is held after the payment of costs by a county
 39 under section 2 of this chapter (or IC 31-6-4-18(b) before its
 40 repeal);

41 (3) the dispositional hearing; or

42 (4) any other hearing to consider modification of a dispositional

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1 decree;
2 the juvenile court shall order the child's parents or the guardian of the
3 child's estate to pay for, or reimburse the county **or the state, as**
4 **appropriate**, for the cost of services provided to the child or the parent
5 or guardian unless the court finds that the parent or guardian is unable
6 to pay or that justice would not be served by ordering payment from the
7 parent or guardian.

8 SECTION 286. IC 31-40-1-5, AS AMENDED BY P.L.273-1999,
9 SECTION 121, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) This section applies
11 whenever the court orders or approves removal of a child from the
12 home of a child's parent or guardian and placement of the child in a
13 child caring institution (as defined in IC 12-7-2-29), a foster family
14 home (as defined in IC 12-7-2-90), or the home of a relative of the
15 child that is not a foster family home.

16 (b) If an existing support order is in effect, the court shall order the
17 support payments to be assigned to the county office for the duration
18 of the placement out of the home of the child's parent or guardian. The
19 court shall notify the court that:

- 20 (1) entered the existing support order; or
 - 21 (2) had jurisdiction, immediately before the placement, to modify
22 or enforce the existing support order;
- 23 of the assignment and assumption of jurisdiction by the juvenile court
24 under this section.

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

- 27 (1) Include in the order for removal or placement of the child an
28 assignment to the county office, or confirmation of an assignment
29 that occurs or is required under applicable federal law, of any
30 rights to support, including support for the cost of any medical
31 care payable by the state under IC 12-15, from any parent or
32 guardian who has a legal obligation to support the child.
- 33 (2) Order support paid to the county office by each of the child's
34 parents or the guardians of the child's estate to be based on child
35 support guidelines adopted by the Indiana supreme court and for
36 the duration of the placement of the child out of the home of the
37 child's parent or guardian, unless:
 - 38 (A) the court finds that entry of an order based on the child
39 support guidelines would be unjust or inappropriate
40 considering the best interests of the child and other necessary
41 obligations of the child's family; or
 - 42 (B) the county office does not make foster care maintenance

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1 payments to the custodian of the child. For purposes of this
 2 clause, "foster care maintenance payments" means any
 3 payments for the cost of (in whole or in part) and the cost of
 4 providing food, clothing, shelter, daily supervision, school
 5 supplies, a child's personal incidentals, liability insurance with
 6 respect to a child, and reasonable amounts for travel to the
 7 child's home for visitation. In the case of a child caring
 8 institution, the term also includes the reasonable costs of
 9 administration and operation of the institution as are necessary
 10 to provide the items described in this clause.

11 (3) If the court:

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

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

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

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

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

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

27 (1) notify the court that:

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

30 (B) had jurisdiction, immediately before the placement, to
 31 modify or enforce the existing support order;

32 of the termination of jurisdiction of the juvenile court with respect
 33 to the support order;

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

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

42 (g) The court may at or after a hearing described in section 3 of this

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1 chapter order the child's parent or the guardian of the child's estate to
 2 reimburse the county office for all or any portion of the expenses for
 3 services provided to or for the benefit of the child that are paid ~~from the~~
 4 ~~county family and children's fund by the county or state~~ during the
 5 placement of the child out of the home of the parent or guardian, in
 6 addition to amounts reimbursed through payments in accordance with
 7 a support order assigned or entered as provided in this section, subject
 8 to applicable federal law.

9 SECTION 287. IC 31-40-1-6, AS ADDED BY P.L.273-1999,
 10 SECTION 122, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) The division ~~with the~~
 12 ~~approval of the county fiscal body~~, may contract with any of the
 13 following, on terms and conditions with respect to compensation and
 14 payment or reimbursement of expenses as the division may determine,
 15 for the enforcement and collection of any parental reimbursement
 16 obligation established by order entered by the court under section 3 or
 17 5(g) of this chapter:

18 (1) The prosecuting attorney of the county that paid the cost of the
 19 services ordered by the court, as provided in section 2 of this
 20 chapter.

21 (2) An attorney for the county office that paid the cost of services
 22 ordered by the court, if the attorney is not an employee of the
 23 county office or the division.

24 (3) An attorney licensed to practice law in Indiana.

25 (b) A contract entered into under this section is subject to approval
 26 under IC 4-13-2-14.1.

27 (c) Any fee payable to a prosecuting attorney under a contract under
 28 subsection (a)(1) shall be deposited in the county general fund and
 29 credited to a separate account identified as the prosecuting attorney's
 30 child services collections account. The prosecuting attorney may
 31 expend funds credited to the prosecuting attorney's child services
 32 collections account, without appropriation, only for the purpose of
 33 supporting and enhancing the functions of the prosecuting attorney in
 34 enforcement and collection of parental obligations to reimburse ~~the~~
 35 ~~county family and children's fund: the county or the state.~~

36 SECTION 288. IC 31-40-1-7, AS ADDED BY P.L.273-1999,
 37 SECTION 123, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JANUARY 1, 2005]: Sec. 7. ~~(a)~~ Amounts received as
 39 payment of support or reimbursement of the cost of services paid as
 40 provided in this chapter shall be distributed in the following manner:

41 (1) If any part of the cost of services was paid from federal funds
 42 under Title IV Part E of the Social Security Act (42 U.S.C. 671 et

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1 seq.), the amounts received shall first be applied as provided in 42
2 U.S.C. 657 and 45 CFR 302.52.

3 (2) All amounts remaining after the distributions required by
4 subdivision (1) shall be deposited in the family and children's
5 fund (established by ~~IC 12-19-7-3~~) of the county that paid to the
6 **governmental entity paying for** the cost of the services.

7 (b) Any money deposited in a county family and children's fund
8 under this section shall be reported to the division, in the form and
9 manner prescribed by the division, and shall be applied to the child
10 services budget compiled and adopted by the county director for the
11 next state fiscal year, in accordance with ~~IC 12-19-7-6~~.

12 SECTION 289. IC 31-40-4-1 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. If the parent or
14 guardian of the estate:

15 (1) defaults in reimbursing the county **or the state**; or

16 (2) fails to pay a fee authorized by this article;

17 the juvenile court may find the parent or guardian in contempt and
18 enter judgment for the amount due.

19 SECTION 290. IC 32-34-1-16, AS ADDED BY P.L.2-2002,
20 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2005]: Sec. 16. (a) As used in section 47 of this chapter,
22 "political subdivision" includes any Indiana municipality, county, civil
23 township, civil incorporated city or town, public school corporation,
24 university or college supported in part by state funds, or any other
25 territorial subdivision of the state recognized or designated in any law,
26 including the following:

27 (1) Judicial circuits.

28 (2) A public utility entity not privately owned.

29 (3) A special taxing district or entity.

30 (4) A public improvement district authority or entity authorized
31 to ~~levy taxes~~ **impose a tax under IC 6-3.5-9** or **levy special**
32 **assessments**.

33 (b) The term does not include any retirement system supported
34 entirely or in part by the state.

35 SECTION 291. IC 36-1-2-12.5 IS ADDED TO THE INDIANA
36 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2004]: **Sec. 12.5. "Police and fire services"**
38 **means an expenditure or activity to which IC 36-8.5 applies.**

39 SECTION 292. IC 36-1-3-8 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) Subject to
41 subsection (b), a unit does not have the following:

42 (1) The power to condition or limit its civil liability, except as

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- 1 expressly granted by statute.
- 2 (2) The power to prescribe the law governing civil actions
- 3 between private persons.
- 4 (3) The power to impose duties on another political subdivision,
- 5 except as expressly granted by statute.
- 6 (4) The power to impose a tax, except as expressly granted by
- 7 statute.
- 8 (5) The power to impose a license fee greater than that reasonably
- 9 related to the administrative cost of exercising a regulatory power.
- 10 (6) The power to impose a service charge or user fee greater than
- 11 that reasonably related to reasonable and just rates and charges
- 12 for services.
- 13 (7) The power to regulate conduct that is regulated by a state
- 14 agency, except as expressly granted by statute.
- 15 (8) The power to prescribe a penalty for conduct constituting a
- 16 crime or infraction under statute.
- 17 (9) The power to prescribe a penalty of imprisonment for an
- 18 ordinance violation.
- 19 (10) The power to prescribe a penalty of a fine as follows:
- 20 (A) More than ten thousand dollars (\$10,000) for the violation
- 21 of an ordinance or a regulation concerning air emissions
- 22 adopted by a county that has received approval to establish an
- 23 air program under IC 13-17-12-6.
- 24 (B) More than two thousand five hundred dollars (\$2,500) for
- 25 any other ordinance violation.
- 26 (11) The power to invest money, except as expressly granted by
- 27 statute.
- 28 (12) The power to order or conduct an election, except as
- 29 expressly granted by statute.
- 30 **(13) The power to impose an ad valorem property tax,**
- 31 **including a special benefits tax imposed on an ad valorem**
- 32 **basis.**
- 33 (b) A township does not have the following, except as expressly
- 34 granted by statute:
- 35 (1) The power to require a license or impose a license fee.
- 36 (2) The power to impose a service charge or user fee.
- 37 (3) The power to prescribe a penalty.
- 38 SECTION 293. IC 36-1-10-17 IS AMENDED TO READ AS
- 39 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) A political
- 40 subdivision or agency that executes a lease under this chapter shall,
- 41 subject to subsection (d), make an annual appropriation ~~and tax levy at~~
- 42 ~~a rate~~ to provide sufficient money to pay the rental payable from

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1 property taxes stipulated in the lease.
 2 (b) The appropriation ~~and levy are~~ **is** subject to review by other
 3 bodies that have the authority to ascertain that the ~~levy appropriation~~
 4 is sufficient to raise the amount required to pay the rental payable from
 5 property taxes under the lease.

6 (c) The appropriation ~~and levy~~ may be reduced in any year to the
 7 extent other money or any reimbursement under IC 36-7-14-39 are
 8 pledged or available for the payment of the lease rental.

9 (d) ~~A political subdivision or agency that executes a lease for a~~
 10 ~~transportation project may only levy a tax under this section for an~~
 11 ~~amount necessary to restore debt service reserve funds and may not~~
 12 ~~levy a tax for lease rental payments:~~

13 SECTION 294. IC 36-1-2-18 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. "Special
 15 taxing district" means a geographic area within which a ~~special~~ local
 16 government income tax **or a special assessment** may be levied and
 17 collected ~~on an ad valorem basis on property~~ for the purpose of
 18 financing local public improvements that are:

- 19 (1) not political or governmental in nature; and
- 20 (2) of special benefit to the residents and property of the area.

21 SECTION 295. IC 36-1-15-3, AS AMENDED BY P.L.90-2002,
 22 SECTION 466, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. The department of local
 24 government finance shall compute, in conjunction with the approvals
 25 required under IC 6-1.1-18.5-8(b) and IC 6-1.1-19-8 (**repealed**
 26 **January 1, 2005**), an adjusted value of the taxable property within
 27 each political subdivision. The department of local government finance
 28 may request a certification of net assessed valuation from the county
 29 auditor in order to make a calculation under this section.

30 SECTION 296. IC 36-1.3 IS ADDED TO THE INDIANA CODE
 31 AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2004]:

33 **ARTICLE 1.3. BUDGETS**

34 **Chapter 1. Application**

35 **Sec. 1. This article applies to budgets for all budget years**
 36 **beginning after December 31, 2004.**

37 **Sec. 2. This article applies to all appropriations made by a**
 38 **political subdivision except:**

- 39 (1) **appropriations for police and fire services, if the political**
 40 **subdivision has not elected to fund police and fire services**
 41 **under IC 36-8.5; and**
- 42 (2) **appropriations from exempted sources (as defined in**

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IC 36-1.3-2-8).

Sec. 3. This article does not apply to school corporations.

Chapter 2. Expenditure Limitation

Sec. 1. This chapter does not apply to the part of an appropriation that is funded from any of the following sources of revenue:

- (1) Distributions from the motor vehicle highway account established by IC 8-14-1.**
- (2) Distributions from the highway, road and street fund established by IC 8-14-2-2.1.**
- (3) Distributions from the pension relief fund established by IC 5-10.3-11.**
- (4) Revenues received from the government of the United States.**
- (5) Revenues contributed by a governmental entity described in IC 36-1-7-1 to the political subdivision to administer an interlocal agreement under IC 36-1-7 or another statute providing for a joint enterprise, if the revenues were either counted toward the expenditure limit of the political subdivision contributing the revenues or qualified as exempted source revenues for the political subdivision contributing the revenues.**
- (6) The proceeds of:**
 - (A) contracts with; and**
 - (B) grants, gifts, donations, and bequests made to;****the political subdivision for a purpose specified by the contractor or donor.**
- (7) User charges derived by the political subdivision from the sale of a product or service:**
 - (A) pledged or legally available to repay any security; or**
 - (B) for which the quantity of the product or level of service provided to a user is at the discretion of the user.**
- (8) Revenues derived from the issuance of any security. However, this subdivision does not exempt the money pledged to repay the principal of and interest on the security or to establish a reserve for repayment.**
- (9) Revenues received from the sale of fixed assets or gains on fixed asset transfers.**
- (10) Revenues raised to meet a fiscal emergency.**
- (11) Unexpended appropriated balances remaining in a cumulative fund after the year in which the money was appropriated.**

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1 **(12) Property taxes imposed for police and fire services.**
2 **Sec. 2. As used in this chapter, "adjustment factor" refers to the**
3 **adjustment factor determined under section 17 of this chapter.**
4 **Sec. 3. As used in this chapter, "appropriations" refers to the**
5 **total capital or operating appropriations of a political subdivision.**
6 **The term includes the amount needed to meet the obligations of an**
7 **allocation district. The term does not include debt service**
8 **expenditures, emergency expenditures, or expenditures from an**
9 **exempted source.**
10 **Sec. 4. As used in this chapter, "base year" means:**
11 **(1) a political subdivision's first budget year beginning after**
12 **December 31, 2003, if the term is used to compute the**
13 **expenditure limit for a political subdivision that was initially**
14 **established before January 1, 2004; or**
15 **(2) the first budget year in which a political subdivision**
16 **operated for an entire budget year, if subdivision (1) does not**
17 **apply.**
18 **Sec. 5. As used in this chapter, "base year per capita**
19 **appropriations" refers to the base year per capita appropriations**
20 **of a political subdivision, as determined under section 18 of this**
21 **chapter.**
22 **Sec. 6. As used in this chapter, "estimated population" means**
23 **the total number of individuals who are residents of a political**
24 **subdivision or an allocation district, as determined under section**
25 **15 of this chapter.**
26 **Sec. 7. As used in this chapter, "expenditure limit" means the**
27 **maximum amount of appropriations that a political subdivision or**
28 **an allocation district may appropriate for a budget year, as**
29 **determined under section 19 of this chapter. The term does not**
30 **refer to actual appropriations or actual expenditures.**
31 **Sec. 8. As used in this chapter, "exempted source" means a**
32 **source of revenue exempted from the application of this chapter**
33 **under section 1 of this chapter.**
34 **Sec. 9. As used in this chapter, "fiscal emergency" means**
35 **circumstances requiring an expenditure exceeding the expenditure**
36 **limit, as determined under section 28 of this chapter.**
37 **Sec. 10. As used in this chapter, "inflation index" means the**
38 **change in the general price level of goods and services as**
39 **determined under section 16 of this chapter.**
40 **Sec. 11. As used in this chapter, "revenues" means money**
41 **received by a political subdivision or an allocation district from**
42 **interest, a tax, a penalty, a grant, a state distribution, or any other**

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1 receipt.

2 **Sec. 12. As used in this chapter, "security" means a bond, note,**
 3 **warrant, or other evidence of indebtedness, whether the bond,**
 4 **note, warrant, or other evidence of indebtedness constitutes a debt**
 5 **of the political subdivision or allocation district within the meaning**
 6 **of Article 13, Section 1 of the Constitution of the State of Indiana.**

7 **Sec. 13. A political subdivision may not appropriate, allot, or**
 8 **expend in a budget year more than an amount equal to the**
 9 **expenditure limit for the political subdivision or as determined**
 10 **under the latest computation made by the department of local**
 11 **government finance under section 14 of this chapter before the**
 12 **beginning of the budget year.**

13 **Sec. 14. (a) Not later than six (6) months before the beginning of**
 14 **a political subdivision's budget year, the department of local**
 15 **government finance shall make a preliminary estimate of each of**
 16 **the computations required under sections 15 through 26 of this**
 17 **chapter for the political subdivision.**

18 **(b) In order to:**

19 **(1) correct a clerical or computational error; or**
 20 **(2) incorporate data that becomes available after the**
 21 **preliminary estimate is computed under subsection (a);**
 22 **the department of local government finance may adjust a**
 23 **computation under sections 15 through 26 of this chapter for a**
 24 **budget year at any time before the first day of the budget year.**

25 **(c) Not later than five (5) business days after the department of**
 26 **local government finance computes an estimate under subsection**
 27 **(a) or (b), the department of local government finance shall**
 28 **distribute a copy of the estimate for a political subdivision in a**
 29 **county to the political subdivision and the county auditor.**

30 **(d) If the total appropriations of a political subdivision will**
 31 **exceed the latest expenditure limit computed under subsection (a)**
 32 **or (b) of this chapter, the political subdivision or the department**
 33 **of local government finance shall adjust the appropriations to**
 34 **comply with section 13 of this chapter.**

35 **Sec. 15. The department of local government finance shall**
 36 **compute an estimated population in the budget year for each**
 37 **political subdivision. The estimated population shall be estimated**
 38 **for the first day of the month preceding the budget year by six (6)**
 39 **months using the latest available actual or estimated population**
 40 **data from the United States Bureau of the Census.**

41 **Sec. 16. (a) The department of local government finance shall**
 42 **compute an inflation index for each political subdivision's:**

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(1) base year; and
(2) next budget year.
(b) The inflation index shall be estimated for the first day of the month preceding the budget year by six (6) months using the implicit price deflator for the gross national product, or its closest equivalent, which is available from the Bureau of Economic Analysis of the United States Department of Commerce.

Sec. 17. (a) The department of local government finance shall compute an adjustment factor for each political subdivision's:

(1) base year; and
(2) next budget year.
(b) The adjustment factor for the base year is equal to the result in STEP THREE of the following formula:

- STEP ONE: Determine the estimated population for the base year.
- STEP TWO: Determine the quotient of the inflation index for the base year divided by one hundred (100).
- STEP THREE: Multiply the STEP ONE amount by the STEP TWO amount.

(c) The adjustment factor for a budget year after the base year is equal to the result in STEP FOUR of the following formula:

- STEP ONE: Determine the estimated population for the budget year.
- STEP TWO: Determine the quotient of:
 - (A) the inflation index for the budget year minus the inflation index for the base year; divided by
 - (B) one hundred (100).
- STEP THREE: Determine the greater of zero (0) or the STEP TWO result.
- STEP FOUR: Multiply the STEP ONE amount by the sum of one (1) plus the STEP THREE result.

Sec. 18. The department of local government finance shall compute a base year per capita appropriations for each political subdivision. The base year per capita appropriations of a political subdivision is equal to the quotient of:

- (1) the total amount of appropriations actually expended by a political subdivision in the political subdivision's base year; divided by
- (2) the adjustment factor for the base year.

Sec. 19. (a) The department of local government finance shall compute an expenditure limit for each political subdivision.

(b) The expenditure limit for a political subdivision in a year

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1 after the base year is the result determined under STEP TWO of
2 the following formula:

3 STEP ONE: Determine the base year per capita
4 appropriations of the political subdivision.

5 STEP TWO: Multiply the STEP ONE result by the
6 adjustment factor for the political subdivision's budget year.

7 (c) The expenditure limit for a political subdivision that has not
8 operated for at least one (1) full budget year is the total amount of
9 appropriations approved by the department of local government
10 finance for that year.

11 Sec. 20. If the Bureau of Economic Analysis of the United States
12 Department of Commerce, or its successor agency, changes the
13 base year on which it calculates the implicit price deflator for the
14 gross national product, the department of local government finance
15 shall adjust the implicit price deflator for the gross national
16 product used in making the calculations under this chapter to
17 compensate for the change in the base year.

18 Sec. 21. If a political subdivision transfers or accepts the
19 responsibility of a program or service to or from another unit of
20 government, the expenditure limit and the base year per capita
21 appropriations shall be decreased or increased correspondingly to
22 reflect the changes.

23 Sec. 22. If a program or service administered by a political
24 subdivision that is totally or partially funded by the federal
25 government ceases to be funded by the federal government, the
26 political subdivision may elect to fund the entire program or
27 service, and the expenditure limitations shall be increased to reflect
28 these changes.

29 Sec. 23. If a political subdivision transfers the funding source of
30 a program or service from taxes to user charges or other exempted
31 revenue sources as specified in this chapter, the expenditure limit
32 shall be decreased to reflect these changes.

33 Sec. 24. If a political subdivision transfers programs or services
34 that are funded by exempted sources to programs or services that
35 are funded by money subject to this chapter, the expenditure
36 limitation shall be increased to reflect these changes.

37 Sec. 25. If a political subdivision transfers revenues from
38 sources exempt under this chapter to funds containing revenues
39 from nonexempt sources, the revenues transferred shall be part of
40 and subject to the expenditure limit of this chapter.

41 Sec. 26. If a political subdivision is initially created in a county
42 after December 31, 2004, the expenditure limits of all political

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1 subdivisions shall be proportionally reduced so that the sum of the
2 expenditure limits for all political subdivisions in the county is the
3 same before and after the establishment of the new political
4 subdivision. However, with the consent of the fiscal body of the
5 county and each city and town in the county, the department of
6 local government finance may use a different formula for adjusting
7 the expenditure limits of the political subdivisions in the county.

8 Sec. 27. With the consent of the fiscal body of each affected
9 political subdivision, the department of local government finance
10 may lower the expenditure limit of one (1) or more political
11 subdivisions and raise the expenditure limit of one (1) or more
12 other political subdivisions by the same total amount.

13 Sec. 28. (a) The expenditure limits as provided in this chapter
14 may be exceeded if:

- 15 (1) a fiscal emergency is declared by at least a two-thirds (2/3)
- 16 vote of the fiscal body of the political subdivision; and
- 17 (2) the department of local government finance approves the
- 18 declaration of a fiscal emergency.

19 (b) A political subdivision may petition the department of local
20 government finance to approve a declaration of a fiscal emergency
21 for the political subdivision. The petition must describe the fiscal
22 emergency and indicate the source of revenues that will be used to
23 meet the fiscal emergency. After giving at least ten (10) days notice
24 to the political subdivision and the county auditor for the county
25 containing the political subdivision and publishing at least one (1)
26 notice under IC 5-3-1 in the county, the department of local
27 government finance shall conduct a hearing concerning the
28 petition.

29 (c) After the hearing under subsection (b), the department of
30 local government finance shall approve a declaration of a fiscal
31 emergency only if the department of local government finance
32 determines that:

- 33 (1) an extraordinary occurrence requires immediate
- 34 expenditures; or
- 35 (2) a shortfall of revenues will result in default on the
- 36 repayment of principal or interest on an indebtedness.

37 (d) Payment of expenses directly related to elimination of an ad
38 valorem property tax system, including the costs of refinancing
39 bonds or leases and settling disputes related to bonds or leases,
40 shall be treated as a fiscal emergency. The political subdivision
41 shall reimburse the political subdivision's account in the state
42 emergency reserve fund for the distribution under the schedule

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1 determined by the department of local government finance.
 2 Reimbursement of the state emergency reserve fund may be
 3 treated as a fiscal emergency.

4 **Sec. 29. Funding for fiscal emergencies may not be included in**
 5 **the appropriations base for computing the expenditure limit for**
 6 **appropriations in subsequent years. Fiscal emergency**
 7 **appropriations shall remain separate from appropriations subject**
 8 **to expenditure limits imposed by this chapter and shall be assigned**
 9 **expiration dates.**

10 **Sec. 30. If upon audit or examination of the results of an audit**
 11 **of a political subdivision, the state board of accounts determines**
 12 **that:**

- 13 (1) funds have been improperly accounted or budgeted for in
 14 order to avoid the limitations imposed by this chapter;
 15 (2) funds have been improperly exempted from the limitations
 16 as provided in this chapter;
 17 (3) general governmental functions have been improperly
 18 financed by user or service charges; or
 19 (4) the limitations imposed by this chapter have been
 20 exceeded;

21 the state board of accounts shall notify the department of local
 22 government finance and the political subdivision through the
 23 appropriate officer or officers of necessary corrective action. If
 24 after a reasonable time the political subdivision has not corrected
 25 the deficiency, the state board of accounts shall refer the matter to
 26 the attorney general.

27 **Chapter 3. Adoption of Budget**

28 **Sec. 1. This chapter applies to budget years after December 31,**
 29 **2004.**

30 **Sec. 2. The definitions in IC 36-1.3-2 apply throughout this**
 31 **chapter.**

32 **Sec. 3. Not later than July 1 of each year, the department of**
 33 **local government finance shall send a certified statement to each**
 34 **county auditor:**

- 35 (1) estimating the expenditure limit for each political
 36 subdivision in the county; and
 37 (2) computing the total amount of money that is available for
 38 distribution under IC 6-1.1-21-13 and IC 6-3.5-9 to the
 39 political subdivisions in the county for the last six (6) months
 40 of the current year and the next budget year.

41 **Sec. 4. (a) Before August 2 of each year, a county auditor shall**
 42 **send a certified statement, under the seal of the board of county**

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1 commissioners, to the fiscal officer of each political subdivision of
 2 the county and to the department of local government finance. The
 3 statement shall contain the expenditure limit for the political
 4 subdivision and an estimate of the revenues to be distributed to the
 5 political subdivision during:

- 6 (1) the last six (6) months of the current budget year; and
- 7 (2) the next budget year.

8 (b) The fiscal officer of each political subdivision shall present
 9 the county auditor's statement to the proper officers of the political
 10 subdivision.

11 Sec. 5. When formulating an annual budget estimate, the proper
 12 officers of a political subdivision shall prepare an estimate of the
 13 amount of revenue that the political subdivision will receive from
 14 the state for and during the year for which the budget is being
 15 formulated. These estimated revenues shall be shown in the budget
 16 estimate and shall be taken into consideration in calculating any
 17 tax that will be imposed in the ensuing budget year.

18 Sec. 6. (a) The proper officers of a political subdivision shall
 19 formulate the political subdivision's estimated budget on the form
 20 prescribed by the state board of accounts.

21 (b) The political subdivision shall give notice to taxpayers of the
 22 estimated budget. In the notice, the political subdivision shall also
 23 state the date, time, and place at which a public hearing will be
 24 held on these items. The notice shall be published two (2) times in
 25 accordance with IC 5-3-1, with the first publication at least ten (10)
 26 days before the date fixed for the public hearing.

27 (c) The auditor of each county shall estimate the amount
 28 necessary to meet the cost of:

- 29 (1) township assistance in each township of the county; and
- 30 (2) meeting the obligations of each allocation district in the
 31 county that, before January 1, 2005, were payable from the
 32 levy of property taxes;

33 for the ensuing budget year and publish with the county budget the
 34 estimated amount for each township and allocation district. The
 35 amount, if approved by the department of local government
 36 finance, shall be treated as the distribution of the allocation
 37 district.

38 (d) The board of directors of a solid waste management district
 39 established under IC 13-21-3-1 may conduct the public hearing
 40 required under subsection (b):

- 41 (1) in any county of the solid waste management district; and
- 42 (2) in accordance with the annual notice of meetings published

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under IC 13-21-5-2.
(e) Except as provided for the adoption of a supplemental budget, the officers of a political subdivision may not fix a budget that exceeds the amount published by the political subdivision. The portion of a budget that exceeds the published amount is void.

Sec. 7. (a) The officers of political subdivisions shall meet each year to fix the budgets of their respective subdivisions for the ensuing budget year as follows:

- (1) The fiscal body of a county, on any date after August 15 but before September 15, with notice given by the county auditor.
- (2) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.
- (3) The fiscal body of a second class city, not later than September 30.
- (4) The fiscal body of a third class city, not later than the last Monday in August.
- (5) The fiscal body of a town, not later than the last Monday in August.
- (6) The fiscal body of a township, after July 31 and not later than the last Tuesday in August, with notice given by the township executive.
- (7) The board of school trustees or board of school commissioners of a school city or town, not later than the last Thursday in August, with notice given by the same board.
- (8) The board of directors of a solid waste management district established under IC 13-21-3-1, not later than September 15, with notice given by the same board.
- (9) The proper officers of all other political subdivisions, at the time prescribed by statute.

Except in a consolidated city and county and in a second class city, the public hearing required by section 6 of this chapter must be completed at least seven (7) days before the proper officers of the political subdivision meet to fix the budget. In a consolidated city and county and in a second class city, the public hearing by any committee or by the entire fiscal body may be held at any time after introduction of the budget.

(b) Each year at least two (2) days before the first meeting of the county board of tax adjustment, a political subdivision shall file with the county auditor two (2) copies of the budget adopted by the political subdivision for the ensuing budget year. Each year the county auditor shall present these items to the county board of tax

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1 adjustment at the board's first meeting.

2 (c) In a consolidated city and county and in a second class city,
3 the clerk of the fiscal body shall, notwithstanding subsection (b),
4 file the adopted budget and tax ordinances with the county board
5 of tax adjustment within two (2) days after the ordinances are
6 signed by the executive, or within two (2) days after action is taken
7 by the fiscal body to override a veto of the ordinances, whichever
8 is later.

9 Sec. 8. (a) A county board of tax adjustment shall review the
10 budget of each political subdivision. The board shall revise or
11 reduce, but not increase, any budget in order to limit the budget to
12 the:

- 13 (1) expenditure limit under IC 36-1.3-2 or any other limitation
14 on expenditures set by statute; and
15 (2) amount of revenue to be available in the ensuing budget
16 year.

17 (b) The county board of tax adjustment shall make a revision or
18 reduction in a political subdivision's budget only with respect to
19 the total amount budgeted for each office or department within
20 each of the major budget classifications prescribed by the state
21 board of accounts.

22 (c) When the county board of tax adjustment makes a revision
23 or reduction in a budget, it shall file with the county auditor a
24 written order that indicates the action taken. If the board reduces
25 the budget, it shall also indicate the reason for the reduction in the
26 order. The chairperson of the county board shall sign the order.

27 Sec. 9. If the boundaries of a political subdivision cross one (1)
28 or more county lines, the budget fixed by the political subdivision
29 shall be filed with the county auditor of each affected county in the
30 manner prescribed in section 7 of this chapter. The board of tax
31 adjustment of the county that contains the largest portion of the
32 general money receivable by the political subdivision has
33 jurisdiction over the budget to the same extent as if the property
34 taxable by the political subdivision were wholly within the county.
35 The secretary of the county board of tax adjustment shall notify
36 the county auditor of each affected county of the action of the
37 board. Appeals from actions of the county board of tax adjustment
38 may be initiated in any affected county.

39 Sec. 10. (a) If the county board of tax adjustment determines
40 that a fiscal emergency exists, the county board shall file written
41 recommendations in duplicate with the county auditor. The board
42 shall include with the recommendations information that the

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county board considers relevant to the matter.

(b) The county auditor shall forward one (1) copy of the county board's recommendations to the department of local government finance and shall retain the other copy in the county auditor's office. The department of local government finance shall, in the manner prescribed in section 18 of this chapter, review the budgets of each political subdivision.

Sec. 11. (a) A county board of tax adjustment shall complete the duties assigned to it under this chapter before October 2 of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of the board need not be completed until November 1 of each year.

(b) If the county board of tax adjustment fails to complete the duties assigned to it within the time prescribed in this section, the county auditor shall carry out the duties of the county board.

(c) If the county auditor acts under subsection (b), the county auditor shall send a certificate notice of actions taken by the county auditor to each political subdivision of the county. The county auditor shall send these notices within five (5) days after publication of the notice required by section 14 of this chapter.

(d) If the county auditor acts under subsection (b), the action shall be treated as if it were the action of the county board of tax adjustment.

Sec. 12. A county auditor shall certify the budget of a political subdivision in the county to the department of local government finance, if the budget, as approved or modified by the county board of tax adjustment, exceeds the:

- (1) expenditure limit under IC 36-1.3-2 or any other limitation on expenditures set by statute; or
- (2) amount of revenue to be available in the ensuing budget year.

Sec. 13. The budget of a political subdivision, as approved or modified by the county board of tax adjustment, is final unless:

- (1) action is taken by the county auditor in the manner provided under section 11 of this chapter;
- (2) the action of the county board is subject to review by the department of local government finance under section 10 or 12 of this chapter; or
- (3) an appeal to the department of local government finance is initiated with respect to the budget.

Sec. 14. When the budgets are approved or modified by a county board of tax adjustment, the county auditor shall within fifteen

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1 (15) days prepare a notice of proposed changes in tax rates to be
 2 charged in the ensuing budget year in each taxing district. The
 3 notice shall also inform the taxpayers of the manner in which the
 4 taxpayers may initiate an appeal of the county board's action. The
 5 county auditor shall post the notice at the county courthouse and
 6 publish it in two (2) newspapers that represent different political
 7 parties and that have a general circulation in the county.

8 Sec. 15. Ten (10) or more taxpayers may initiate an appeal of a
 9 county board of tax adjustment's action on a political subdivision's
 10 budget by filing a statement of their objections with the county
 11 auditor. The statement must be filed within ten (10) days after the
 12 publication of the notice required by section 14 of this chapter. The
 13 statement shall specifically identify the provisions of the budget to
 14 which the taxpayers object. The county auditor shall forward the
 15 statement, with the budget, to the department of local government
 16 finance.

17 Sec. 16. A county auditor shall initiate an appeal to the
 18 department of local government finance if a county board of tax
 19 adjustment reduces a township assistance tax rate below the rate
 20 necessary to meet the estimated cost of township assistance.

21 Sec. 17. A political subdivision may appeal to the department of
 22 local government finance for an increase in its budget as fixed by
 23 the county board of tax adjustment or the county auditor. To
 24 initiate the appeal, the political subdivision must file a statement
 25 with the board within ten (10) days after publication of the notice
 26 required by section 14 of this chapter. The legislative body of the
 27 political subdivision must authorize the filing of the statement by
 28 adopting a resolution. The resolution must be attached to the
 29 statement of objections, and the statement must be signed by the
 30 following officers:

31 (1) In the case of counties, by the board of county
 32 commissioners and by the president of the county council.

33 (2) In the case of all other political subdivisions, by the highest
 34 executive officer and by the presiding officer of the legislative
 35 body.

36 Sec. 18. (a) Subject to the limitations and requirements
 37 prescribed in this section, the department of local government
 38 finance may revise, reduce, or increase a political subdivision's
 39 budget that the board reviews under section 10 or 12 of this
 40 chapter.

41 (b) Subject to the limitations and requirements prescribed in
 42 this section, the department of local government finance may

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1 review, revise, reduce, or increase the budget of a political
 2 subdivision whose budget is the subject of an appeal initiated under
 3 this chapter.

4 (c) Before the department of local government finance reviews,
 5 revises, reduces, or increases a political subdivision's budget under
 6 this section, the board must hold a public hearing on the budget.
 7 The board shall hold the hearing in the county in which the
 8 political subdivision is located. The board may consider the
 9 budgets of several political subdivisions at the same public hearing.
 10 At least five (5) days before the date fixed for a public hearing, the
 11 board shall give notice of the time and place of the hearing and of
 12 the budgets to be considered at the hearing. The board shall
 13 publish the notice in two (2) newspapers of general circulation
 14 published in the county. However, if only one (1) newspaper of
 15 general circulation is published in the county, the board shall
 16 publish the notice in that newspaper.

17 (d) The department of local government finance may not
 18 increase a political subdivision's budget to an amount that exceeds
 19 the amount originally fixed by the political subdivision. The
 20 department of local government finance shall give the political
 21 subdivision written notification specifying any revision, reduction,
 22 or increase that the department of local government finance
 23 proposes. The political subdivision has one (1) week from the date
 24 the political subdivision receives the notice to provide a written
 25 response to the department of local government finance's
 26 Indianapolis office specifying how to make the required reductions
 27 in the amount budgeted for each office or department. The
 28 department of local government finance shall make reductions as
 29 specified in the political subdivision's response if the response is
 30 provided as required by this subsection and sufficiently specifies all
 31 necessary reductions. The department of local government finance
 32 may make a revision, a reduction, or an increase in a political
 33 subdivision's budget only in the total amounts budgeted for each
 34 office or department within each of the major budget
 35 classifications prescribed by the state board of accounts.

36 (e) The department of local government finance may not
 37 approve a levy for lease payments by a city, town, county, or
 38 library if the lease payments are payable to a building corporation
 39 for use by the building corporation for debt service on bonds and
 40 if:

- 41 (1) no bonds of the building corporation are outstanding; or
 42 (2) the building corporation has enough legally available

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1 funds on hand to redeem all outstanding bonds payable from
 2 the particular lease rental levy requested.
 3 (f) The action of the department of local government finance on
 4 a budget is final. The department shall certify the department's
 5 action to:
 6 (1) the county auditor; and
 7 (2) the political subdivision, if the department acts under an
 8 appeal initiated by the political subdivision.
 9 (g) The department of local government finance shall complete
 10 the duties assigned to it under this section not later than January
 11 15 of each year.
 12 Sec. 19. (a) A political subdivision that in any year adopts a
 13 proposal to establish a cumulative fund or sinking fund under any
 14 of the following provisions must submit the proposal to the
 15 department of local government finance before August 2 of that
 16 year:
 17 IC 3-11-6
 18 IC 8-10-5
 19 IC 8-16-3
 20 IC 8-16-3.1
 21 IC 8-22-3
 22 IC 14-27-6
 23 IC 14-33-21
 24 IC 16-22-5
 25 IC 16-22-8
 26 IC 36-8-14
 27 IC 36-9-4
 28 IC 36-9-14
 29 IC 36-9-14.5
 30 IC 36-9-15
 31 IC 36-9-15.5
 32 IC 36-9-16
 33 IC 36-9-17
 34 IC 36-9-26
 35 IC 36-9-27
 36 IC 36-10-3
 37 IC 36-10-4
 38 IC 36-10-7.5.
 39 (b) If a proposal described in subsection (a) is not submitted to
 40 the department of local government finance before August 2 of a
 41 year, the political subdivision may not expend money from the
 42 cumulative fund or sinking fund in the ensuing year.

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1 **Sec. 20. The department of local government finance may at any**
2 **time increase the budget of a political subdivision for the following**
3 **reasons:**

- 4 **(1) To pay the principal or interest on a funding, refunding, or**
5 **judgment funding obligation of a political subdivision.**
- 6 **(2) To pay the interest or principal on an outstanding**
7 **obligation of the political subdivision.**
- 8 **(3) To pay a judgment rendered against the political**
9 **subdivision.**

10 **Sec. 21. (a) This section applies to a political subdivision that is**
11 **not a county, city, town, or township.**

12 **(b) If:**

- 13 **(1) the boundaries of the political subdivision are entirely**
14 **contained within a city or town; or**
- 15 **(2) the boundaries of the political subdivision are not entirely**
16 **contained within a city or town but the political subdivision**
17 **was originally established by the city or town;**

18 **the governing body shall submit its proposed budget to the city or**
19 **town fiscal body. The proposed budget and levy shall be submitted**
20 **at least fourteen (14) days before the city or town fiscal body is**
21 **required to hold budget approval hearings under this chapter.**

22 **(c) If subsection (b) does not apply, the governing body of the**
23 **political subdivision shall submit its proposed budget to the county**
24 **fiscal body in the county in which the taxing unit has the largest**
25 **share of its total area. The proposed budget shall be submitted at**
26 **least fourteen (14) days before the county fiscal body is required to**
27 **hold budget approval hearings under this chapter.**

28 **(d) The fiscal body of the city, town, or county, as required**
29 **under subsection (b) or (c), shall review each budget and adopt a**
30 **final budget for the political subdivision. The fiscal body may**
31 **reduce or modify but not increase the proposed budget. However,**
32 **the fiscal body may not reduce the proposed tax levy to an amount**
33 **that is less than the expenditure limit under IC 36-1.3-2.**

34 **Sec. 22. (a) Except as provided in subsections (b) and (c), a**
35 **political subdivision may not expend funds that it receives from the**
36 **state and that it is required to include in its budget estimate unless**
37 **the funds are:**

- 38 **(1) included in a budget estimate by the political subdivision;**
39 **and**
- 40 **(2) appropriated by the proper officers of the political**
41 **subdivision in the amounts and for the specific purposes for**
42 **which the funds may be used.**

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1 (b) The county council shall appropriate funds for the operation
2 of the county highway department for the entire ensuing budget
3 year for which annual appropriations are being made. The
4 appropriation shall be for an amount that is not less than the
5 greater of:

- 6 (1) seventy-five percent (75%) of the total estimated money to
- 7 be in the highway fund in the ensuing budget year; or
- 8 (2) ninety-nine percent (99%) of the total estimated money to
- 9 be in the highway fund in the ensuing budget year if the board
- 10 of county commissioners files with the county council a four
- 11 (4) year plan for the construction and improvement of county
- 12 highways and a one (1) year plan for the maintenance and
- 13 repair of county highways.

14 (c) In the event of a casualty, an accident, or an extraordinary
15 emergency, the proper officers of a political subdivision may use
16 state funds to make an additional appropriation under
17 IC 36-1.3-4-1.

18 Chapter 4. Supplemental Budget; Miscellaneous Provisions

19 Sec. 1. If the proper officers of a political subdivision desire to
20 appropriate more money for a particular year than the amount
21 prescribed in the budget for that year as determined under this
22 article, the officers shall give notice of the proposed additional
23 appropriation. The notice shall state the date, time, and place at
24 which a public hearing will be held on the proposal. The notice
25 shall be published once in accordance with IC 5-3-1-2(b).

26 Sec. 2. If an additional appropriation by a political subdivision
27 is made from a fund that receives:

- 28 (1) distributions from the motor vehicle highway account
- 29 established by IC 8-14-1-1 or the local road and street account
- 30 established by IC 8-14-2-4; or
- 31 (2) general money;

32 the political subdivision must report the additional appropriation
33 to the department of local government finance. Section 5 of this
34 chapter applies to the political subdivision only if the additional
35 appropriation is made from a fund described in this section.

36 Sec. 3. A political subdivision may make an additional
37 appropriation without approval of the department of local
38 government finance if the additional appropriation is made from
39 a fund that is not described in section 2 of this chapter. However,
40 the fiscal officer of the political subdivision shall report the
41 additional appropriation to the department of local government
42 finance.

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1 **Sec. 4. After a public hearing, the proper officers of a political**
2 **subdivision shall file a certified copy of the final proposal and other**
3 **relevant information to the department of local government**
4 **finance.**

5 **Sec. 5. (a) When the department of local government finance**
6 **receives a certified copy of a final proposal for an additional**
7 **appropriation under section 4 of this chapter, the board shall**
8 **determine whether sufficient funds are available or will be**
9 **available for the proposal. The determination shall be made in**
10 **writing and sent to the political subdivision within fifteen (15) days**
11 **after the board receives the proposal.**

12 **(b) In making the determination under subsection (a), the board**
13 **shall limit the amount of the additional appropriation to revenues**
14 **available or to be made available that have not been previously**
15 **appropriated.**

16 **(c) If the department of local government finance disapproves**
17 **an additional appropriation under subsection (a), the department**
18 **of local government finance shall specify the reason for its**
19 **disapproval on the determination sent to the political subdivision.**

20 **(d) A political subdivision may request a reconsideration of a**
21 **determination of the department of local government finance**
22 **under this section by filing a written request for reconsideration.**
23 **A request for reconsideration must:**

24 **(1) be filed with the department of local government finance**
25 **within fifteen (15) days of the receipt of the determination by**
26 **the political subdivision; and**

27 **(2) state with reasonable specificity the reason for the request.**
28 **The department of local government finance must act on a request**
29 **for reconsideration within fifteen (15) days of receiving the**
30 **request.**

31 **Sec. 6. (a) The proper officers of a political subdivision may**
32 **transfer money from one (1) major budget classification to another**
33 **within a department or office if:**

34 **(1) the officers determine that the transfer is necessary;**

35 **(2) the transfer does not require the expenditure of more**
36 **money than the total amount set out in the budget as**
37 **determined under this article;**

38 **(3) the transfer is made at a regular public meeting and by**
39 **proper ordinance or resolution; and**

40 **(4) the transfer is certified to the county auditor.**

41 **(b) A transfer may be made under this section without notice**
42 **and without the approval of the department of local government**

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finance.

Sec. 7. The appropriating body of a political subdivision may appropriate funds received from an insurance company if:

- (1) the funds are received as a result of damage to property of the political subdivision; and**
- (2) the funds are appropriated for the purpose of repairing or replacing the damaged property.**

However, this section applies only if the funds are expended to repair or replace the damaged property within the twelve (12) month period after the funds are received.

Sec. 8. Notwithstanding other provisions of this chapter, the proper officer or officers of a political subdivision may:

- (1) make an appropriation with respect to a contract for the discovery of omitted property if the contract provides that payment for the services performed is to be made from taxes or penalties collected on the discovered property;**
- (2) reappropriate money recovered from erroneous or excessive disbursements if the error and recovery are made within the current budget year; or**
- (3) refund, without appropriation, money erroneously received.**

Sec. 9. (a) If the proper officers of a political subdivision make an appropriation for an item that exceeds the amount the officers are permitted to appropriate under this chapter, the officers are guilty of malfeasance in office and are liable to the political subdivision in an amount equal to the sum of one hundred twenty-five percent (125%) of the excess appropriated and court costs.

(b) Upon the relation of a taxpayer who owns property that is located in the political subdivision, the appropriate prosecuting attorney shall initiate an action in the name of the state to recover the amount for which the proper officers of the political subdivision are liable under this section.

Sec. 10. Except as provided in this chapter, the proper officers of a political subdivision shall appropriate funds in a manner that the expenditures for a year do not exceed the budget for that year as determined under this article.

Sec. 11. A unit may appropriate money to repay an obligation of an allocation district.

Chapter 5. State Emergency Reserve Fund

Sec. 1. (a) A state emergency reserve fund is established. The budget agency shall administer the fund. Money in the state

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1 emergency reserve fund at the end of a state fiscal year does not
2 revert to the state general fund.

3 (b) An account in a state emergency reserve fund is established for
4 each political subdivision.

5 (c) During each budget year, without an appropriation, the
6 political subdivision shall transfer to the state for deposit in the
7 state emergency reserve fund all money that is received by the
8 political subdivision in excess of the lesser of the:

- 9 (1) expenditure limit; or
- 10 (2) budget;

11 of the political subdivision.

12 (d) A political subdivision may appropriate other money for
13 deposit in the state emergency reserve fund.

14 Sec. 2. Deposits in an account of the state emergency reserve
15 fund shall be made at the end of each quarter based on projections
16 of general money and the expenditure limit. A political subdivision
17 may transfer money from the political subdivision's account in the
18 state emergency reserve fund as approved by the department of
19 local government finance.

20 Sec. 3. A political subdivision may receive money from the
21 political subdivision's account in the state emergency reserve fund
22 only to meet a fiscal emergency, as determined and approved
23 under IC 36-1.3-2.

24 Sec. 4. Except as ordered by the department of local government
25 finance, a political subdivision shall maintain a balance of at least
26 ten percent (10%) of the amount budgeted for the latest budget
27 approved by the department of local government finance in the
28 political subdivision's account in the state emergency reserve fund.

29 Chapter 6. Bonding Limit

30 Sec. 1. As used in this chapter, "average total revenue" means
31 the result determined under sections 2 through 5 of this chapter.

32 Sec. 2. Except as provided in sections 4 and 5 of this chapter, the
33 average total revenue of a political subdivision is equal to the result
34 determined under STEP THREE of the following formula:

35 STEP ONE: Determine, for each of the three (3) budget years
36 immediately preceding the budget year in which the political
37 subdivision will incur a debt, the total receipts:

- 38 (A) received by a political subdivision, including
- 39 distributions from the state but excluding the proceeds
- 40 from loans, the sale of property, the sale of bonds, or the
- 41 issuance of other debts; and

42 (B) available to pay the expenditures of the political

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1 subdivision, including repayment of principal and interest
2 on debt.

3 **STEP TWO: Determine the sum of the amounts determined**
4 **under STEP ONE.**

5 **STEP THREE: Divide the amount determined under STEP**
6 **TWO by three (3).**

7 **Sec. 3. Funds dedicated to a particular purpose may be included**
8 **in the computation of average total revenue only to the extent that**
9 **the funds are or may be pledged to repay any part of the debt of a**
10 **political subdivision.**

11 **Sec. 4. The department of local government finance shall**
12 **compute an average total revenue for a political or municipal**
13 **subdivision that may issue debt less than three (3) budget years**
14 **after the political subdivision is established based on an estimate of**
15 **the receipts that the political subdivision will receive in the first full**
16 **budget years after the debt is incurred.**

17 **Sec. 5. A political subdivision may include in the computation of**
18 **average total revenue an amount that is:**

19 (1) equal to an estimate of what the political subdivision will
20 receive from a tax or fee that was not collected in any of the
21 three (3) budget years preceding the budget year in which the
22 political subdivision incurs a debt but is pledged to repay a
23 debt; and

24 (2) approved by the department of local government finance.

25 **Sec. 6. A political subdivision may not become indebted, in any**
26 **manner or for any purpose to an amount that, in total, would result**
27 **in payments of principal and interest in any year over the term of**
28 **all debt that exceeds twenty percent (20%) of the average total**
29 **revenues of the political subdivision previous to the incurring of**
30 **the indebtedness.**

31 **Sec. 7. Subject to sections 8 and 9 of this chapter, all bonds or**
32 **obligations of a political subdivision that exceed the amount**
33 **determined under section 6 of this chapter, are void.**

34 **Sec. 8. In time of war, foreign invasion, or other great public**
35 **calamity, on petition of a majority of the property owners in**
36 **number and value within the limits of such corporation, the public**
37 **authorities may incur obligations necessary for the public**
38 **protection and defense to the amount as may be requested in a**
39 **petition.**

40 **Sec. 9. This chapter does not release or extinguish the debt of a**
41 **political subdivision that has debt on January 1, 2005, exceeding**
42 **the maximum debt limit allowed under section 6 of this chapter.**

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1 However, the political subdivision may not incur an additional debt
 2 that will increase the total debt of the political subdivision until the
 3 political subdivision is in compliance with section 6 of this chapter.

4 **Chapter 7. Review of Bonds and Leases**

5 **Sec. 1. This chapter does not apply to temporary loans made in**
 6 **anticipation of and to be paid from current revenues of a political**
 7 **subdivision receivable and in the course of collection for the fiscal**
 8 **year in which the loans are made.**

9 **Sec. 2. A political subdivision may not incur bond indebtedness**
 10 **or enter into a lease rental agreement unless the political**
 11 **subdivision obtains the department of local government finance's**
 12 **approval of the lease rental agreement or bond issue.**

13 **Sec. 3. The department of local government finance may**
 14 **approve, disapprove, or modify and then approve a political**
 15 **subdivision's proposed lease rental agreement or bond issue.**

16 **Sec. 4. The department of local government finance shall render**
 17 **a decision not more than three (3) months after the date it receives**
 18 **a request for approval under section 2 of this chapter. However,**
 19 **the department of local government finance may extend the three**
 20 **(3) month period by an additional three (3) months if, at least ten**
 21 **(10) days before the end of the original three (3) month period, the**
 22 **board sends notice of the extension to the executive officer of the**
 23 **political subdivision.**

24 **Sec. 5. (a) If the proper officers of a political subdivision decide**
 25 **to issue bonds in an amount that exceeds five thousand dollars**
 26 **(\$5,000), the officers shall give notice of the decision by:**

27 (1) posting; and

28 (2) publishing once each week for two (2) weeks.

29 **The notice required by this section shall be posted in three (3)**
 30 **public places in the political subdivision and published in**
 31 **accordance with IC 5-3-1-4. The decision to issue bonds may be a**
 32 **preliminary decision.**

33 **(b) Ten (10) or more taxpayers who will be affected by the**
 34 **proposed issuance of the bonds and who wish to object to the**
 35 **issuance on the grounds that it is unnecessary or excessive may file**
 36 **a petition in the office of the auditor of the county in which the**
 37 **political subdivision is located. The petition must be filed within**
 38 **fifteen (15) days after the notice required by subsection (a) of this**
 39 **section is given, and the petition must contain the objections of the**
 40 **taxpayers and facts that show that the proposed issue is**
 41 **unnecessary or excessive. When taxpayers file a petition in the**
 42 **manner prescribed in this subsection, the county auditor shall**

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1 immediately forward a certified copy of the petition and other
 2 relevant information to the department of local government
 3 finance.

4 **Sec. 6. (a)** Upon receipt of a certified petition filed in the manner
 5 prescribed in section 5(b) of this chapter, the department of local
 6 government finance shall fix a time and place for a hearing on the
 7 matter. The state board shall hold the hearing not less than five (5)
 8 or more than thirty (30) days after the board receives the petition,
 9 and the state board shall hold the hearing in the political
 10 subdivision or in the county in which the political subdivision is
 11 located. At least five (5) days before the date fixed for the hearing,
 12 the department of local government finance shall give notice of the
 13 hearing, by mail, to the executive officer of the political subdivision
 14 and to the first ten (10) taxpayers who signed the petition. The
 15 mailings shall be addressed to the officer and the taxpayers at their
 16 usual place of residence.

17 **(b)** After the hearing required by this section, the department of
 18 local government finance may approve, disapprove, or reduce the
 19 amount of the proposed issue. The board must render a decision
 20 not later than three (3) months after the hearing, and if no decision
 21 is rendered within that time, the issue is considered approved
 22 unless the board takes the extension provided for in this section.
 23 However, a three (3) month extension of the period during which
 24 the decision must be rendered may be taken by the board if the
 25 board gives notice by mail of the extension at least ten (10) days
 26 before the end of the original three (3) month period to the
 27 executive officer of the political subdivision and to the first ten (10)
 28 taxpayers who signed the petition. If no decision is rendered within
 29 the extension period, the issue is considered approved. The action
 30 taken by the department of local government finance on the
 31 proposed issue is final.

32 **Sec. 7.** If the proper officers of a political subdivision decide to
 33 issue bonds, notes, or warrants that will be payable from property
 34 taxes and will bear interest in excess of eight percent (8%) per
 35 annum, the political subdivision shall submit the matter to the
 36 department of local government finance for review. The board may
 37 either approve or disapprove the rate of interest.

38 **Sec. 8. (a)** If the proper officers of a political subdivision decide
 39 to issue bonds payable from property taxes to finance a public
 40 improvement, the officers shall adopt an ordinance or a resolution
 41 that sets forth the determination to issue the bonds. Except as
 42 provided in subsection (b), the political subdivision may not

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1 advertise for or receive bids for the construction of the
2 improvement until the expiration of the latter of:

- 3 (1) the period within which taxpayers may file a petition for
4 review of or a remonstrance against the proposed issue; or
5 (2) the period during which a petition for review of the
6 proposed issue is pending before the department of local
7 government finance.

8 (b) When a petition for review of a proposed issue is pending
9 before the department of local government finance, the board may
10 order the political subdivision to advertise for and receive bids for
11 the construction of the public improvement. If the board issues
12 such an order, the political subdivision shall file a bid report with
13 the department of local government finance within five (5) days
14 after the bids are received, and the board shall render a final
15 decision on the proposed issue within fifteen (15) days after the
16 board receives the bid report. Notwithstanding the provisions of
17 this subsection, a political subdivision may not enter into a contract
18 for the construction of a public improvement while a petition for
19 review of the bond issue that is to finance the public improvement
20 is pending before the department of local government finance.

21 SECTION 297. IC 36-2-1-4 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. If any
23 indebtedness exists in either, both, or all of the interested counties, the
24 fiscal body of the county shall levy, from year to year, a tax upon the
25 detached territory; by such a rate on all the taxable property in the
26 detached district under IC 6-3.5-9 as is necessary to liquidate and pay
27 the indebtedness of the county from which the territory was detached
28 until the indebtedness is fully paid. The rate may not exceed that levied
29 on the county so indebted. The auditor of each of the affected counties
30 shall certify the rate so levied to the auditor of the county to which the
31 territory was attached; which auditor shall place that rate on the tax
32 duplicate of his county; and the treasurer of that county shall collect the
33 tax; and, on demand of the treasurer of the proper county, shall pay
34 over the revenue as other monies are paid out.

35 SECTION 298. IC 36-2-3-7 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) The fiscal
37 body shall hold its meetings in the county seat, in the county auditor's
38 office, or in another location provided by the county executive and
39 approved by the fiscal body.

40 (b) The fiscal body:

- 41 (1) shall hold a regular meeting in January after its election, for
42 the purpose of organization and other business;

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1 (2) shall hold a regular meeting annually, as prescribed by
 2 IC 6-1.1-17, to adopt the county's annual budget; ~~and tax rate;~~
 3 (3) may hold a special meeting under subsection (c) or (d); and
 4 (4) in the case of a county subject to IC 36-2-3.5, shall hold
 5 meetings at a regularly scheduled time each month that does not
 6 conflict with the meetings of the county executive.

7 (c) A special meeting of the fiscal body may be called:

- 8 (1) by the county auditor or the president of the fiscal body; or
 9 (2) by a majority of the members of the fiscal body.

10 At least forty-eight (48) hours before the meeting, the auditor,
 11 president, or members calling the meeting shall give written notice of
 12 the meeting to each member of the fiscal body and publish, at least one
 13 (1) day before the meeting, the notice in accordance with IC 5-3-1-4.
 14 This subsection does not apply to a meeting called to deal with an
 15 emergency under IC 5-14-1.5-5.

16 (d) If a court orders the county auditor to make an expenditure of
 17 county money for a purpose for which an appropriation has not been
 18 made, the auditor shall immediately call an emergency meeting of the
 19 fiscal body to discuss the matter. Notwithstanding subsection (c), the
 20 meeting must be held within three (3) working days of the receipt of
 21 the order by the auditor, and notice of the meeting day, time, and ~~places~~
 22 **place** is sufficient if:

- 23 (1) given by telephone to the members of the fiscal body; and
 24 (2) given according to IC 5-14-1.5.

25 SECTION 299. IC 36-2-6-18 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) The county
 27 fiscal body may, by ordinance:

- 28 (1) make loans for the purpose of procuring money to be used in
 29 the exercise of county powers and for the payment of county debts
 30 other than current running expenses, and issue bonds or other
 31 county obligations to refund those loans;
 32 (2) make temporary loans to meet current running expenses, in
 33 anticipation of and not in excess of county revenues for the
 34 current fiscal year, which shall be evidenced by tax anticipation
 35 warrants of the county; and
 36 (3) make loans and issue notes under subsection (d).

37 (b) An ordinance authorizing the issuance of bonds under this
 38 section must state the purpose for which the bonds are issued and may
 39 provide that the bonds:

- 40 (1) are or are not negotiable;
 41 (2) bear interest at any rate;
 42 (3) run not longer than twenty (20) years; and

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- 1 (4) mature by installments payable annually or otherwise.
- 2 (c) An ordinance authorizing the issuance of tax anticipation
- 3 warrants under this section must:
- 4 (1) state the total amount of the issue;
- 5 (2) state the denomination of the warrants;
- 6 (3) state the time and place payable;
- 7 (4) state the rate of interest;
- 8 (5) state the funds and revenues in anticipation of which the
- 9 warrants are issued and out of which they are payable; and
- 10 (6) appropriate and pledge a sufficient amount of those revenues
- 11 to the punctual payment of the warrants.

12 The warrants are exempt from taxation for all purposes.

13 (d) The county fiscal body may, by ordinance, make loans of money
14 for not more than five (5) years and issue notes for the purpose of
15 refunding those loans. The loans may be made only for the purpose of
16 procuring money to be used in the exercise of the powers of the county,
17 and the total amount of outstanding loans under this subsection may not
18 exceed five percent (5%) of the county's total tax ~~levy~~ **collections** in the
19 current year (excluding amounts levied to pay debt service and lease
20 rentals). Loans under this subsection shall be made in the same manner
21 as loans made under subsection (a)(1), except that:

- 22 (1) the ordinance authorizing the loans must pledge to their
- 23 payment a sufficient amount of tax revenues over the ensuing five
- 24 (5) years to provide for refunding the loans;
- 25 (2) the loans must be evidenced by notes of the county in terms
- 26 designating the nature of the consideration, the time and place
- 27 payable, and the revenues out of which they will be payable; and
- 28 (3) the interest accruing on the notes to the date of maturity may
- 29 be added to and included in their face value or be made payable
- 30 periodically, as provided in the ordinance.

31 Notes issued under this subsection are not bonded indebtedness for
32 purposes of IC 6-1.1-18.5.

33 (e) If a deficit is incurred for the current running expenses of the
34 county because the total of county revenues for the fiscal year is less
35 than the anticipated total, the county fiscal body shall provide for the
36 deficit in the next county ~~tax levy~~ **budget**.

37 SECTION 300. IC 36-2-15-7 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 5, 2005]: **Sec. 7. The office of county**
40 **assessor is terminated in any county that does not impose an ad**
41 **valorem property tax beginning on January 1 of the first year in**
42 **which an ad valorem property tax is not imposed. Any duties not**

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1 **related to ad valorem property taxes that are assigned by law to**
2 **the county assessor shall be performed by the county auditor.**

3 SECTION 301. IC 36-3-4-22 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 22. (a) The
5 city-county legislative body may, by ordinance, make temporary loans
6 in anticipation of current revenues of the consolidated city that have
7 been levied and are being collected for the fiscal year in which the
8 loans are made. Loans under this subsection shall be made in the same
9 manner as loans under section 21 of this chapter, except that:

10 (1) the ordinance authorizing the loans must appropriate and
11 pledge to their payment a sufficient amount of the revenues in
12 anticipation of which they are issued and out of which they are
13 payable; and

14 (2) the loans must be evidenced by time warrants of the city in
15 terms designating the nature of the consideration, the time and
16 place payable, and the revenues in anticipation of which they are
17 issued and out of which they are payable.

18 (b) The city-county legislative body may, by ordinance, make loans
19 of money for not more than five (5) years and issue notes for the
20 purpose of refunding those loans. The loans may be made only for the
21 purpose of procuring money to be used in the exercise of the powers of
22 the consolidated city, and the total amount of outstanding loans under
23 this subsection may not exceed five percent (5%) of the consolidated
24 city's total tax levy in the current year (excluding amounts levied to pay
25 debt service and lease rentals). Loans under this subsection shall be
26 made in the same manner as loans made under section 21 of this
27 chapter, except that:

28 (1) the ordinance authorizing the loans must pledge to their
29 payment a sufficient amount of tax revenues over the ensuing five
30 (5) years to provide for refunding the loans; and

31 (2) the loans must be evidenced by notes of the consolidated city
32 in terms designating the nature of the consideration, the time and
33 place payable, and the revenues out of which they will be payable.

34 Notes issued under this subsection are not bonded indebtedness for
35 purposes of IC 6-1.1-18.5, **IC 21-10, or IC 36-1.3 (as appropriate).**

36 SECTION 302. IC 36-3-5-8, AS AMENDED BY P.L.90-2002,
37 SECTION 470, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) This section applies
39 whenever a special taxing district of the consolidated city has the
40 power to issue bonds, notes, or warrants.

41 (b) Before any bonds, notes, or warrants of a special taxing district
42 may be issued, the issue must be approved by resolution of the

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- 1 legislative body of the consolidated city.
- 2 (c) Any bonds of a special taxing district must be issued in the
- 3 manner prescribed by statute for that district, and the board of the
- 4 department having jurisdiction over the district shall:
- 5 (1) hold all required hearings;
- 6 (2) adopt all necessary resolutions; and
- 7 (3) appropriate the proceeds of the bonds;
- 8 in that manner. However, the legislative body shall levy each year the
- 9 special tax required to pay the principal of and interest on the bonds
- 10 and any bank paying charges.
- 11 (d) Notwithstanding any other statute, bonds of a special taxing
- 12 district may:
- 13 (1) be dated;
- 14 (2) be issued in any denomination;
- 15 (3) mature at any time or times not exceeding fifty (50) years after
- 16 their date; and
- 17 (4) be payable at any bank or banks;
- 18 as determined by the board. The interest rate or rates that the bonds will
- 19 bear must be determined by bidding, notwithstanding IC 5-1-11-3.
- 20 (e) Bonds of a special taxing district are subject to the provisions of
- 21 IC 5-1, ~~and~~ IC 6-1.1-20, **and IC 36-3.1** relating to the filing of a
- 22 petition requesting the issuance of bonds and giving notice of the
- 23 petition, the giving of notice of a hearing on the appropriation of the
- 24 proceeds of bonds, the right of taxpayers to appear and be heard on the
- 25 proposed appropriation, the approval of the appropriation by the
- 26 department of local government finance, the right of taxpayers to
- 27 remonstrate against the issuance of bonds, and the sale of bonds at
- 28 public sale.
- 29 SECTION 303. IC 36-3-6-7 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. ~~(a)~~ The
- 31 city-county legislative body and the special service district legislative
- 32 bodies shall act on ordinances proposed under this chapter in the
- 33 manner prescribed by IC 6-1.1-17 **and IC 21-10 or IC 36-1.3 (as**
- 34 **appropriate).**
- 35 ~~(b) A tax levied by the consolidated city for a department or division~~
- 36 ~~having territorial jurisdiction over the whole county shall be levied on~~
- 37 ~~property in the whole county, and the money received from that tax~~
- 38 ~~shall be paid into a fund to be known as the consolidated county fund:~~
- 39 ~~A tax levied by the consolidated city for a department or division~~
- 40 ~~having territorial jurisdiction only inside the corporate boundaries of~~
- 41 ~~the consolidated city shall be levied only on property in the~~
- 42 ~~consolidated city. A tax levied for support of a special service district~~

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1 shall be levied only on property in the special service district. A tax or
 2 special tax to finance the operations, improvements, or debt service of
 3 a special taxing district shall be levied only on property in the special
 4 taxing district. A tax to be levied by the county or consolidated city for
 5 any other function shall be levied only on property in the territorial
 6 jurisdiction affected.

7 SECTION 304. IC 36-3-7-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The
 9 consolidated city is entitled to receive the following monies, as they
 10 become available, to use in carrying out the powers, duties, and
 11 obligations of the consolidated city and its special service districts and
 12 special taxing districts:

13 (1) Revenues from the levies of taxes **under IC 6-3.5-9** or special
 14 **taxes assessments** on property or otherwise as prescribed by law.

15 (2) The aggregate of allocated amounts of money collected and
 16 available for distribution to the consolidated city and the county
 17 in the motor vehicle highway account as prescribed by IC 8-14-1.

18 (3) All public money, whether held in general accounts, special
 19 accounts, trusts, or otherwise, or receivable by the county or the
 20 consolidated city, or its departments, special taxing districts, or
 21 special service districts, that is budgeted or made available for
 22 functions conferred on the consolidated city or its departments or
 23 districts.

24 (4) All money that becomes available from the federal
 25 government or any federal agency organized for the disbursement
 26 or allocation of federal monies in furtherance of powers conferred
 27 on the consolidated city or its departments or districts.

28 (5) All money appropriated in furtherance of the powers conferred
 29 on the consolidated city.

30 (6) All money received as proceeds from the sale of bonds by the
 31 consolidated city or its special taxing districts.

32 (7) All parking fees and mass transportation revenues collected by
 33 the department of transportation under IC 36-9.

34 (8) All money received by the consolidated city from the exercise
 35 of its powers or control and use of its property.

36 (9) All money in the cigarette tax fund available for distribution
 37 to the consolidated city or the department of transportation as
 38 prescribed by IC 6-7-1-30.1.

39 (10) The aggregate of allocated amounts of money collected and
 40 available for distribution to the consolidated city and the county
 41 as prescribed by IC 7.1-4-7 pertaining to alcoholic beverage fees
 42 and taxes.

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1 (11) Any other money available for distribution by the state under
2 any statute, according to that statute.

3 SECTION 305. IC 36-4-6-20 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 20. (a) The
5 legislative body may, by ordinance, make loans of money for not more
6 than five (5) years and issue notes for the purpose of refunding those
7 loans. The loans may be made only for the purpose of procuring money
8 to be used in the exercise of the powers of the city, and the total amount
9 of outstanding loans under this subsection may not exceed five percent
10 (5%) of the city's total tax levy in the current year (excluding amounts
11 levied to pay debt service and lease rentals). Loans under this
12 subsection shall be made in the same manner as loans made under
13 section 19 of this chapter, except that:

14 (1) the ordinance authorizing the loans must pledge to their
15 payment a sufficient amount of tax revenues over the ensuing five
16 (5) years to provide for refunding the loans; and

17 (2) the loans must be evidenced by notes of the city in terms
18 designating the nature of the consideration, the time and place
19 payable, and the revenues out of which they will be payable.

20 ~~Notes issued under this subsection are not bonded indebtedness for~~
21 ~~purposes of IC 6-1.1-18.5.~~

22 (b) The legislative body may, by ordinance, make loans and issue
23 notes for the purpose of refunding those loans in anticipation of
24 revenues of the city that are anticipated to be levied and collected
25 during the term of the loans. The term of a loan made under this
26 subsection may not be more than five (5) years. Loans under this
27 subsection shall be made in the same manner as loans made under
28 section 19 of this chapter, except that:

29 (1) the ordinance authorizing the loans must appropriate and
30 pledge to their payment a sufficient amount of the revenues in
31 anticipation of which they are issued and out of which they are
32 payable; and

33 (2) the loans must be evidenced by time warrants of the city in
34 terms designating the nature of the consideration, the time and
35 place payable, and the revenues in anticipation of which they are
36 issued and out of which they are payable.

37 (c) An action to contest the validity of a loan made under this
38 section must be brought within fifteen (15) days from the day on which
39 the ordinance is adopted.

40 SECTION 306. IC 36-4-7-7 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) The fiscal
42 officer shall present the report of budget estimates to the city legislative

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1 body under IC 6-1.1-17 **and IC 36-1.3**. After reviewing the report, the
 2 legislative body shall prepare an ordinance fixing the rate of taxation
 3 for the ensuing budget year and an ordinance making appropriations for
 4 the estimated department budgets and other city purposes during the
 5 ensuing budget year. The legislative body, in the appropriation
 6 ordinance, may reduce any estimated item from the figure submitted in
 7 the report of the fiscal officer, but it may increase an item only if the
 8 executive recommends an increase. The legislative body shall promptly
 9 act on the appropriation ordinance.

10 (b) In preparing the ordinances described in subsection (a) the
 11 legislative body shall make an allowance for the cost of fire protection
 12 to annexed territory described in IC 36-4-3-7(d), for the year fire
 13 protection is first offered to that territory.

14 SECTION 307. IC 36-4-7-8 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. After the
 16 passage of the appropriation ordinance, the city legislative body may,
 17 on the recommendation of the city executive, make further or
 18 additional appropriations by ordinance, unless their result is to increase
 19 the tax levy set under IC 6-1.1-17 **or a tax under IC 6-3.5-9**. The
 20 legislative body may, by ordinance, decrease any appropriation. The
 21 executive may, by executive order, decrease the appropriation made for
 22 any executive department.

23 SECTION 308. IC 36-5-2-11, AS AMENDED BY P.L.90-2002,
 24 SECTION 471, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2005]: Sec. 11. (a) The legislative body
 26 may issue bonds for the purpose of procuring money to be used in the
 27 exercise of the powers of the town and for the payment of town debts.
 28 However, a town may not issue bonds to procure money to pay current
 29 expenses.

30 (b) Bonds issued under this section are payable in the amounts and
 31 at the times determined by the legislative body.

32 (c) Bonds issued under this section are subject to the provisions of
 33 IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the
 34 issuance of bonds and giving notice of the petition, the giving of notice
 35 of a hearing on the appropriation of the proceeds of bonds, the right of
 36 taxpayers to appear and be heard on the proposed appropriation, the
 37 approval of the appropriation by the department of local government
 38 finance, the right of taxpayers to remonstrate against the issuance of
 39 bonds, and the sale of bonds at public sale for not less than their par
 40 value.

41 (d) The legislative body may, by ordinance, make loans of money
 42 for not more than five (5) years and issue notes for the purpose of

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1 refunding those loans. The loans may be made only for the purpose of
 2 procuring money to be used in the exercise of the powers of the town,
 3 and the total amount of outstanding loans under this subsection may not
 4 exceed five percent (5%) of the town's total tax levy in the current year
 5 (excluding amounts levied to pay debt service and lease rentals). Loans
 6 under this subsection shall be made as follows:

7 (1) The ordinance authorizing the loans must pledge to their
 8 payment a sufficient amount of tax revenues over the ensuing five
 9 (5) years to provide for refunding the loans.

10 (2) The loans must be evidenced by notes of the town in terms
 11 designating the nature of the consideration, the time and place
 12 payable, and the revenues out of which they will be payable.

13 (3) The interest accruing on the notes to the date of maturity may
 14 be added to and included in their face value or be made payable
 15 periodically, as provided in the ordinance.

16 ~~Notes issued under this subsection are not bonded indebtedness for~~
 17 ~~purposes of IC 6-1.1-18.5.~~

18 SECTION 309. IC 36-5-3-3 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. Before the
 20 publication of notice of budget estimates required by IC 6-1.1-17-3,
 21 **IC 21-10, or IC 36-1.3 (as appropriate)**, each town shall formulate a
 22 budget estimate for the ensuing budget year in the following manner,
 23 unless it provides by ordinance for a different manner:

24 (1) Each department head shall prepare for ~~his~~ **the department**
 25 **head's** department an estimate of the amount of money required
 26 for the ensuing budget year, stating in detail each category and
 27 item of expenditure ~~he~~ **the department head** anticipates.

28 (2) The town fiscal officer shall prepare an itemized estimate of
 29 revenues available for the ensuing budget year and shall prepare
 30 an itemized estimate of expenditures for other purposes above the
 31 money proposed to be used by the departments.

32 (3) The town executive shall meet with the department heads and
 33 the fiscal officer to review and revise their various estimates.

34 (4) After the executive's review and revision, the fiscal officer
 35 shall prepare for the executive a report of the estimated
 36 department budgets, miscellaneous expenses, and revenues
 37 necessary or available to finance the estimates.

38 SECTION 310. IC 36-5-3-4 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. The town fiscal
 40 officer shall present the report of budget estimates to the town
 41 legislative body under IC 6-1.1-17 **or IC 36-1.3**. After reviewing the
 42 report, the legislative body shall prepare an ordinance fixing the rate of

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1 taxation for the ensuing budget year and an ordinance making
 2 appropriations for the estimated department budgets and other town
 3 purposes during the ensuing budget year. The legislative body, in the
 4 appropriation ordinance, may change any estimated item from the
 5 figure submitted in the report of the fiscal officer. The legislative body
 6 shall promptly act on the appropriation ordinance.

7 SECTION 311. IC 36-5-3-5 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. After the
 9 passage of the appropriation ordinance, the town legislative body may
 10 make further or additional appropriations by ordinance, unless their
 11 result is to increase the tax levy set under IC 6-1.1-17 or **IC 36-1.3.**
 12 The legislative body may, by ordinance, decrease any appropriation set
 13 by ordinance.

14 SECTION 312. 36-6-5-4 IS ADDED TO THE INDIANA CODE AS
 15 A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 16 **JANUARY 5, 2005]: Sec. 4. (a) The office of township assessor is**
 17 **terminated in any township that does not impose an ad valorem**
 18 **property tax beginning on January 1 of the first year in which an**
 19 **ad valorem property tax is not imposed. Any duties not related to**
 20 **ad valorem property taxes that are assigned by law to a township**
 21 **assessor for the township shall be performed by the township**
 22 **trustee.**

23 **(b) The duties of a township trustee assessor related to ad**
 24 **valorem property taxes are terminated in any township that does**
 25 **not impose an ad valorem property tax beginning on January 1 of**
 26 **the first year in which an ad valorem property tax is not imposed.**
 27 **Any duties not related to ad valorem property taxes that are**
 28 **assigned by law to a township trustee assessor for the township**
 29 **shall be performed by the township trustee.**

30 SECTION 313. IC 36-6-6-11 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. (a) The
 32 legislative body shall meet annually in accord with IC 6-1.1-17, to
 33 adopt the township's annual budget.

34 (b) The legislative body shall consider the estimates of expenditures
 35 made by the executive under IC 36-6-4-11 and may approve or reject
 36 all or part of any estimate or any item within an estimate. The
 37 legislative body may require the executive to further itemize an
 38 estimate not sufficiently itemized.

39 (c) The legislative body may not appropriate for any purpose an
 40 amount more than the executive's estimate of the amount required for
 41 that purpose.

42 (d) The legislative body shall include in the budget:

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1 (1) provisions for the payment of existing debt of the township as
 2 it becomes due; and
 3 (2) the salaries fixed under section 10 of this chapter.
 4 (e) In making levies for the township general fund, the legislative
 5 body may include an amount not more than the amount necessary to
 6 compensate its members for their services during the year for which the
 7 levies are made.
 8 (f) After the legislative body has taken action on the executive's
 9 estimates, it shall levy taxes for the township funds on property in the
 10 township and fix rates of taxation sufficient to provide that revenue
 11 during the next year.
 12 (g) On the assessment date, as defined by IC 6-1.1-1-2, the rates of
 13 taxation adopted under this section become a levy and a lien on all
 14 taxable property in the township, including property in municipalities
 15 in the township. The levy constitutes an appropriation for the specific
 16 items in the executive's estimates.
 17 SECTION 314. IC 36-7-15.1-17.1, AS AMENDED BY
 18 P.L.90-2002, SECTION 478, IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17.1. (a) A
 20 commission may enter into a lease of any property that may be financed
 21 with the proceeds of bonds issued under this chapter with a lessor for
 22 a term not to exceed fifty (50) years. The lease may provide for
 23 payments to be made by the commission from special benefits taxes
 24 levied under section 19 of this chapter, taxes allocated under section 26
 25 of this chapter, any other revenue available to the commission, or any
 26 combination of these sources.
 27 (b) A lease may provide that payments by the commission to the
 28 lessor are required only to the extent and only for the period that the
 29 lessor is able to provide the leased facilities in accordance with the
 30 lease. The terms of each lease must be based upon the value of the
 31 facilities leased and may not create a debt of the unit or the district for
 32 purposes of the Constitution of the State of Indiana.
 33 (c) A lease may be entered into by the commission only after a
 34 public hearing by the commission at which all interested parties are
 35 given the opportunity to be heard. Notice of the hearing must be given
 36 by publication in accordance with IC 5-3-1. After the public hearing,
 37 the commission may adopt a resolution authorizing the execution of the
 38 lease on behalf of the unit if it finds that the service to be provided
 39 throughout the term of the lease will serve the public purpose of the
 40 unit and is in the best interests of its residents. Any lease approved by
 41 a resolution of the commission must be approved by an ordinance of
 42 the fiscal body of the unit.

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1 (d) Upon execution of a lease providing for payments by the
 2 commission in whole or in part from the levy of special benefits taxes
 3 under section 19 of this chapter and upon approval of the lease by the
 4 fiscal body, the commission shall publish notice of the execution of the
 5 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 6 taxpayers residing in the district who will be affected by the lease and
 7 who may be of the opinion that no necessity exists for the execution of
 8 the lease or that the payments provided for in the lease are not fair and
 9 reasonable may file a petition in the office of the county auditor within
 10 thirty (30) days after the publication of the notice of execution and
 11 approval. The petition must set forth the petitioners' names, addresses,
 12 and objections to the lease and the facts showing that the execution of
 13 the lease is unnecessary or unwise or that the payments provided for in
 14 the lease are not fair and reasonable, as the case may be. Upon the
 15 filing of the petition, the county auditor shall immediately certify a
 16 copy of it, together with such other data as may be necessary in order
 17 to present the questions involved, to the department of local
 18 government finance. Upon receipt of the certified petition and
 19 information, the department of local government finance shall fix a
 20 time and place for the hearing in the redevelopment district, which
 21 must be not less than five (5) or more than thirty (30) days after the
 22 time for the hearing is fixed. Notice of the hearing shall be given by the
 23 department of local government finance to the members of the fiscal
 24 body, to the commission, and to the first fifty (50) petitioners on the
 25 petition by a letter signed by the commissioner or deputy commissioner
 26 of the department and enclosed with fully prepaid postage sent to those
 27 persons at their usual place of residence, at least five (5) days before
 28 the date of the hearing. The decision of the department of local
 29 government finance on the appeal, upon the necessity for the execution
 30 of the lease and as to whether the payments under it are fair and
 31 reasonable, is final.

32 (e) A commission entering into a lease payable from allocated taxes
 33 under section 26 of this chapter or revenues or other available funds of
 34 the commission may:

- 35 (1) pledge the revenue to make payments under the lease pursuant
 36 to IC 5-1-14-4; and
- 37 (2) establish a special fund to make the payments.

38 Lease rentals may be limited to money in the special fund so that the
 39 obligations of the commission to make the lease rental payments are
 40 not considered a debt of the unit or the district for purposes of the
 41 Constitution of the State of Indiana.

42 (f) Except as provided in this section, no approvals of any

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1 governmental body or agency are required before the commission
2 enters into a lease under this section.

3 (g) An action to contest the validity of the lease or to enjoin the
4 performance of any of its terms and conditions must be brought within
5 thirty (30) days after the publication of the notice of the execution and
6 approval of the lease. However, if the lease is payable in whole or in
7 part from tax levies and an appeal has been taken to the department of
8 local government finance, an action to contest the validity or to enjoin
9 performance must be brought within thirty (30) days after the decision
10 of the department.

11 (h) If a commission exercises an option to buy a leased facility from
12 a lessor, the commission may subsequently sell the leased facility,
13 without regard to any other statute, to the lessor at the end of the lease
14 term at a price set forth in the lease or at fair market value established
15 at the time of the sale by the commission through auction, appraisal, or
16 arms length negotiation. If the facility is sold at auction, after appraisal,
17 or through negotiation, the commission shall conduct a hearing after
18 public notice in accordance with IC 5-3-1 before the sale. Any action
19 to contest the sale must be brought within fifteen (15) days after the
20 hearing.

21 SECTION 315. IC 36-8.5 IS ADDED TO THE INDIANA CODE
22 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2004]:

24 **ARTICLE 8.5. POLICE AND FIRE USER FEES**

25 **Chapter 1. Application**

26 **Sec. 1. (a) This article applies to all units and to fire protection**
27 **districts.**

28 **(b) This article applies to a person that would have been**
29 **exempted before 2006 from paying an ad valorem property tax for**
30 **services described in section 3 of this chapter only to the extent that**
31 **the fiscal body providing the services requires the person to pay**
32 **fees under this chapter in an ordinance adopted under section 2 of**
33 **this chapter.**

34 **Sec. 2. (a) The fiscal body of a unit or a fire protection district**
35 **may adopt an ordinance to require a person described in section**
36 **1(b) of this chapter to pay the fees imposed under this article. If the**
37 **ordinance is adopted, the ordinance must uniformly apply to all**
38 **exempt property. However, the ordinance may exempt property**
39 **used for a governmental purpose or a religious purpose from the**
40 **application of the fee.**

41 **(b) The fiscal body may adopt an ordinance to be governed by**
42 **this article before July 1 in any year. An ordinance adopted under**

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1 this subsection is effective beginning with the next budget year
2 after the ordinance is adopted.

3 (c) An ordinance adopted under subsection (b) may be rescinded
4 by the fiscal body before July 1 of any year. An action to rescind
5 the ordinance is effective beginning with the next budget year after
6 the ordinance is rescinded.

7 Sec. 3. This article applies to an expenditure to establish,
8 maintain, operate, provide facilities or equipment for, contract for,
9 finance, or repay a judgment or other obligation related to any of
10 the following:

- 11 (1) A police and law enforcement system to preserve public
12 peace and order.
- 13 (2) A firefighting and fire prevention system.
- 14 (3) Emergency ambulance services (as defined in
15 IC 16-18-2-107), except as part of a levy for a county hospital
16 under IC 16-22 or a municipal hospital under IC 16-23.
- 17 (4) Emergency medical services (as defined in
18 IC 16-18-2-110), except as part of a levy for a county hospital
19 under IC 16-22 or a municipal hospital under IC 16-23.
- 20 (5) Emergency action (as defined in IC 13-11-2-65).

21 Sec. 4. The activities to which this article applies include the
22 following:

- 23 (1) A communications system (as defined in IC 36-8-15-3) or
24 an enhanced emergency telephone system (as defined in
25 IC 36-8-16-2).
- 26 (2) Pension payments for any of the following:
 - 27 (A) A member of the fire department (as defined in
28 IC 36-8-1-8) or any other employee of a fire department.
 - 29 (B) A member of the police department (as defined in
30 IC 36-8-1-9), a police chief hired under a waiver under
31 IC 36-8-4-6.5, or any other employee hired by a police
32 department.
 - 33 (C) A county sheriff or any other member of the office of
34 the county sheriff.
 - 35 (D) Other personnel employed to provide a service
36 described in section 3 of this chapter.
- 37 (3) Operation of the following:
 - 38 (A) A county jail.
 - 39 (B) A juvenile detention center.

40 Sec. 5. This article does not apply to expenditures related to the
41 following:

- 42 (1) A court.

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- 1 **(2) A probation department of a court.**
- 2 **(3) Confinement, supervision, community correction services,**
- 3 **or other correctional services for a person who has been:**
- 4 **(A) diverted before a final hearing or trial under an**
- 5 **agreement that:**
- 6 **(i) is between the county prosecutor and the person or**
- 7 **the person's custodian, guardian, or parent; and**
- 8 **(ii) provides for confinement, supervision, community**
- 9 **correction services, or other correctional services instead**
- 10 **of a final action described in clause (B) or (C);**
- 11 **(B) convicted of a crime; or**
- 12 **(C) adjudicated as a delinquent child or a child in need of**
- 13 **services in a facility;**

14 **except operation of a county jail or juvenile detention center.**

15 **Chapter 2. Elimination of Property Tax Levies; Repayment of**

16 **Prior Debt**

17 **Sec. 1. A political subdivision may not impose an ad valorem**

18 **property tax levy for police and fire services.**

19 **Sec. 2. This article does not prohibit the consolidation of services**

20 **to which this article applies and other services payable from a**

21 **property tax levy. However, the governing body delivering the**

22 **consolidated services shall allocate the cost payable from property**

23 **taxes based on the relative benefit of the consolidated services to**

24 **police and fire services and other purposes.**

25 **Sec. 3. Section 1 of this chapter does not release or extinguish a**

26 **debt of a political subdivision that was incurred before January 1,**

27 **2005. However, to the extent permitted under the Constitution of**

28 **the United States and the Constitution of the State of Indiana, a**

29 **law entitling a holder of an obligation to enforce a right to**

30 **repayment from property tax levies does not apply after December**

31 **31, 2004, to a holder of an obligation that was created before**

32 **January 1, 2005, but was incurred to finance an activity to which**

33 **this article applies.**

34 **Sec. 4. If an agreement with a political subdivision entered into**

35 **before January 1, 2005, or a judgment entered against a political**

36 **subdivision before January 1, 2005, requires the political**

37 **subdivision to make payments after December 31, 2004, from**

38 **property tax levies that are prohibited by section 1 of this chapter,**

39 **the holders of the obligations are entitled to payment from all other**

40 **sources of receipts that are available to the political subdivision**

41 **after December 31, 2004, except receipts that by law or the terms**

42 **of a grant are restricted to another use.**

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Chapter 3. Distributions in Lieu of Property Tax Replacement and Homestead Credits

Sec. 1. Rates and charges imposed under this article shall be treated as ad valorem property taxes for the purpose of distributions under the following:

- (1) IC 6-1.1-21.**
- (2) IC 6-3.5.**
- (3) IC 6-5.5.**
- (4) IC 6-6-5.**

(5) Any other law that computes a distribution on the assessed value of the tangible property in a political subdivision or on the property tax levy imposed by the political subdivision.

Sec. 2. The department of local government finance shall provide the information for the department of state revenue and county auditors to make the distributions described in section 1 of this chapter for police and fire services.

Sec. 3. Money received under section 1 of this chapter shall be used to reduce the rates and charges imposed under IC 36-8.5-4.

Chapter 4. Rates and Charges

Sec. 1. A political subdivision may impose rates and charges on the owner of property in a political subdivision. If the political subdivision has entered into a contract to provide police and fire services outside the political subdivision, the political subdivision may impose rates and charges on an owner of property served under the contract.

Sec. 2. The rates and charges for police and fire services may be determined based on the following:

- (1) A flat charge for each lot, parcel of property, or building.**
- (2) The amount of police and fire services used.**
- (3) The relative police or fire risk, as determined by insurance ratings and other information available to the political subdivision.**
- (4) Whether the political subdivision is required to purchase or lease special facilities or equipment to deliver police and fire services to the property.**
- (5) A combination of these or other factors that the political subdivision determines is necessary to establish just and equitable rates and charges.**

Sec. 3. The rates and charges for police and fire services do not have to be uniform throughout the political subdivision or for all users. The board may exercise reasonable discretion in:

- (1) adopting different schedules of rates and charges; or**

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- 1 (2) making classifications in schedules of rates and charges:
- 2 (A) based upon variations in the costs of furnishing the
- 3 services, including capital expenditures required, to
- 4 various classes of users or to various locations in the
- 5 political subdivision; or
- 6 (B) where there are variations in the number of users in
- 7 various locations in the political subdivision.

8 **Sec. 4.** If services will not be provided until after a capital
 9 improvement is completed, a political subdivision may bill and
 10 collect rates and charges for the services to be provided after the
 11 contract for construction of the capital improvement has been let
 12 and actual work commenced in an amount sufficient to meet the
 13 interest on the revenue bonds and other expenses payable before
 14 the completion of the capital improvement.

15 **Sec. 5.** Unless the political subdivision finds and directs
 16 otherwise, police and fire services are considered to benefit every:

- 17 (1) lot;
- 18 (2) parcel of land; or
- 19 (3) building;

20 in the political subdivision. The rates or charges shall be billed and
 21 collected accordingly.

22 **Sec. 6. (a)** The legislative body of a political subdivision shall, by
 23 ordinance, establish just and equitable rates or charges for the use
 24 of and the police and fire services provided by the political
 25 subdivision. The rates or charges are payable by the owner of each
 26 lot, parcel of land, or building that:

- 27 (1) is in the political subdivision; or
- 28 (2) in any way uses or is served by the political subdivision.

29 **(b)** The board may periodically change and readjust the rates or
 30 charges as provided in this article.

31 **Sec. 7. (a)** Just and equitable rates and charges are those that
 32 produce sufficient revenue to:

- 33 (1) pay all expenses incident to the delivery of police and fire
- 34 services;
- 35 (2) provide a sinking fund for the liquidation of bonds or
- 36 other evidence of indebtedness and reserves against default in
- 37 the payment of interest and principal of bonds; and
- 38 (3) provide adequate money to be used as working capital and
- 39 money for making improvements, additions, extensions, and
- 40 replacements.

41 **(b)** Rates and charges too low to meet the financial requirements
 42 described in subsection (a) are unlawful. The initial rates and

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1 charges established after notice and hearing under this article are
2 prima facie just and equitable.

3 Sec. 8. The initial rates or charges may be established only after
4 a public hearing at which all:

5 (1) the property owners to be served by the political
6 subdivision; and

7 (2) others interested;
8 have an opportunity to be heard concerning the proposed rates or
9 charges.

10 Sec. 9. After introduction of the ordinance initially fixing rates
11 or charges but before the ordinance is finally adopted, notice of the
12 hearing setting forth the proposed schedule of the rates or charges
13 must be given by publication one (1) time each week for two (2)
14 weeks in a newspaper of general circulation in the political
15 subdivision. The last publication must be at least seven (7) days
16 before the date fixed in the notice for the hearing. The hearing may
17 be adjourned as necessary.

18 Sec. 10. (a) The ordinance establishing the initial rates or
19 charges, either as:

20 (1) originally introduced; or

21 (2) modified and amended;

22 shall be passed and put into effect after the hearing.

23 (b) A copy of the schedule of the rates and charges established
24 must be:

25 (1) kept on file in the principal office of the political
26 subdivision; and

27 (2) open to public inspection.

28 Sec. 11. (a) The rates or charges established for a class of users
29 of property served shall be extended to cover any additional
30 premises served after the rates or charges are established that are
31 in the same class without the necessity of hearing or notice.

32 (b) A change or readjustment of the rates or charges may be
33 made in the same manner as the rates or charges were originally
34 established.

35 Chapter 5. Liens for Rates and Charges

36 Sec. 1. The rates made, assessed, or established under this
37 article against:

38 (1) a lot;

39 (2) a parcel of land; or

40 (3) a building;

41 in the political subdivision or served by the political subdivision is
42 a lien against the lot, parcel of land, or building.

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1 **Sec. 2. Except as provided in sections 5 and 6 of this chapter, a**
2 **lien attaches at the time of the recording of the list in the county**
3 **recorder's office as provided in IC 36-2-11. The lien:**

- 4 **(1) is superior to and takes precedence over all other liens**
- 5 **except the lien for taxes; and**
- 6 **(2) shall be enforced under this article.**

7 **Sec. 3. If rates or charges are not paid within the time fixed by**
8 **the political subdivision, the rates or charges become delinquent**
9 **and a penalty of ten percent (10%) of the amount of the rates or**
10 **charges attaches to the rates or charges. The political subdivision**
11 **may recover:**

- 12 **(1) the amount due;**
- 13 **(2) the penalty; and**
- 14 **(3) reasonable attorney's fees;**

15 **in a civil action in the name of the political subdivision.**

16 **Sec. 4. The rates or charges, together with the penalty, are**
17 **collectible in the manner provided by this article.**

18 **Sec. 5. (a) A rate or charge is not enforceable as a lien against a**
19 **subsequent owner of property unless the lien for the rate or charge**
20 **was recorded with the county recorder before the conveyance to**
21 **the subsequent owner.**

22 **(b) If the property is conveyed before the lien can be filed, the**
23 **officer of the political subdivision who is charged with the**
24 **collection of the rate or charge shall notify the person who owned**
25 **the property at the time the fee became payable. The notice must**
26 **inform the person that payment, including penalty fees for**
27 **delinquencies, is due not less than fifteen (15) days after the date of**
28 **the notice. If payment is not received before one hundred eighty**
29 **(180) days after the date of the notice have elapsed, the amount due**
30 **may be expensed as a bad debt loss.**

31 **Sec. 6. (a) This section applies whenever the owner of the**
32 **property has notified the political subdivision by certified mail with**
33 **return receipt requested of the address to which the owner's notice**
34 **is to be sent.**

35 **(b) A lien does not attach against a lot, parcel of land, or**
36 **building occupied by someone other than the owner unless the**
37 **officer of the political subdivision who is charged with the**
38 **collection of rates or charges notifies the owner of the property**
39 **after the rates or charges have become sixty (60) days delinquent.**

40 **Sec. 7. (a) The political subdivision shall release:**

- 41 **(1) liens filed with the county recorder after the recorded date**
42 **of conveyance of the property; and**

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- 1 (2) delinquent fees incurred by the seller;
- 2 upon receipt of a verified demand in writing from the purchaser.
- 3 (b) The demand must state the following:
- 4 (1) That the delinquent fees were not incurred by the
- 5 purchaser as a user, lessee, or previous owner.
- 6 (2) That the purchaser has not been paid by the seller for the
- 7 delinquent fees.

8 **Chapter 6. Enforcement of Delinquencies**

9 **Sec. 1. This chapter applies only to fees or penalties that have**
10 **been due and unpaid for at least ninety (90) days.**

11 **Sec. 2. The officer of the political subdivision who is charged**
12 **with the collection of the rates or charges shall enforce payment of**
13 **the rates or charges. The officer shall, not more than two (2) times**
14 **in a year, prepare a list of the delinquent rates or charges,**
15 **including the amount of the penalty, that are enforceable under**
16 **this chapter. The list must include the following:**

- 17 (1) The name of each owner of each lot or parcel of real
- 18 property on which the rates or charges have become
- 19 delinquent.
- 20 (2) The description of the premises as shown by the records of
- 21 the office of the county auditor.
- 22 (3) The amount of the rates or charges, together with the
- 23 amount of the penalty.

24 **Sec. 3. (a) The officer shall record a copy of the list in the office**
25 **of the county recorder.**

26 **(b) The county recorder shall charge a fee for recording the list**
27 **in accordance with the fee schedule established in IC 36-2-7-10.**

28 **(c) After recording the list, the officer shall mail to each**
29 **property owner on the list a notice stating that a lien against the**
30 **owner's property has been recorded.**

31 **(d) This subsection applies only to a county that does not contain**
32 **a consolidated city. A service charge of five dollars (\$5), which is**
33 **in addition to the recording fee charged under this section and**
34 **section 6 of this chapter, shall be added to each delinquent rate or**
35 **charge that is recorded.**

36 **Sec. 4. (a) This section applies only to a county containing a**
37 **consolidated city.**

38 **(b) Using the lists prepared and recorded under sections 2 and**
39 **3 of this chapter, the officer shall certify to the county auditor a list**
40 **of the liens that remain unpaid according to the following schedule:**

- 41 (1) Liens recorded on or after August 1 of the preceding year
- 42 and before February 1 of the current year shall be certified

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1 before March 1 of each year for collection in May of the same
 2 year.
 3 (2) Liens recorded on or after February 1 of the current year
 4 and before August 1 of the current year shall be certified
 5 before September 1 of each year for collection in November
 6 of the same year.
 7 (c) The county and the officers and employees of the county are
 8 not liable for any material error in the information on the list.
 9 Sec. 5. (a) This section applies only to a county that does not
 10 contain a consolidated city.
 11 (b) Using the lists prepared and recorded under sections 2 and
 12 3 of this chapter:
 13 (1) after April 1 of the preceding year; and
 14 (2) before April 1 of the current year;
 15 the officer shall before June 1 of each year certify to the county
 16 auditor a list of the liens that remain unpaid for collection in the
 17 next November.
 18 (c) The county and the officers and employees of the county are
 19 not liable for any material error in the information on the list.
 20 Sec. 6. (a) The officer shall release a recorded lien when the:
 21 (1) delinquent rates or charges;
 22 (2) penalties;
 23 (3) service charges; and
 24 (4) recording fees;
 25 have been fully paid.
 26 (b) The county recorder shall charge a fee for releasing the lien
 27 in accordance with IC 36-2-7-10.
 28 Sec. 7. (a) This subsection applies to a county that does not
 29 contain a consolidated city. On receipt of the list under section 5 of
 30 this chapter, the county auditor shall add a fifteen dollar (\$15)
 31 certification fee for each lot or parcel of real property on which
 32 rates or charges are delinquent. The certification fee is in addition
 33 to all other fees and charges. The county auditor shall immediately
 34 enter on the tax duplicate for the municipality the:
 35 (1) delinquent rates or charges;
 36 (2) penalties;
 37 (3) service charges;
 38 (4) recording fees; and
 39 (5) certification fees;
 40 that are due not later than the due date of the next November
 41 installment of property taxes.
 42 (b) This subsection applies to a county having a consolidated

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1 city. On receipt of the list under section 4 of this chapter, the
2 county auditor shall enter on the tax duplicate the:

- 3 (1) delinquent fees;
4 (2) penalties;
5 (3) service charges; and
6 (4) recording fees;

7 that are due not later than the due date of the next installment of
8 property taxes.

9 (c) The county treasurer shall include any unpaid charges for
10 the:

- 11 (1) delinquent rate or charge;
12 (2) penalty;
13 (3) service charge;
14 (4) recording fee; and
15 (5) certification fee;

16 for each owner of each lot or parcel of property at the time the next
17 cycle's property tax installment is billed.

18 Sec. 8. (a) This section does not apply to a county containing a
19 consolidated city.

20 (b) After June 1 of each year, the officer may not collect or
21 accept:

- 22 (1) delinquent rates or charges;
23 (2) penalties;
24 (3) service charges;
25 (4) recording fees; or
26 (5) certification fees;

27 from property owners whose property has been certified to the
28 county auditor.

29 Sec. 9. If a:

- 30 (1) delinquent rate or charge;
31 (2) penalty;
32 (3) service charge;
33 (4) recording fee; or
34 (5) certification fee;

35 is not paid, the county treasurer shall collect the unpaid money in
36 the same way that delinquent property taxes are collected.

37 Sec. 10. (a) At the time of each semiannual tax settlement, the
38 county treasurer shall certify to the county auditor all:

- 39 (1) rates or charges;
40 (2) fees; and
41 (3) penalties;

42 that have been collected.

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- 1 **(b) The county auditor shall:**
- 2 (1) deduct the service charges and certification fees collected
- 3 by the county treasurer; and
- 4 (2) pay to the officer the remaining fees and penalties due the
- 5 political subdivision.
- 6 **(c) The county treasurer shall:**
- 7 (1) retain the service charges and certification fees that have
- 8 been collected; and
- 9 (2) deposit the charges and fees in the county general fund.

10 **Sec. 11. (a) This section applies to a:**

- 11 (1) rate or charge;
- 12 (2) penalty; or
- 13 (3) service charge;

14 **that was not recorded before a recorded conveyance.**

15 **(b) The:**

- 16 (1) rate or charge;
- 17 (2) penalty; or
- 18 (3) service charge;

19 **shall be removed from the tax roll for a purchaser who, in the**
20 **manner prescribed by IC 36-8.5-5-7, files a verified demand with**
21 **the county auditor.**

22 **Chapter 7. Foreclosure of Liens**

23 **Sec. 1. A political subdivision may, as an additional or**
24 **alternative remedy, foreclose a lien established by this article as a**
25 **means of collection of rates or charges, including the penalty on the**
26 **rates or charges.**

27 **Sec. 2. (a) In all actions brought to foreclose the liens, the**
28 **political subdivision is entitled to recover the following:**

- 29 (1) The amount of the rates or charges.
- 30 (2) The penalty on the rates or charges.
- 31 (3) Reasonable attorney's fees.

32 **(b) The court shall order that the sale be made without relief**
33 **from valuation or appraisalment statutes.**

34 **Sec. 3. Except as otherwise provided by this article, in all actions**
35 **to foreclose the liens:**

- 36 (1) the laws concerning municipal public improvement
- 37 assessments; and
- 38 (2) the rights, remedies, procedure, and relief granted the
- 39 parties to the action;

40 **apply.**

41 **SECTION 316. IC 36-9-3-29, AS AMENDED BY P.L.90-2002,**
42 **SECTION 503, IS AMENDED TO READ AS FOLLOWS**

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1 [EFFECTIVE JANUARY 1, 2005]: Sec. 29. The board shall prepare
 2 an annual budget for the authority's operating and maintenance
 3 expenditures and necessary capital expenditures. Each annual budget
 4 is subject to review and modification by the:

5 (1) fiscal body of the county or municipality that establishes the
 6 authority; and

7 (2) county board of tax adjustment and the department of local
 8 government finance under ~~IC 6-1-1-17~~ **IC 36-1.3-3**.

9 SECTION 317. IC 36-9-3-31, AS AMENDED BY P.L.90-2002,
 10 SECTION 504, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2005]: Sec. 31. (a) This section applies to
 12 an authority that includes a county having a population of more than
 13 four hundred thousand (400,000) but less than seven hundred thousand
 14 (700,000).

15 (b) The authority may issue revenue or general obligation bonds
 16 **from sources other than property taxes** under this section.

17 (c) The board may issue revenue bonds of the authority for the
 18 purpose of procuring money to pay the cost of acquiring real or
 19 personal property for the purpose of this chapter. The issuance of bonds
 20 must be authorized by resolution of the board and approved by the
 21 county fiscal bodies of the counties in the authority before issuance.
 22 The resolution must provide for the amount, terms, and tenor of the
 23 bonds, and for the time and character of notice and mode of making
 24 sale of the bonds.

25 (d) The bonds are payable at the times and places determined by the
 26 board, but they may not run more than thirty (30) years after the date
 27 of their issuance and must be executed in the name of the authority by
 28 an authorized officer of the board and attested by the secretary. The
 29 interest coupons attached to the bonds may be executed by placing on
 30 them the facsimile signature of the authorized officer of the board.

31 (e) The president of the authority shall manage and supervise the
 32 preparation, advertisement, and sale of the bonds, subject to the
 33 authorizing ordinance. Before the sale of bonds, the president shall
 34 cause notice of the sale to be published in accordance with IC 5-3-1,
 35 setting out the time and place where bids will be received, the amount
 36 and maturity dates of the issue, the maximum interest rate, and the
 37 terms and conditions of sale and delivery of the bonds. The bonds shall
 38 be sold in accordance with IC 5-1-11. After the bonds have been
 39 properly sold and executed, the executive director or president shall
 40 deliver them to the controller of the authority and take a receipt for
 41 them, and shall certify to the treasurer the amount that the purchaser is
 42 to pay, together with the name and address of the purchaser. On

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1 payment of the purchase price the controller shall deliver the bonds to
 2 the purchaser, and the controller and executive director or president
 3 shall report their actions to the board.

4 (f) General obligation bonds issued under this section are subject to
 5 the provisions of IC 5-1 and IC 6-1.1-20 **or IC 36-1.3-7** relating to the
 6 filing of a petition requesting the issuance of bonds, the appropriation
 7 of the proceeds of bonds, the right of taxpayers to appeal and be heard
 8 on the proposed appropriation, the approval of the appropriation by the
 9 department of local government finance, the right of taxpayers to
 10 remonstrate against the issuance of bonds, and the sale of bonds for not
 11 less than their par value.

12 (g) Notice of the filing of a petition requesting the issuance of
 13 bonds, notice of determination to issue bonds, and notice of the
 14 appropriation of the proceeds of the bonds shall be given by posting in
 15 the offices of the authority for a period of one (1) week and by
 16 publication in accordance with IC 5-3-1.

17 (h) The bonds are not a corporate indebtedness of any unit, but are
 18 an indebtedness of the authority as a municipal corporation. A suit to
 19 question the validity of the bonds issued or to prevent their issuance
 20 may not be instituted after the date set for sale of the bonds, and after
 21 that date the bonds may not be contested for any cause.

22 (i) The bonds issued under this section and the interest on them are
 23 exempt from taxation for all purposes except the financial institutions
 24 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
 25 IC 6-4.1.

26 SECTION 318. IC 36-9-4-47, AS AMENDED BY P.L.90-2002,
 27 SECTION 506, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2005]: Sec. 47. (a) The board of directors
 29 of a public transportation corporation may:

30 (1) borrow money in anticipation of receipt of the proceeds of
 31 taxes that ~~have been levied by the board and~~ have not yet been
 32 collected; and

33 (2) evidence this borrowing by issuing warrants of the
 34 corporation.

35 The money that is borrowed may be used by the corporation for
 36 payment of principal and interest on its bonds or for payment of current
 37 operating expenses.

38 (b) The warrants:

39 (1) bear the date or dates;

40 (2) mature at the time or times on or before December 31
 41 following the year in which the taxes in anticipation of which the
 42 warrants are issued are due and payable;

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- 1 (3) bear interest at the rate or rates and are payable at the time or
- 2 times;
- 3 (4) may be in the denominations;
- 4 (5) may be in the forms, either registered or payable to bearer;
- 5 (6) are payable at the place or places, either inside or outside
- 6 Indiana;
- 7 (7) are payable in the medium of payment;
- 8 (8) are subject to redemption upon the terms, including a price not
- 9 exceeding par and accrued interest; and
- 10 (9) may be executed by the officers of the corporation in the
- 11 manner;

12 provided by resolution of the board of directors. The resolution may
 13 also authorize the board to pay from the proceeds of the warrants all
 14 costs incurred in connection with the issuance of the warrants.

15 (c) The warrants may be authorized and issued at any time after the
 16 board of directors levies the tax or taxes in anticipation of which the
 17 warrants are issued.

18 (d) The warrants may be sold for not less than par value after notice
 19 inviting bids has been published in accordance with IC 5-3-1. The
 20 board of directors may also publish the notice inviting bids in other
 21 newspapers or financial journals.

22 (e) After the warrants are sold, they may be delivered and paid for
 23 at one (1) time or in installments.

24 (f) The aggregate principal amount of warrants issued in
 25 anticipation of and payable from the same tax levy or levies may not
 26 exceed eighty percent (80%) of the ~~levy or levies; as the amount of the~~
 27 ~~levy or levies is certified by the department of local government~~
 28 ~~finance; or as is determined by multiplying the rate of tax as finally~~
 29 ~~approved by the total assessed valuation of taxable property within the~~
 30 ~~taxing district of the public transportation corporation as most recently~~
 31 ~~certified by the county auditor: revenues available to the public~~
 32 **transportation corporation.**

33 (g) For purposes of this section, taxes for any year are considered to
 34 be levied when the board of directors adopts the ordinance prescribing
 35 the tax levies for the year. However, warrants may not be delivered and
 36 paid for before final approval of a tax levy or levies by the county
 37 board of tax adjustment (or, if appealed, by the department of local
 38 government finance) unless the issuance of the warrants has been
 39 approved by the department of local government finance.

40 (h) (g) The warrants and the interest on them are not subject to
 41 sections 43 and 44 of this chapter and are payable solely from the
 42 proceeds of the ~~tax levy or levies~~ taxes in anticipation of which the

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1 warrants were issued. The authorizing resolution must pledge a
 2 sufficient amount of the proceeds of the ~~tax levy or levies~~ taxes to the
 3 payment of the warrants and the interest.

4 (†) (h) All actions of the board of directors under this section may
 5 be taken by resolution, which need not be published or posted. The
 6 resolution takes effect immediately upon its adoption by a majority of
 7 the members of the board of directors.

8 (†) (i) An action to contest the validity of any tax anticipation
 9 warrants may not be brought later than ten (10) days after the sale date.

10 SECTION 319. IC 36-9-4-48 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 48. (a) A
 12 cumulative transportation fund to provide money for the acquisition of
 13 buses and for the planning, establishment, and maintenance of routes
 14 and schedules to assist in implementing this chapter may be established
 15 under IC 6-1.1-41 by:

16 (1) the legislative body of a municipality that:

17 (A) is making grants to an urban mass transportation system;
 18 or

19 (B) has purchased buses for operation under lease by an urban
 20 mass transportation system; or

21 (2) the board of directors of a public transportation corporation.

22 (b) In addition to other notices required under IC 6-1.1-41, notices
 23 of hearings under IC 6-1.1-41 must be given to the following:

24 (1) the municipal executive, for a tax levy by a municipality; and

25 (2) the chairman of the board of directors, for a tax levy by a
 26 public transportation corporation.

27 (c) ~~A tax levy to finance the cumulative transportation fund may be~~
 28 ~~levied in compliance with IC 6-1.1-41. The tax levied under this~~
 29 ~~section may not exceed six and sixty-seven hundredths cents (\$0.0667)~~
 30 ~~on each one hundred dollars (\$100) of taxable property within the~~
 31 ~~corporate boundaries of the municipality or the taxing district of the~~
 32 ~~public transportation corporation, as the case may be.~~

33 SECTION 320. IC 36-9-4-51, AS AMENDED BY P.L.90-2002,
 34 SECTION 507, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2005]: Sec. 51. (a) The board of directors
 36 of a public transportation corporation shall prepare an annual budget
 37 for the expenditures of the corporation.

38 (b) This subsection applies only when a municipality, having
 39 operated an urban mass transportation system under a department of
 40 municipal government, establishes a public transportation corporation
 41 under section 10 of this chapter to maintain that system. The annual
 42 operating and maintenance budget for the corporation shall be subject

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1 to review and modification by the legislative body of the municipality.

2 (c) A public transportation corporation may not impose a property
3 tax levy on property. ~~that it has not taxed before January 1, 1982, and~~
4 ~~that lies outside the corporate boundaries of the municipality without~~
5 ~~the approval of the fiscal body or county council of the county in which~~
6 ~~the municipality is located.~~

7 (d) The budget ~~and any tax levies~~ prepared by the board shall be
8 prepared and submitted at the same time, in the same manner, and with
9 the same notice as is prescribed by ~~IC 6-1.1-17~~ **IC 36-1.3-3** for the
10 annual budget of the municipality. The county tax adjustment board
11 and the department of local government finance may review the budget
12 ~~and tax levies~~ in the same manner by which they review budgets and
13 tax levies of the municipality.

14 SECTION 321. IC 36-9-4-57, AS AMENDED BY P.L.90-2002,
15 SECTION 508, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2005]: Sec. 57. (a) The board of directors
17 of a public transportation corporation may, by resolution, establish an
18 improvement reserve fund for the purpose of accumulating money over
19 two (2) or more fiscal years for the following:

- 20 (1) The purchase of specified real property.
21 (2) The purchase of specified major equipment, including buses.
22 (3) The making of improvements to real property owned by the
23 public transportation corporation.

24 (b) Transfers that are placed in an improvement reserve fund
25 established under this section must be included in the annual budget of
26 the public transportation corporation.

27 (c) The board of directors of a public transportation corporation may
28 make an expenditure of money from an improvement reserve fund only
29 after:

- 30 (1) holding a public meeting in accordance with section 22 of this
31 chapter;
32 (2) the adoption by the board of a resolution under subsection (d);
33 and
34 (3) approval by the department of local government finance.

35 (d) A resolution for expenditure from an improvement reserve fund
36 established under this section must include the following:

- 37 (1) The specific amount of the expenditure.
38 (2) The specific use of the expenditure.
39 (3) A finding by the board of directors that the proposed use of
40 funds complies with the restrictions under subsection (a).

41 ~~(e) The money in the improvement reserve fund may not be~~
42 ~~considered in determining the corporation's property tax levy under this~~

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1 ~~chapter or IC 6-1-1.~~

2 ~~(f) (e)~~ The money in the improvement reserve fund at the end of the
 3 fiscal year does not revert to the general fund.

4 SECTION 322. IC 36-9-14.5-6 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) ~~Except as~~
 6 ~~provided in subsection (c);~~ The county fiscal body may provide
 7 **appropriate** money for the cumulative capital development fund. by
 8 ~~levying a tax in compliance with IC 6-1-1-4†~~ on the taxable property in
 9 the county.

10 (b) ~~The maximum property tax rate that may be imposed for~~
 11 ~~property taxes first due and payable during a particular year in a county~~
 12 ~~in which the county option income tax or the county adjusted gross~~
 13 ~~income tax is in effect on January † of that year; depends upon the~~
 14 ~~number of years the county has previously imposed a tax under this~~
 15 ~~chapter and is determined under the following table:~~

16 NUMBER	TAX RATE PER \$100
17 OF YEARS	OF ASSESSED
	18 VALUATION
19 0	\$0.05
20 † or more	\$0.10

21 (c) ~~The maximum property tax rate that may be imposed for~~
 22 ~~property taxes first due and payable during a particular year in a county~~
 23 ~~in which neither the county option income tax nor the county adjusted~~
 24 ~~gross income tax is in effect on January † of that year; depends upon~~
 25 ~~the number of years the county has previously imposed a tax under this~~
 26 ~~chapter and is determined under the following table:~~

27 NUMBER	TAX RATE PER \$100
28 OF YEARS	OF ASSESSED
	29 VALUATION
30 0	\$0.04
31 † or more	\$0.07

32 SECTION 323. IC 36-9-15-2 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) ~~A county~~
 34 ~~fiscal body may establish cumulative building funds under IC 6-1-1-4†~~
 35 ~~or sinking funds in the same manner as cumulative funds are~~
 36 ~~established under IC 6-1-1-4† for the:~~

- 37 (1) construction, repair, remodeling, enlarging, and equipment of:
 38 (A) a county jail; or
 39 (B) a juvenile detention center to be operated under
 40 IC 31-31-9; or
 41 (2) in a county having a consolidated city, purchase, lease, or
 42 payment of all or part of the purchase price of motor vehicles for

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1 use of the sheriff's department.
 2 (b) The county fiscal body may levy taxes to provide money for:
 3 (1) cumulative building funds established under this chapter in
 4 compliance with IC 6-1.1-41; or
 5 (2) sinking funds established under this chapter in the same
 6 manner a tax is levied for a cumulative fund under IC 6-1.1-41.
 7 (c) ~~IC 6-1.1-41~~ applies to a sinking fund under this chapter to the
 8 same extent as if the sinking fund was a cumulative fund.

9 SECTION 324. IC 36-9-15-10 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 10. (a) The county
 11 fiscal body may establish a debt service fund for the payment of:

- 12 (1) a debt or other obligation arising out of money borrowed or
- 13 advanced for a jail that it purchases from the proceeds of a bond
- 14 issue for capital construction under IC 36-2-6-18; or
- 15 (2) a lease to provide capital construction under IC 36-1-10.

16 (b) The county fiscal body shall levy a tax each year in an amount
 17 sufficient to pay all debt service obligations for jails for that year.
 18 ~~IC 6-1.1-18.5-8~~ applies to such a tax levy.

19 SECTION 325. IC 36-9-15.5-2 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The legislative
 21 body of a municipality may establish a cumulative capital development
 22 fund ~~under IC 6-1.1-41~~ to provide money for any purpose for which
 23 property taxes ~~money~~ may be imposed ~~used~~ within the municipality
 24 under the authority of:

- 25 IC 8-16-3;
- 26 IC 8-22-3-25;
- 27 IC 14-27-6-48;
- 28 IC 14-33-14;
- 29 IC 16-23-1-40;
- 30 IC 36-8-14;
- 31 IC 36-9-4-48;
- 32 IC 36-9-16-2;
- 33 IC 36-9-16-3;
- 34 IC 36-9-16.5;
- 35 IC 36-9-17;
- 36 IC 36-9-26;
- 37 IC 36-9-27-100;
- 38 IC 36-10-3-21; or
- 39 IC 36-10-4-36.

40 SECTION 326. IC 36-9-15.5-6 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) ~~Except as~~
 42 ~~provided in subsection (c);~~ The municipal fiscal body may provide

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1 **appropriate** money for the cumulative capital development fund. by
 2 levying a tax in compliance with IC 6-1.1-41 on the taxable property in
 3 the municipality.

4 (b) The maximum property tax rate that may be imposed for
 5 property taxes first due and payable during a particular year in a
 6 municipality that is either wholly or partially located in a county in
 7 which the county option income tax or the county adjusted gross
 8 income tax is in effect on January 1 of that year depends upon the
 9 number of years the municipality has previously imposed a tax under
 10 this chapter and is determined under the following table:

11 NUMBER 12 OF YEARS	TAX RATE PER \$100 13 OF ASSESSED 14 VALUATION
15 0	\$0.05
16 1	\$0.10
17 2 or more	\$0.15

18 (c) The maximum property tax rate that may be imposed for
 19 property taxes first due and payable during a particular year in a
 20 municipality that is wholly located in a county in which neither the
 21 county option income tax nor the county adjusted gross income tax is
 22 in effect on January 1 of that year depends upon the number of years
 23 the municipality has previously imposed a tax under this chapter and
 is determined under the following table:

24 NUMBER 25 OF YEARS	TAX RATE PER \$100 26 OF ASSESSED 27 VALUATION
28 0	\$0.04
29 1	\$0.08
30 2 or more	\$0.12

31 SECTION 327. IC 36-9-15.5-8 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) The tax
 33 money collected under this chapter shall be held in a special fund to be
 known as the cumulative capital development fund.

34 (b) (a) In a consolidated city, money may be transferred from the
 35 fund to the fund of a department of the consolidated city responsible for
 36 carrying out a purpose for which the cumulative capital development
 37 fund was created. The department may not expend any money so
 38 transferred until an appropriation is made and the department may not
 39 expend any money so transferred for operating costs of the department.

40 (c) (b) Money held in the cumulative capital development fund may
 41 be spent for purposes other than the purposes stated in section 2 of this
 42 chapter, if the purpose is to protect the public health, welfare, or safety

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1 in an emergency situation that demands immediate action or to make
 2 a contribution to an authority established under IC 36-7-23. Money
 3 may be spent under the authority of this subsection only after the
 4 executive of the municipality:

5 (1) issues a declaration that the public health, welfare, or safety
 6 is in immediate danger that requires the expenditure of money in
 7 the fund; or

8 (2) certifies in the minutes of the municipal legislative body that
 9 the contribution is made to the authority for capital development
 10 purposes.

11 SECTION 328. IC 36-9-16-5 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. ~~(a) The unit's~~
 13 ~~fiscal body may levy a tax not to exceed thirty-three cents (\$0.33) on~~
 14 ~~each one hundred dollars (\$100) of taxable property within the taxing~~
 15 ~~district to provide for a cumulative building fund. The tax may be~~
 16 ~~levied annually for any period not to exceed ten (10) years.~~

17 ~~(b)~~ Appropriations may be made from the cumulative building fund
 18 for the purposes authorized by this chapter.

19 SECTION 329. IC 36-9-16-6, AS AMENDED BY P.L.90-2002,
 20 SECTION 513, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. ~~(a) The unit's fiscal body~~
 22 ~~may levy a tax not to exceed thirty-three cents (\$0.33) on each one~~
 23 ~~hundred dollars (\$100) of taxable property within the taxing district to~~
 24 ~~provide for a cumulative capital improvement fund. The tax may be~~
 25 ~~levied annually for any period not to exceed ten (10) years and may be~~
 26 ~~decreased or increased from year to year; except that the tax may not~~
 27 ~~be increased above the levy approved by the department of local~~
 28 ~~government finance.~~

29 ~~(b)~~ ~~(a)~~ Surplus money in other accounts of the unit, or other sources,
 30 and money acquired from other activities of the unit, or other sources,
 31 may, by resolution of the legislative body and with the approval of the
 32 department of local government finance, be added to the cumulative
 33 capital improvement fund.

34 ~~(c)~~ ~~(b)~~ Appropriations may be made:

35 (1) as provided by law from the cumulative capital improvement
 36 fund for purposes of this chapter; or

37 (2) for a contribution to an authority established under
 38 IC 36-7-23.

39 SECTION 330. IC 36-9-16.5-3 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) Revenues
 41 which may be deposited to the cumulative street fund include:

42 (1) all or part of the revenues ~~from any property tax levy~~

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- 1 dedicated for road and street purposes;
- 2 (2) all or part of the municipality's federal revenue sharing funds;
- 3 or
- 4 (3) other sources by resolution of the municipal legislative body.

5 (b) Appropriations may be made from the cumulative street fund for
6 the purpose authorized under section 2.

7 (c) Monies in the cumulative street fund do not revert to the general
8 fund at the end of any fiscal year.

9 SECTION 331. IC 36-9-17-5 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) ~~Subject to~~
11 ~~tax limitations and to the review of appropriations and tax levies;~~ The
12 legislative body of a municipality that establishes a general
13 improvement fund may appropriate money from the general fund of the
14 municipality and transfer that money to the general improvement fund.
15 ~~levy a tax for the benefit and use of the general improvement fund in~~
16 ~~compliance with the procedures for a levy for a cumulative fund under~~
17 ~~IC 6-1.1-41; or both.~~

18 (b) During the year in which a municipality establishes a general
19 improvement fund, the municipal legislative body may make an
20 emergency appropriation from the general fund of the municipality and
21 transfer that appropriation to the general improvement fund in the
22 manner prescribed by statute for the making of emergency
23 appropriations.

24 (c) ~~Any sum may be appropriated or levied under this section in any~~
25 ~~one (1) year, but the aggregate sum that may be appropriated and levied~~
26 ~~under this section, including emergency appropriations under~~
27 ~~subsection (b); may not exceed the equivalent of sixteen and~~
28 ~~sixty-seven hundredths cents (\$0.1667) on each one hundred dollars~~
29 ~~(\$100) net taxable valuation of property in the municipality.~~

30 SECTION 332. IC 36-9-17.5-2, AS ADDED BY P.L.129-1999,
31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2005]: Sec. 2. A township may establish a cumulative
33 township vehicle and building fund ~~under IC 6-1.1-41~~ to provide
34 money to:

- 35 (1) acquire township vehicles;
- 36 (2) purchase, construct, equip, and maintain buildings for public
37 purposes;
- 38 (3) acquire the land and any improvements on the land that are
39 necessary for the construction of public buildings;
- 40 (4) demolish any improvements on land acquired under this
41 section and level, grade, and prepare the land for the construction
42 of a public building;

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- 1 (5) acquire land or rights-of-way to be used as a public way or
- 2 other means of ingress or egress to land acquired for the
- 3 construction of a public building; and
- 4 (6) improve or construct any public way or other means of ingress
- 5 or egress to land acquired for the construction of a public
- 6 building.

7 SECTION 333. IC 36-9-17.5-3, AS ADDED BY P.L.129-1999,
 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2005]: Sec. 3. (a) The following revenues may be
 10 deposited in the cumulative township vehicle and building fund:

- 11 (1) All or part of the revenues ~~from a property tax levy~~ dedicated
- 12 for township vehicle and building purposes.
- 13 (2) Other sources of revenue specified by resolution of the
- 14 township legislative body.
- 15 (b) Appropriations may be made from the cumulative township
- 16 vehicle and building fund only for the purposes specified in section 2
- 17 of this chapter.

18 (c) Money in the cumulative township vehicle and building fund
 19 does not revert to the township general fund at the end of a township
 20 fiscal year.

21 SECTION 334. IC 36-9-17.5-4, AS ADDED BY P.L.129-1999,
 22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2005]: Sec. 4. (a) **The legislative body may**
 24 **appropriate money** to provide for the cumulative township vehicle
 25 and building fund authorized under this chapter. ~~The legislative body~~
 26 ~~of a township may levy a tax on all taxable property within the~~
 27 ~~township in compliance with IC 6-1-1-41. The tax rate may not exceed~~
 28 ~~five cents (\$0.05) on each one hundred dollars (\$100) of assessed~~
 29 ~~valuation of property in the township for property taxes first due and~~
 30 ~~payable before January 1, 2002; or one and sixty-seven hundredths~~
 31 ~~cents (\$0.0167) on each one hundred dollars (\$100) of assessed~~
 32 ~~valuation of property in the township for property taxes first due and~~
 33 ~~payable after December 31, 2001.~~

34 (b) ~~As the tax is collected; it~~ **The money** shall be deposited in a
 35 qualified public depository or depositories and held in a special fund
 36 known as the cumulative township vehicle and building fund.

37 SECTION 335. IC 36-9-25-14 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) As to each
 39 municipality to which this chapter applies:

- 40 (1) all the territory included within the corporate boundaries of
- 41 the municipality; and
- 42 (2) any territory, town, addition, platted subdivision, or unplatted

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1 land lying outside the corporate boundaries of the municipality
2 that has been taken into the district in accordance with a prior
3 statute, the sewage or drainage of which discharges into or
4 through the sewage system of the municipality;
5 constitutes a special taxing district for the purpose of providing for the
6 sanitary disposal of the sewage of the district in a manner that protects
7 the public health and prevents the undue pollution of watercourses of
8 the district.

- 9 (b) Upon request by:
10 (1) a resolution adopted by the legislative body of another
11 municipality in the same county; or
12 (2) a petition of the majority of the resident freeholders in a
13 platted subdivision or of the owners of unplatted land outside the
14 boundaries of a municipality, if the platted subdivision or
15 unplatted land is in the same county;

16 the board may adopt a resolution incorporating all or any part of the
17 area of the municipality, platted subdivision, or unplatted land into the
18 district.

19 (c) A request under subsection (b) must be signed and certified as
20 correct by the secretary of the legislative body, resident freeholders, or
21 landowners. The original shall be preserved in the records of the board.
22 The resolution of the board incorporating an area in the district must be
23 in writing and must contain an accurate description of the area
24 incorporated into the district. A certified copy of the resolution, signed
25 by the president and secretary of the board, together with a map
26 showing the boundaries of the district and the location of additional
27 areas, shall be delivered to the auditor of the county within which the
28 district is located. It shall be properly indexed and kept in the
29 permanent records of the offices of the auditor.

30 (d) In addition, upon request by ten (10) or more interested resident
31 freeholders in a platted or unplatted territory, the board may define the
32 limits of an area within the county and including the property of the
33 freeholders that is to be considered for inclusion into the district.
34 Notice of the defining of the area by the board, and notice of the
35 location and limits of the area, shall be given by publication in
36 accordance with IC 5-3-1. Upon request by a majority of the resident
37 freeholders of the area, the area may be incorporated into the district in
38 the manner provided in this section. The resolution of the board
39 incorporating the area into the district and a map of the area shall be
40 made and filed in the same manner.

41 (e) In addition, a person owning or occupying real property outside
42 the district may enter into a sewer service agreement with the board for

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1 connection to the sewage works of the district. If the agreement
 2 provides for connection at a later time, the date or the event upon
 3 which the service commences shall be stated in the agreement. The
 4 agreement may impose any conditions for connection that the board
 5 determines. The agreement must also provide the amount of service
 6 charge to be charged for connection if the persons are not covered
 7 under section 11 of this chapter, with the amount to be fixed by the
 8 board in its discretion and without a hearing.

9 (f) All sewer service agreements made under subsection (e) shall be
 10 recorded in the office of the recorder of the county where the property
 11 is located. The agreements run with the property described and are
 12 binding upon the persons owning or occupying the property, their
 13 personal representatives, heirs, devisees, grantees, successors, and
 14 assigns. Each recorded agreement that provides for the property being
 15 served to be placed on the tax rolls shall be certified by the board to the
 16 auditor of the county where the property is located. ~~The certification~~
 17 ~~must state the date the property is to be placed on the tax rolls, and~~
 18 ~~upon receipt of the certification together with a copy of the agreement,~~
 19 ~~the auditor shall immediately place the property certified upon the rolls~~
 20 ~~of property subject to the levy and collection of taxes for the district.~~
 21 An agreement may provide for the collection of a service charge. ~~for~~
 22 ~~the period services are rendered before the levy and collection of the~~
 23 ~~tax.~~

24 (g) Except as provided in subsection (i), sewer service agreements
 25 made under subsection (e) must contain a provision that persons (other
 26 than municipalities) who own or occupy property agree for themselves,
 27 their executors, administrators, heirs, devisees, grantees, successors,
 28 and assigns that they will:

- 29 (1) neither object to nor file a remonstrance against the proposed
- 30 annexation of the property by a municipality within the
- 31 boundaries of the district;
- 32 (2) not appeal from an order or a judgment annexing the property
- 33 to a municipality; and
- 34 (3) not file a complaint or an action against annexation
- 35 proceedings.

36 (h) This section does not affect any sewer service agreements
 37 entered into before March 13, 1953.

38 (i) Subsection (g) does not apply to a landowner if all of the
 39 following conditions apply:

- 40 (1) The landowner is required to connect to a sewer service
- 41 because a person other than the landowner has polluted or
- 42 contaminated the area.

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1 (2) The costs of extension of service or connection to the sewer
 2 service are paid by a person other than the landowner or the
 3 municipality.

4 SECTION 336. IC 36-9-25-29 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 29. (a) In order to
 6 raise money to pay all bonds issued under section 27 of this chapter,
 7 including interest, and except as set forth in subsection (c), the board
 8 shall levy each year a special tax upon all the property of the district;
 9 **appropriate a sufficient amount** to meet and pay the principal of the
 10 bonds as they mature, together with all accrued interest. ~~The board~~
 11 ~~shall have the tax levied each year certified to the municipal fiscal~~
 12 ~~officer and to the auditor of the county in which the district is located~~
 13 ~~by October 1. The tax as levied and certified shall be estimated and~~
 14 ~~entered upon the tax duplicate by the county auditor. The tax shall be~~
 15 ~~collected and enforced by the county treasurer in the same manner as~~
 16 ~~state and county taxes are estimated; entered; collected; and enforced:~~

17 (b) ~~As the tax is collected by the county treasurer, it shall be~~
 18 ~~accumulated and kept in a separate fund to be known as the sanitary~~
 19 ~~district bond fund. It shall be applied to the payment of the bonds and~~
 20 ~~interest as they mature and not to another purpose. All accumulations~~
 21 ~~of the fund before their use for the payment of the bonds and interest~~
 22 ~~shall be deposited with the depository or depositories of other public~~
 23 ~~funds in the municipality. The fund may also be invested as other funds~~
 24 ~~are invested. In determining the amount of levy necessary for this~~
 25 ~~section, the board shall consider the amount of revenue, if any, to be~~
 26 ~~derived from the collection of fees for sewage treatment service above~~
 27 ~~the amount of revenues necessary to be applied to the operation,~~
 28 ~~maintenance, and administrative expenses of the district.~~

29 (c) ~~In lieu of making a levy under this section, or to reduce the~~
 30 ~~amount of the levy; (b) The board may set aside, by resolution, the~~
 31 ~~revenues of the district to be collected before the maturity of the~~
 32 ~~principal and interest of the bonds payable in the following calendar~~
 33 ~~year. If the board adopts the resolution, then the board may not use any~~
 34 ~~part of the amount set aside out of the revenues for any purpose other~~
 35 ~~than the payment of the bonds and interest. A proportionate payment~~
 36 ~~of the amount shall be made to the bond fund monthly.~~

37 SECTION 337. IC 36-9-25-31 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 31. To provide
 39 money to pay for general expenses of the board not chargeable to the
 40 cost of any property acquired or work done under a resolution of the
 41 board for which bonds of the district are issued, the board may issue
 42 the bonds of the district in an aggregate amount not to exceed two

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1 percent (2%) of the adjusted value of the taxable property within the
 2 district as determined under IC 36-1-15. ~~The bonds are payable from~~
 3 ~~a special tax, which the board shall levy annually at the rate required~~
 4 ~~to finance the bonds. The tax shall be levied, collected, and expended~~
 5 ~~according to section 32 of this chapter.~~

6 SECTION 338. IC 36-9-25-32 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 32. (a) To provide
 8 money to pay:

9 (1) all general expenses of the board, including salaries of officers
 10 and employees, fees and expenses for professional services, and
 11 other items of expense not chargeable to the cost of property
 12 acquisition or work done under a resolution of the board for
 13 which bonds of the district are issued; and

14 (2) for the operation, maintenance, and repair of sewage works,
 15 including the cost of the collection and removal of garbage and
 16 ashes;

17 a tax ~~on all the taxable property in the district~~, at the rate required to
 18 provide the money needed to defray all expenses, shall be ~~levied~~
 19 **imposed** annually ~~under IC 6-3.5-9~~ by the board.

20 (b) ~~The county auditor shall estimate the taxes and enter them upon~~
 21 ~~the tax duplicate, and the county treasurer shall collect and enforce the~~
 22 ~~taxes in the same manner as state and county taxes are estimated,~~
 23 ~~entered, collected, and enforced. The county treasurer shall, by the~~
 24 ~~tenth day of each month, notify the board of the amount of taxes~~
 25 ~~collected during the preceding month and shall credit a fund to be~~
 26 ~~known as the sanitary maintenance and general expense fund with that~~
 27 ~~amount. The fund may not be used for a purpose other than one stated~~
 28 ~~in this section. The board has complete and exclusive authority to~~
 29 ~~expend on behalf of the district all money thus realized. Warrants for~~
 30 ~~the expenditures shall be drawn by the municipal fiscal officer upon~~
 31 ~~vouchers of the board.~~

32 (c) ~~(b)~~ The board may, by resolution, make:

33 (1) temporary loans in anticipation of taxes actually levied under
 34 this section; or

35 (2) emergency loans for the expenditure of any sums not provided
 36 for in the current levy of the board, for which a ~~levy tax~~ shall then
 37 be made in the next annual budget of the board.

38 The loans mature and shall be paid within one (1) year after the date
 39 the loan is made and may bear interest at any rate payable at the
 40 maturity of the loan. The warrants or other evidence of the loans may
 41 not be sold for less than par. Before making the loan, notice of the time,
 42 place, amount, and terms of the loan shall be given by publication in

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1 accordance with IC 5-3-1. The warrants carry no personal obligation
2 for their payment and are payable only out of the tax ~~levied~~. **imposed.**

3 SECTION 339. IC 36-9-27-73 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 73. (a) There is
5 established in each county a general drain improvement fund, which
6 shall be used to pay the cost of:

- 7 (1) constructing or reconstructing a regulated drain under this
8 chapter; and
9 (2) removing obstructions from drains under IC 36-9-27.4.

10 In addition, if a maintenance fund has not been established for a drain,
11 or if a maintenance fund has been established and it is insufficient, the
12 general drain improvement fund shall be used to pay the deficiency.

13 (b) The general drain improvement fund consists of:

- 14 (1) all money in any ditch or drainage fund that was not otherwise
15 allocated by January 1, 1966, which money the county treasurer
16 shall transfer to the general drain improvement fund by January
17 1, 1985;
18 (2) proceeds from the sale of bonds issued to pay the costs of
19 constructing or reconstructing a drain;
20 (3) costs collected from petitioners in a drainage proceeding;
21 (4) appropriations made from the general fund of the county, or
22 taxes levied by the county fiscal body for drainage purposes;
23 (5) money received from assessments upon land benefited for
24 construction or reconstruction of a regulated drain;
25 (6) interest and penalties received on collection of delinquent
26 drain assessments and interest received for deferred payment of
27 drain assessments;
28 (7) money repaid to the general drain improvement fund out of a
29 maintenance fund; and
30 (8) money received from loans under section 97.5 of this chapter.

31 (c) The county fiscal body, at the request of the board and on
32 estimates prepared by the board, shall from time to time appropriate
33 enough money for transfer to the general drain improvement fund to
34 maintain the fund at a level sufficient to meet the costs and
35 expenditures to be charged against it, after allowing credit to the fund
36 for assessments paid into it.

37 (d) There is no limit to the amount that the county fiscal body may
38 appropriate ~~and levy~~ for the use of the general drain improvement fund
39 in any one (1) year ~~However, the aggregate amount appropriated and~~
40 ~~levied for the use of the fund may not exceed the equivalent of fifty~~
41 ~~cents (\$.50) on each one hundred dollars (\$100) of net taxable~~
42 ~~valuation on the real and personal property in the county. from a tax~~

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1 **imposed under IC 6-3.5-9.**

2 (e) Whenever:

3 (1) the board finds that the amount of money in the general drain
4 improvement fund exceeds the amount necessary to meet the
5 expenses likely to be paid from the fund; and

6 (2) the money was raised by taxation under ~~this section;~~
7 **IC 6-3.5-9;**

8 the board shall issue an order specifying the excess amount and
9 directing that it shall be transferred to the general fund of the county.
10 The board shall serve the order on the county auditor, who shall
11 transfer the excess amount to the general fund of the county.

12 SECTION 340. IC 36-9-27-74 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 74. (a) This
14 section applies to a county having a population of more than four
15 hundred thousand (400,000) but less than seven hundred thousand
16 (700,000).

17 (b) Each year, the county shall ~~levy the~~ **impose a** tax authorized by
18 section 73 of this chapter at a rate ~~on each one hundred dollars (\$100)~~
19 ~~of assessed valuation~~ that will yield three hundred thousand dollars
20 (\$300,000) per year.

21 (c) ~~The county auditor shall determine a particular watershed's part~~
22 ~~of the receipts from the tax authorized by this section by multiplying~~
23 ~~the total tax receipts by a fraction determined by the county surveyor.~~
24 ~~The numerator of the fraction is the number of acres in the particular~~
25 ~~watershed; and the denominator is the total number of acres in all of the~~
26 ~~watersheds in the county. The auditor shall annually distribute these~~
27 ~~amounts to the watersheds in the county.~~

28 (d) ~~The county legislative body shall annually appropriate, for use~~
29 ~~in the county in each of these watersheds, at least eighty percent (80%)~~
30 ~~of the watershed's part of the tax receipts.~~

31 SECTION 341. IC 36-9-27-99 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 99. A municipal
33 or county fiscal body may, by resolution, establish a cumulative
34 drainage fund ~~under IC 6-1.1-41~~ for the construction, reconstruction,
35 or maintenance of drains under this chapter. In the case of a county,
36 however, the fund may be established only upon the recommendation
37 of the county executive.

38 SECTION 342. IC 36-9-27-100 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 100. **The fiscal**
40 **body may appropriate money** to provide money for a cumulative
41 drainage fund established under section 99 of this chapter. ~~the fiscal~~
42 ~~body may levy a tax in compliance with IC 6-1.1-41 not to exceed five~~

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1 cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation
2 of all taxable personal and real property:

- 3 (1) within the corporate boundaries, in the case of a municipality;
- 4 or
- 5 (2) within the county but outside the corporate boundaries of all
- 6 municipalities, in the case of a county.

7 SECTION 343. IC 36-9-29-15 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 15. The county
9 auditor shall include on the tax duplicates for the county the special
10 benefit taxes assessments levied for the flood control district. and shall
11 perform the same duties in connection with the levy and collection of
12 these taxes as are performed for general taxes levied by any political
13 subdivision in the county.

14 SECTION 344. IC 36-9-29-23 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 23. (a) The flood
16 control board shall, by resolution, direct that bonds be issued in the
17 name of the flood control district:

- 18 (1) for the purpose of procuring money to pay the cost of
- 19 acquisition of property, the cost of construction or installation of
- 20 flood control works, or both; and
- 21 (2) in anticipation of the collection of the special benefit taxes
- 22 assessments to be levied under this chapter.
- 23 (b) The amount of the bonds may not exceed:
 - 24 (1) the total cost of property to be acquired and the total amount
 - 25 of damages to be awarded on account of property injuriously
 - 26 affected but not acquired, as shown by the acquisition and damage
 - 27 roll previously adopted and filed by the flood control board or as
 - 28 determined by court action;
 - 29 (2) the contract price of the works contracted for, or the estimated
 - 30 cost of additional labor, materials, machinery, and equipment
 - 31 when the federal government or others have agreed to supply a
 - 32 part of those items for use on the construction of any part of the
 - 33 works and no construction contract is to be let;
 - 34 (3) an amount sufficient to pay the cost of supervision and
 - 35 inspection during the period of construction;
 - 36 (4) all other general, administrative, legal, engineering, and
 - 37 incidental expenses previously incurred on account of or in
 - 38 connection with the establishment of the district, the
 - 39 administration of its affairs, the acquisition of property, and the
 - 40 construction of the works, together with the expenses to be
 - 41 incurred in connection with the issuance and sale of bonds; and
 - 42 (5) an amount sufficient to pay any outstanding warrants issued

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1 for the purpose of obtaining money for expenses before the
2 issuance of bonds.

3 (c) If different parcels of land are to be acquired or more than one
4 (1) contract for work is let by the flood control board at approximately
5 the same time, the board may provide for the total cost of the land or
6 work in one (1) issue of bonds. If the cost of acquiring property or the
7 amount required for the payment of damages to property not acquired
8 exceeds the board's estimate of the amount required for that purpose,
9 additional bonds may be issued to supply the deficiency.

10 (d) The bonds shall be issued in any denomination not exceeding
11 one thousand dollars (\$1,000), and in not less than twenty (20) nor
12 more than sixty (60) series, which must be as nearly equal as possible
13 considering the amount of the issue, the number of serial maturities,
14 and the denominations to be used.

15 (e) The bonds are payable one (1) series each six (6) months. The
16 first payment shall be made on January 1 in the second year following
17 the date of their issue, if a tax levy to meet the requirements of the
18 bonds is made in the year in which the bonds are issued. Otherwise, the
19 first series of bonds is payable on January 1 of the third year following
20 the date of their issue.

21 (f) The bonds are negotiable instruments.

22 (g) The bonds may bear interest at any rate, with the exact rate to be
23 determined by bidding. The interest is payable semiannually on January
24 1 and July 1 of each year, with the first interest payable on July 1
25 preceding the maturity date of the first series of bonds.

26 (h) The bonds shall be signed by the president or vice president of
27 the flood control board, and attested by the executive secretary of the
28 board. The interest coupons shall be executed by placing on them the
29 facsimile signature of the president or vice president whose signature
30 appears on the bonds.

31 (i) The flood control board may not issue any bonds of the flood
32 control district payable out of special benefit taxes when the total
33 amount outstanding for that purpose, including the bonds issued and to
34 be issued, is in excess of five percent (5%) of the total adjusted value
35 of taxable property in the district as determined under IC 36-1-15. All
36 bonds or obligations issued in violation of this subsection are void.

37 (j) The bonds are not a corporate obligation or indebtedness of any
38 unit having territory included in the district, but are an indebtedness of
39 the flood control district as a special taxing district. The bonds are
40 payable solely out of the special benefit taxes levied under this chapter.
41 The bonds must state these facts upon their face, together with the
42 purpose for which they are issued.

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1 (k) The bonds of any issue may be sold in parcels or as a whole.
2 Notice of the sale must be given by publication in accordance with
3 IC 5-3-1.

4 (l) The bonds shall be sold to the highest qualified bidder, but may
5 not be sold for less than their par value. The highest bidder is the
6 person who offers the lowest net interest cost to the district, as
7 determined by computing the total interest on all of the bonds to their
8 maturities and then deducting the premium bid, if any.

9 (m) When the flood control board sells the bonds, the executive
10 secretary of the board shall have the bonds prepared and executed, and
11 shall deliver them to the county treasurer, together with a certificate
12 showing the amount to be paid by the purchaser. Upon the payment of
13 the purchase price the treasurer shall deliver the bonds to the
14 purchaser. The executive secretary shall furnish the successful bidder
15 a transcript of the proceedings relating to the authorization and
16 issuance of the bonds, together with the other documents necessary to
17 establish the validity of the bonds. The transcript and other documents
18 are presumptive evidence of the validity of the bonds, and shall be
19 accepted in evidence in any litigation relating to or affecting the bonds.

20 SECTION 345. IC 36-9-29-30 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 30. (a) For the
22 purpose of obtaining money to pay the bonds and the interest on them,
23 the flood control board shall levy a special ~~benefit tax~~ **assessments**
24 each year upon all of the property in the flood control district. The tax
25 shall be levied in the amount necessary to pay the principal of the
26 bonds as they mature, together with the interest accruing on them.

27 (b) The flood control board shall cause the ~~tax levied~~ **special**
28 **assessments** to be certified to the auditor of the county in which the
29 property subject to the tax is located, before October 2 of each year.
30 The tax levied and certified shall be estimated and entered upon the tax
31 duplicates by the county auditor, and shall be collected and enforced
32 by the county treasurer in the same manner as state and county taxes
33 are estimated, entered, collected, and enforced.

34 (c) As the tax is collected by the county treasurer, it shall be
35 accumulated in a separate fund to be known as the "_____ flood
36 control district bond fund", and shall be applied only to the payment of
37 the bonds and the interest on them.

38 SECTION 346. IC 36-9-29-31 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 31. (a) The flood
40 control board may levy a special ~~benefit tax~~ **assessments** each year for
41 the purpose of providing for the cost of operation, maintenance, and
42 repair of the flood control works after the completion of the works,

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1 including the general expenses of the board, such as salary and wages,
 2 that the board finds are not properly chargeable to the proceeds of
 3 bonds issued under this chapter. ~~The tax may not exceed eleven and~~
 4 ~~sixty-seven hundredths cents (\$0.1167) on each hundred dollars (\$100)~~
 5 ~~of taxable property in the district, as it appears on the tax duplicates.~~

6 (b) The property within the flood control district is conclusively
 7 presumed to be benefited to the extent of the annual tax by the
 8 maintenance of the district and the maintenance, operation, and repair
 9 of the flood control works.

10 (c) The county auditor shall estimate the tax and enter it upon the
 11 tax duplicates, and the county treasurer shall collect and enforce the tax
 12 in the same manner as state and county taxes are estimated, entered,
 13 collected, and enforced.

14 (d) The county treasurer charged with the duty of collecting the
 15 taxes shall, between the first and tenth days of each month, notify the
 16 flood control board of the amount of the tax collected during the
 17 preceding month. Upon the date of notification, the treasurer shall
 18 credit the amount collected to a fund designated as "_____ flood
 19 control district maintenance fund", which may be used only for the
 20 purposes stated in this section.

21 (e) The flood control board has complete and exclusive authority to
 22 expend, on behalf of the flood control district, all revenues realized
 23 under this section.

24 (f) The flood control board may, by resolution, authorize and make
 25 temporary loans in anticipation of the collection of the special ~~benefit~~
 26 ~~taxes assessments~~ actually levied and in course of collection under this
 27 section. The loans mature and shall be paid within the year in which
 28 they are made, and may bear interest at any rate payable at the maturity
 29 of the loan. The temporary loans shall be evidenced by warrants, and,
 30 if the amount of warrants to be issued exceeds five thousand dollars
 31 (\$5,000), they shall be sold at public sale in the same manner as the
 32 bonds of the district.

33 SECTION 347. IC 36-9-29.1-12 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. (a) For the
 35 purpose of raising money to pay for the property and the construction,
 36 and in anticipation of the special ~~tax assessments~~ to be levied as
 37 provided in section 14 of this chapter, the board may cause to be
 38 issued, in the name of the consolidated city, the bonds of the flood
 39 control district, not to exceed the amount of the estimated total cost of
 40 all lands, rights-of-way, and other property so to be acquired and the
 41 estimated cost of all work or construction as provided for in the
 42 resolution, and including all expenses necessarily incurred in

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1 connection with the proceedings, together with a sum sufficient to pay
2 the cost of supervision and inspection during the period of construction
3 of the work.

4 (b) The expenses to be covered in the amount of the bond issue must
5 include all expenses of every kind actually incurred preliminary to the
6 acquiring of the property and the construction of the work, such as the
7 cost of necessary records, engineering expenses, publication of notices,
8 salaries, and other expenses necessary to be incurred before and in
9 connection with the acquiring of the property, the amending of the
10 contract, and the sale of bonds.

11 (c) In case different parcels of land are to be acquired, or more than
12 one (1) contract for work is amended, at approximately the same time,
13 whether under one (1) or more resolutions, the board may provide for
14 the estimated total cost of these items in one (1) issue of bonds.

15 (d) The bonds shall be issued in accordance with IC 36-3-5-8.

16 (e) The bonds are negotiable instruments and bear interest payable
17 semiannually, on the first days of January and July of each year, with
18 the first interest to be payable on July 1 preceding the maturity of the
19 first series of the bonds.

20 (f) On adopting a resolution ordering the bonds, the board shall
21 certify a copy of it to the fiscal officer of the consolidated city, who
22 shall prepare the bonds. The bonds shall be executed by the city
23 executive and attested by the fiscal officer.

24 (g) The bonds are exempt from taxation as provided by IC 6-8-5.

25 (h) All bonds issued by the board shall be sold by the city fiscal
26 officer in accordance with IC 5-1-11.

27 (i) Bonds of the flood control district payable by special taxation
28 may not be issued when the total issue for that purpose, including the
29 bonds already issued and to be issued, exceeds two percent (2%) of the
30 adjusted value of the taxable property within the district as determined
31 under IC 36-1-15. All bonds or obligations issued in violation of this
32 subsection are void.

33 (j) The bonds are not, in any respect, a corporate obligation or
34 indebtedness of the consolidated city, but constitute an indebtedness of
35 the flood control district as a special taxing district, and the bonds and
36 interest on them are payable only out of a special tax levy upon all the
37 property of the district. The bonds must recite these terms upon their
38 face, together with the purpose for which they are issued.

39 (k) An action to question the validity of any bonds issued for the
40 flood control district or to prevent their issue must be brought before
41 the date set for the sale of the bonds, and all bonds, from and after that
42 date, are incontestable for any reason.

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1 SECTION 348. IC 36-9-31-3, AS AMENDED BY P.L.2-2002,
 2 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. In order to provide for the
 4 collection and disposal of waste in the consolidated city and for the
 5 management, operation, acquisition, and financing of facilities for
 6 waste disposal, the board may exercise the following powers on behalf
 7 of the city, in addition to the powers specifically set forth elsewhere in
 8 this chapter:

9 (1) To sue and be sued.

10 (2) To exercise the power of eminent domain as provided in
 11 IC 32-24 within the corporate boundaries of the city; however, the
 12 power of eminent domain may not be exercised to acquire the
 13 property of any public utility used for the production or
 14 distribution of energy.

15 (3) To provide for the collection of waste accumulated within the
 16 service district and to provide for disposal of waste accumulated
 17 within the waste disposal district, including contracting with
 18 persons for collection, disposal, or waste storage, and the recovery
 19 of byproducts from waste, and granting these persons the right to
 20 collect and dispose of any such wastes and store and recover
 21 byproducts from them.

22 (4) To plan, design, construct, finance, manage, own, lease,
 23 operate, and maintain facilities for waste disposal.

24 (5) To enter into all contracts or agreements necessary or
 25 incidental to the collection, disposal, or recovery of byproducts
 26 from waste, such as put or pay contracts, contracts and
 27 agreements for the design, construction, operation, financing,
 28 ownership, or maintenance of facilities or the processing or
 29 disposal of waste or the sale or other disposition of any products
 30 generated by a facility. Notwithstanding any other statute, any
 31 such contract or agreement may be for a period not to exceed forty
 32 (40) years.

33 (6) To enter into agreements for the leasing of facilities in
 34 accordance with IC 36-1-10; however, any such agreement having
 35 an original term of five (5) or more years is subject to approval by
 36 the department of local government finance under IC 6-3.5. Such
 37 an agreement may be executed before approval, but if the
 38 department of local government finance does not approve the
 39 agreement, it is void.

40 (7) To purchase, lease, or otherwise acquire real or personal
 41 property.

42 (8) To contract for architectural, engineering, legal, or other

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- 1 professional services.
- 2 (9) To exclusively control, within the city, the collection,
- 3 transportation, storage, and disposal of waste and, subject to the
- 4 provisions of sections 6 and 8 of this chapter, to fix fees in
- 5 connection with these matters.
- 6 (10) To determine exclusively the location and character of any
- 7 facility, subject to local zoning ordinances and environmental
- 8 management laws (as defined in IC 13-11-2-71).
- 9 (11) To sell or lease to any person any facility or part of it.
- 10 (12) To make and contract for plans, surveys, studies, and
- 11 investigations.
- 12 (13) To enter upon property to make surveys, soundings, borings,
- 13 and examinations.
- 14 (14) To accept gifts, grants, or loans of money, other property, or
- 15 services from any source, public or private, and to comply with
- 16 their terms.
- 17 (15) To issue from time to time waste disposal district bonds to
- 18 finance the cost of facilities as provided in section 9 of this
- 19 chapter.
- 20 (16) To issue from time to time revenue bonds to finance the cost
- 21 of facilities as provided in section 10 of this chapter.
- 22 (17) To issue from time to time waste disposal development
- 23 bonds to finance the cost of facilities as provided in section 11 of
- 24 this chapter.
- 25 (18) To issue from time to time notes in anticipation of grants or
- 26 in anticipation of the issuance of bonds to finance the cost of
- 27 facilities as provided in section 13 of this chapter.
- 28 (19) To establish fees for the collection and disposal of waste,
- 29 subject to the provisions of sections 6 and 8 of this chapter.
- 30 (20) To levy a tax **under IC 6-3.5-9** within the service district to
- 31 pay costs of operation in connection with waste collection, waste
- 32 disposal, mowing services, and animal control, subject to regular
- 33 budget ~~and tax levy~~ procedures. For purposes of this subdivision,
- 34 "mowing services" refers only to mowing services for
- 35 rights-of-way or on vacant property.
- 36 (21) To levy a tax **under IC 6-3.5-9** within the waste disposal
- 37 district to pay costs of operation in connection with waste
- 38 disposal, subject to regular budget ~~and tax levy~~ procedures.
- 39 (22) To borrow in anticipation of taxes.
- 40 (23) To employ staff engineers, clerks, secretaries, and other
- 41 employees in accordance with an approved budget.
- 42 (24) To issue requests for proposals and requests for

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1 qualifications as provided in section 4 of this chapter.
 2 (25) To require all persons located within the service district or
 3 waste disposal district to deposit waste at sites designated by the
 4 board.
 5 (26) To otherwise do all things necessary for the collection and
 6 disposal of waste and the recovery of byproducts from it.
 7 SECTION 349. IC 36-9-31-9 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 9. (a) The waste
 9 disposal district constitutes a special taxing district for the purpose of
 10 levying a special ~~benefit tax~~ **assessments** for the purpose of providing
 11 the disposal of waste and the recovery of byproducts from waste.
 12 (b) Whenever, upon investigation, the board determines that a
 13 facility or facilities for waste disposal is necessary for the public health
 14 and welfare, and that the construction, modification, or acquisition of
 15 the facility or facilities will be of public utility and benefit, the board
 16 may, upon approval of the city-county legislative body, issue waste
 17 disposal district bonds under this section for the payment of the cost of
 18 the facility.
 19 (c) Before authorizing the waste disposal district bonds the board
 20 may either accept public bids for the facility or adopt a resolution
 21 approving a request for proposals all as provided in section 4 of this
 22 chapter.
 23 (d) When plans and specifications have been prepared according to
 24 the public bidding requirements of IC 36-1-12, or a resolution adopted
 25 by the board approving a request for proposals, the board shall adopt
 26 a resolution declaring that, upon investigation, it has been found that
 27 it is necessary for the public health and welfare and will be of public
 28 utility and benefit to construct, modify, or acquire (and maintain where
 29 constructed) the facility or facilities and to acquire the property
 30 described for that purpose. The resolution shall be kept open to
 31 inspection by all persons interested in or affected by the acquisition of
 32 the property or the construction of the facility. Upon adoption of the
 33 resolution, the board shall give public notice of the adoption and its
 34 purpose, which notice must name a date not less than ten (10) days
 35 after the date of the last publication on which the board will receive or
 36 hear remonstrances from persons interested in or affected by the
 37 facility or facilities and will determine their public utility and benefit.
 38 (e) At the time fixed for the hearing, or at any time before that, any
 39 person owning real or personal property within the waste disposal
 40 district may file a written remonstrance with the board. At the hearing,
 41 which may be adjourned from time to time, the board shall hear all
 42 persons interested in the proceedings and all remonstrances filed. After

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1 considering the remonstrances, the board shall take final action
 2 determining the public utility and benefit of the proposed proceedings
 3 and confirm, modify and confirm, or rescind the resolution, which final
 4 action shall be duly recorded. This action is final and conclusive upon
 5 all persons, except that any person who has remonstrated in writing and
 6 who is aggrieved by the decision of the board may take an appeal as
 7 provided in subsection (f).

8 (f) Any person who has filed a written remonstrance with the board
 9 as provided in subsection (e), in case the board takes final action
 10 confirming the resolution in its original or any modified form, is
 11 entitled to appeal to the superior court of the county. Within ten (10)
 12 days after the final action of the board, the remonstrator must file in the
 13 office of the clerk of the court a copy of the resolution of the board and
 14 his remonstrance, together with a surety bond conditioned to pay the
 15 costs of the appeal should the appeal be determined against him. The
 16 only ground of remonstrance of which the court has jurisdiction on
 17 appeal is the question of whether it will be of public utility and benefit
 18 to construct, modify, or acquire the proposed facility, and the burden
 19 of proof is upon the remonstrator. The cause shall be summarily tried
 20 by the court without a jury. All remonstrances upon which an appeal
 21 are taken shall be consolidated and heard as one (1) cause of action by
 22 the court, and the cause shall be heard and determined by the court
 23 within thirty (30) days after the time of filing the appeal. Upon the date
 24 fixed for hearing, the court shall hear evidence upon the remonstrances
 25 and shall confirm the final action of the board on the resolution or
 26 sustain the remonstrance.

27 (g) Upon final action of the board, or court, confirming the
 28 resolution in its original or any modified form, all real or personal
 29 property located within the waste disposal district is subject to a special
 30 tax for the purpose of providing money to pay all or a part of the total
 31 cost of the acquisition, modification, or construction of the facility,
 32 which special tax is declared to constitute the amount of benefits
 33 resulting to all of the property in the district.

34 (h) For the purpose of raising money to pay the cost of the facility,
 35 and in anticipation of the special **tax assessment** to be levied, the board
 36 shall, upon the approval of the legislative body, cause to be issued
 37 waste disposal district bonds in the name of the consolidated city in
 38 accordance with IC 36-3-5-8.

39 (i) On adopting a resolution ordering the issuance of waste disposal
 40 district bonds, the board, with legislative body approval, shall then
 41 certify a copy of the resolution and a copy of the approval to the fiscal
 42 officer of the consolidated city, who shall then prepare the bonds.

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1 (j) The waste disposal district bonds are not, in any respect, a
 2 corporate obligation or indebtedness of the consolidated city, but
 3 constitute an indebtedness of the waste disposal district. The waste
 4 disposal district bonds, and interest on them, issued under this section
 5 are payable out of a special **tax assessment** levied upon all of the
 6 property of the waste disposal district and any other revenues made
 7 available for that purpose under this chapter. The waste disposal
 8 district bonds must so recite these terms upon their face, together with
 9 the purpose for which they are issued.

10 (k) All proceeds from the sale of waste disposal district bonds shall
 11 be kept as a separate and specific fund, to pay the cost of the facility,
 12 and no part of the proceeds may be used for any other purpose. Any
 13 surplus remaining out of the proceeds of the waste disposal district
 14 bonds, after all of the cost is fully paid, shall be paid into and becomes
 15 a part of the waste disposal district bond fund; however, money derived
 16 from sources other than the waste disposal district bond proceeds, such
 17 as state or federal grants or other contributions, are not so restricted as
 18 to application regardless of whether the contribution arises for a project
 19 financed from waste disposal district bond proceeds.

20 (l) For the purpose of raising money to pay the waste disposal
 21 district bonds issued under this section, the city-county legislative body
 22 shall levy each year a special **tax assessment** upon all the property of
 23 the waste disposal district in such amount and manner as to meet and
 24 pay the principal of the waste disposal district bonds as they severally
 25 mature, together with all accruing interest on them. The **tax assessment**
 26 so levied each year shall be certified to the fiscal officers of the
 27 consolidated city and the county. The **tax assessment** so levied and
 28 certified shall be estimated and entered upon the tax duplicate by the
 29 county auditor and shall be collected and enforced by the county
 30 treasurer in the same manner as county taxes are estimated, entered,
 31 collected and enforced. As the **tax assessment** is collected by the
 32 county treasurer, it shall be accumulated and kept in a separate fund to
 33 be known as the waste disposal district bond fund, and shall be applied
 34 to the payment of the principal of and interest on the waste disposal
 35 district bonds as they become due and to no other purpose. In fixing the
 36 amount of the necessary **levy assessment** the legislative body shall
 37 consider the amount of net revenues, if any, to be derived from the
 38 collection of fees under section 8 of this chapter or any other net
 39 revenues collected under this chapter above the amount of revenues
 40 necessary to be applied upon or reserved by or for the city for the
 41 operation, maintenance, and administrative expenses of the facilities.
 42 The board shall annually, in lieu of making the **levy special assessment**

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1 or to reduce the amount of the ~~levy~~, **special assessment**, set aside by
 2 resolution the amount of the net revenues to be collected before
 3 maturity of the principal and interest of the waste disposal district
 4 bonds payable in the following calendar year. If the board adopts this
 5 resolution, then it is unlawful for the board to use any part of the
 6 amount so set aside out of the net revenues for any purpose other than
 7 the payment of waste disposal district bonds and the interest on them.
 8 A proportionate payment of this amount shall be made to the waste
 9 disposal district bond fund monthly.

10 (m) The board may not issue waste disposal district bonds under this
 11 section, payable by special taxation for that purpose in a total amount,
 12 including outstanding bonds already issued, in an amount exceeding six
 13 percent (6%) of the total adjusted value of taxable property in the
 14 district as determined under IC 36-1-15. All waste disposal district
 15 bonds issued in violation of this subsection are void.

16 SECTION 350. IC 36-9-36-21 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 21. (a) This
 18 section does not apply to a county.

19 (b) The works board may grade the roadway of a street and assess
 20 the cost of the grading against the property specially benefited.

21 (c) The works board may let the contract under the statutes
 22 regulating contractual authority of units. The unit shall levy and collect
 23 the **special** assessments for the grading according to this chapter.

24 SECTION 351. IC 36-9-36-37 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 37. (a) Except as
 26 provided in section 38 of this chapter, the entire assessment is payable
 27 in cash without interest not later than thirty (30) days after the approval
 28 of the assessment roll by the works board if an agreement has not been
 29 signed and filed under section 36 of this chapter.

30 (b) If the **special** assessment is not paid when due, the total
 31 assessment becomes delinquent and bears interest at the rate prescribed
 32 by IC 6-1.1-37-10 per year from the date of the final acceptance of the
 33 completed improvement by the works board.

34 SECTION 352. IC 36-9-36-63 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 63. (a) The
 36 certificates of indebtedness issued under section 62 of this chapter must
 37 be authorized by a resolution adopted by the works board and shall be
 38 signed by the following:

- 39 (1) The county auditor, for an improvement by a county.
 40 (2) The municipal executive and fiscal officer, for an
 41 improvement by a municipality.

42 (b) The rate of interest on the certificates of indebtedness shall be

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1 fixed in the resolution of the works board. The rate may not be less than
 2 the current rate being paid on bonds then being issued in anticipation
 3 of the collection of special assessments.

4 (c) The certificates of indebtedness are payable out of the proceeds
 5 of the special ~~tax levy~~ **assessments** or sale of bonds under section 64
 6 of this chapter (or under IC 36-9-18 before its repeal in 1993). This fact
 7 must be recited on the face of the certificates.

8 (d) All of the certificates mature on December 31 of the year in
 9 which the special levy to pay the certificates is collected unless the
 10 resolution authorizing the issuance of the certificates of indebtedness
 11 provides the following:

12 (1) That not more than one-half (1/2) of the certificates are
 13 payable on June 30 of the year in which the special ~~levy~~
 14 **assessments** to pay the certificates is collected if a levy has been
 15 made in place of the sale of bonds.

16 (2) That the balance is payable on December 31 of the same year.

17 (e) The certificates of indebtedness do not draw interest after the
 18 maturity date named in the certificates unless the certificates are
 19 presented for payment on that date and stamped "not paid for want of
 20 funds". If not paid for want of funds, the certificates may be presented
 21 for payment again at six (6) month intervals after the maturity date,
 22 until the certificates are paid.

23 (f) If a sufficient levy or sale of bonds is not made in any year for
 24 the payment of the certificates of indebtedness, the certificates shall be
 25 paid when money becomes available for that purpose out of ~~taxes~~
 26 **special assessments** collected from any subsequent ~~levy of the special~~
 27 **tax assessment** or sale of bonds.

28 SECTION 353. IC 36-9-36-64 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 64. ~~(a)~~ For the
 30 purpose of raising money for the payment of certificates of
 31 indebtedness issued under section 62 of this chapter (or under
 32 IC 36-9-18 before its repeal in 1993) the fiscal body of the unit may do
 33 any of the following:

34 (1) Levy a special **tax assessment** on all property in the unit each
 35 year.

36 (2) Issue and sell the bonds of the unit.

37 (3) Appropriate money from the general fund of the unit or from
 38 any other source.

39 ~~(b) A special tax levied under this section shall be fixed at a rate on~~
 40 ~~each one hundred dollars (\$100) of assessed valuation of taxable~~
 41 ~~property in the unit sufficient for the payment of the certificates;~~
 42 ~~together with interest; that were or will be issued between July 1 of the~~

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1 preceding year and July 1 of the year in which the levy of taxes is
2 made:

3 (c) A special tax levied under this section shall be:

4 (1) levied; certified to the county auditor; and collected in the
5 same manner as other taxes are levied; certified; and collected;
6 and

7 (2) deposited in a separate fund known as the county (or
8 municipal) improvement certificate fund for application to the
9 payment of the certificates:

10 (d) The balance of the improvement certificate fund does not revert
11 to the unit's general fund at the end of the unit's fiscal year; but remains
12 in the fund for the next fiscal year:

13 SECTION 354. IC 36-10-3-19 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) The
15 territory within the boundaries of the unit comprises a special taxing
16 district for the purpose of levying special ~~benefit taxes~~ **assessments** for
17 park and recreational purposes as provided in this chapter.

18 (b) The fiscal body of the unit shall determine and provide the
19 revenues necessary for the operation of the department or for capital
20 expenditures not covered by the issuance of bonds by:

21 (1) a specific ~~levy~~ **special assessment** to be used exclusively for
22 these purposes;

23 (2) a special appropriation; or

24 (3) both of these methods.

25 SECTION 355. IC 36-10-3-21 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 21. ~~(a)~~ The board
27 may establish a cumulative building fund under IC 6-1.1-41 to provide
28 money for:

29 (1) building, remodeling, and repair of park and recreation
30 facilities; or

31 (2) purchase of land for park and recreation purposes.

32 In addition to the requirements of IC 6-1.1-41, before a fund may be
33 established, the proposed action must be approved by the fiscal body
34 of the unit.

35 (b) ~~To provide for the cumulative building fund, the unit's fiscal~~
36 ~~body may levy a tax in compliance with IC 6-1.1-41 not to exceed one~~
37 ~~and sixty-seven hundredths cents (\$0.0167) on each one hundred~~
38 ~~dollars (\$100) of assessed valuation of taxable property within the unit:~~

39 (c) ~~The tax shall be collected and held in a special fund known as~~
40 ~~the unit's park and recreation cumulative building fund:~~

41 SECTION 356. IC 36-10-3-24, AS AMENDED BY P.L.90-2002,
42 SECTION 517, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2005]: Sec. 24. (a) In order to raise money
 2 to pay for land to be acquired for any of the purposes named in this
 3 chapter, to pay for an improvement authorized by this chapter, or both,
 4 and in anticipation of the special ~~benefit tax~~ **assessment** to be levied as
 5 provided in this chapter, the board shall cause to be issued, in the name
 6 of the unit, the bonds of the district. The bonds may not exceed in
 7 amount the total cost of all land to be acquired and all improvements
 8 described in the resolution, including all expenses necessarily incurred
 9 in connection with the proceedings, together with a sum sufficient to
 10 pay the costs of supervision and inspection during the period of
 11 construction of a work. The expenses to be covered in the bond issue
 12 include all expenses of every kind actually incurred preliminary to
 13 acquiring the land and the construction of the work, such as the cost of
 14 the necessary record, engineering expenses, publication of notices,
 15 preparation of bonds, and other necessary expenses. If more than one
 16 (1) resolution or proceeding of the board under section 23 of this
 17 chapter is confirmed whereby different parcels of land are to be
 18 acquired, or more than one (1) contract for work is let by the board at
 19 approximately the same time, the cost involved under all of the
 20 resolutions and proceedings may be included in one (1) issue of bonds.

21 (b) The bonds may be issued in any denomination not less than one
 22 thousand dollars (\$1,000) each, in not less than five (5) nor more than
 23 forty (40) annual series. The bonds are payable one (1) series each
 24 year, beginning at a date after the receipt of taxes from a levy made for
 25 that purpose. The bonds are negotiable. The bonds may bear interest at
 26 any rate, payable semiannually. After adopting a resolution ordering
 27 bonds, the board shall certify a copy of the resolution to the unit's fiscal
 28 officer. The fiscal officer shall prepare the bonds and the unit's
 29 executive shall execute them, attested by the fiscal officer.

30 (c) The bonds and the interest on them are exempt from taxation as
 31 prescribed by IC 6-8-5-1. Bonds issued under this section are subject
 32 to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a
 33 petition requesting the issuance of bonds, the right of taxpayers to
 34 remonstrate against the issuance of bonds, the appropriation of the
 35 proceeds of the bonds and approval by the department of local
 36 government finance, and the sale of bonds at public sale for not less
 37 than their par value.

38 (d) The board may not have bonds of the district issued under this
 39 section that are payable by special taxation when the total issue for that
 40 purpose, including the bonds already issued or to be issued, exceeds
 41 two percent (2%) of the adjusted value of the taxable property in the
 42 district as determined under IC 36-1-15. All bonds or obligations

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1 issued in violation of this subsection are void. The bonds are not
 2 obligations or indebtedness of the unit, but constitute an indebtedness
 3 of the district as a special taxing district. The bonds and interest are
 4 payable only out of a special tax levied upon all the property of the
 5 district as prescribed by this chapter. The bonds must recite the terms
 6 upon their face, together with the purposes for which they are issued.

7 SECTION 357. IC 36-10-3-27 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 27. ~~(a)~~ In order to
 9 raise money to pay all bonds issued under section 24 of this chapter,
 10 the board shall levy annually a special **tax assessment** upon all of the
 11 real and personal property located in the district sufficient to pay the
 12 principal of the bonds as they mature, including accrued interest. ~~The~~
 13 ~~board shall have the tax to be levied each year certified to the auditor~~
 14 ~~of the county in which the district is located at the time for certification~~
 15 ~~of tax levies. The tax shall be collected and enforced by the county~~
 16 ~~treasurer in the same manner as other taxes are collected and enforced:~~

17 (b) ~~As the tax is collected, it shall be accumulated and kept in a~~
 18 ~~separate fund to be known as the park district bond fund. The tax shall~~
 19 ~~be applied to the payment of the district bonds and interest as they~~
 20 ~~mature and may not be used for another purpose:~~

21 SECTION 358. IC 36-10-3-37 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 37. (a) After a
 23 favorable special election under section 35 of this chapter, all property
 24 in the area to which service is extended is subject to the same ~~levy~~
 25 **special assessment** for park and recreational purposes as other
 26 property within the district. After determining the levy for park and
 27 recreational purposes, the fiscal body of the municipality shall certify
 28 the rate to be applied to the area in the same manner as all other
 29 municipal levies are certified. ~~In reviewing the park and recreation~~
 30 ~~levy, all reviewing authorities shall treat the levy on the district~~
 31 ~~property as a single levy so that the ultimate rate of tax for park and~~
 32 ~~recreation purposes on all property in the district is identical:~~

33 (b) The authority of the board to issue bonds under sections 23
 34 through 28 of this chapter includes all property in the area to which
 35 service is extended, but bonds may not be issued upon property in the
 36 area to which service is extended that do not obligate other property in
 37 the district to the same degree. ~~After determining the levy for the park~~
 38 ~~district bond fund, the board shall certify the rate to be applied to the~~
 39 ~~area in the same manner as the rate to be applied to property in the~~
 40 ~~municipality:~~

41 SECTION 359. IC 36-10-3-38 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 38. (a) This

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1 section applies in a county having a population of more than three
2 hundred thousand (300,000) but less than four hundred thousand
3 (400,000).

4 (b) This section applies only if a municipality annexes territory that
5 is part of a district under this chapter.

6 (c) Any annexed territory that is in the district before the effective
7 date of the annexation ordinance remains a part of the district, and the
8 property in the annexed territory is subject to the same levy for park
9 and recreational purposes as other property within the district. The
10 annexing municipality may not impose an additional ~~levy~~ **special**
11 **assessment** on the property in the annexed territory for park and
12 recreational purposes.

13 SECTION 360. IC 36-10-4-8 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. All of the area:

15 (1) within the corporate boundaries of a city; and

16 (2) in unincorporated areas of the county to which the district has
17 been extended;

18 constitutes a taxing district for levying special ~~benefit taxes~~
19 **assessments** for park purposes as provided in this chapter. Area added
20 to the district under section 5 of this chapter is considered to have
21 received a special benefit from the park facilities of the district equal
22 to or greater than the special ~~taxes~~ **assessments** imposed on the area by
23 this chapter in order to pay all or a part of the cost of the facilities.

24 SECTION 361. IC 36-10-4-36 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 36. ~~(a)~~ To raise
26 money for any of the purposes for which bonds may be issued under
27 section 35 of this chapter, the board may request that the city legislative
28 body adopt an ordinance establishing a cumulative building and
29 sinking fund. ~~The legislative body may establish a cumulative building~~
30 ~~and sinking fund under IC 6-1.1-41. The tax may not exceed three and~~
31 ~~thirty-three hundredths cents (\$0.0333) on each one hundred dollars~~
32 ~~(\$100) of taxable personal and real property in the district.~~

33 ~~(b) The tax, when collected, shall be held in a public depository in~~
34 ~~a special fund to be known as the park district cumulative building and~~
35 ~~sinking fund.~~

36 SECTION 362. IC 36-10-4-38 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 38. (a) To raise
38 money to pay all bonds issued under section 35 of this chapter,
39 including interest, the board shall levy each year a special ~~tax~~
40 **assessment** upon all of the real and personal property located in the
41 district to pay the principal of the bonds as they mature, together with
42 all accruing interest. The board shall have the ~~tax levied~~ **special**

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1 **assessment imposed** each year certified to the auditor of the county in
2 which the district is located by October 1 each year.

3 (b) The ~~tax levied and certified~~ **special assessment** shall be
4 collected and enforced in the same manner as other city taxes are
5 collected and enforced. As the ~~tax is~~ **special assessments are**
6 collected, ~~it they~~ shall be accumulated and kept in a separate fund to
7 be known as the park district bond fund. ~~The tax shall be used to pay~~
8 ~~the bonds and interest as they mature and may not be used for any other~~
9 ~~purpose.~~

10 (c) All accumulations of the fund before use for the payment of
11 bonds and interest shall be deposited, at interest, with one (1) of the
12 depositories of other public funds of the city, with interest collected
13 belonging to the fund.

14 SECTION 363. IC 36-10-5-2 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) This section
16 applies to municipalities having a population of less than thirty-five
17 thousand (35,000), unless otherwise provided by law.

18 (b) As used in this section, "park authority" means the municipal
19 legislative body. However, the legislative body may designate the
20 governing body of the school corporation, a recreation board, the
21 municipal works board, or any other appropriate board or commission
22 as the park authority.

23 (c) If a recreation board is established under subsection (b), it must
24 consist of five (5) resident freeholders appointed by the city executive
25 or the town legislative body. At least one (1) member must be a
26 member of the governing body of the school corporation and no
27 members may serve on the municipal legislative body. All members
28 must be qualified by an interest in and knowledge of the social and
29 educational value of recreation. The members serve without
30 compensation. The members shall be appointed for four (4) year terms
31 from January 1 of the year of their appointment or until their successors
32 are appointed. The initial terms of board members, however, are as
33 follows:

- 34 (1) One (1) for a term of one (1) year.
35 (2) One (1) for a term of two (2) years.
36 (3) One (1) for a term of three (3) years.
37 (4) Two (2) for terms of four (4) years.

38 A vacancy shall be filled by the appointing authority for the remainder
39 of the unexpired term.

40 (d) The park authority shall manage all public parks, including
41 approaches, that belong to the municipality.

42 (e) If a municipality decides, by ordinance, to establish, lay out, or

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1 improve a public park or grounds, or to make an extension of a park or
 2 grounds, it may locate the park or grounds, including appurtenances,
 3 and it may lay out and open the public ways necessary for the
 4 improvement. If it is necessary to acquire land, water rights, or
 5 easements, or a pool, lake, or natural stream of water, the park authority
 6 may condemn that property and take possession of it if it is located
 7 within five (5) miles of the municipality. Before the park authority
 8 condemns the property, it shall assess the damages to the owners of the
 9 property at a meeting of the authority. Additional condemnation
 10 proceedings are the same as those provided for the taking of property
 11 to open streets.

12 (f) The park authority may adopt rules concerning the laying out,
 13 improvement, preservation, ornamentation, and management of parks.
 14 The park authority shall allow monuments or buildings for libraries,
 15 works of art, or historical collections to be erected in a park, as long as
 16 they are under the control of the persons in charge of the park and no
 17 inclosure separates them from the rest of the park.

18 (g) The legislative body of the municipality may also levy a tax on
 19 all taxable property in the municipality to pay for park property and for
 20 its improvement. The legislative body may also borrow money and
 21 issue the bonds of the municipality at any rate of interest payable
 22 annually or semiannually and may sell them for at least par value. The
 23 money derived from the sale of bonds may be used only for the
 24 purchase or improvement of parks. The legislative body shall annually
 25 levy a tax sufficient to pay the interest on the debt on all taxable
 26 property in the municipality to create a sinking fund for the liquidation
 27 of the principal of the debt.

28 (h) If the park authority of a city decides to lease any buildings
 29 or grounds belonging to the city and located in a public park when they
 30 are not required for public use, the proceeds shall be deposited with the
 31 city fiscal officer to the credit of park funds and devoted to the
 32 improvement of public parks.

33 (i) Any nonreverting fund that was created under IC 19-7-6
 34 (before its repeal on September 1, 1981) continues until abolished by
 35 ordinance of the municipal legislative body. The legislative body may
 36 include in the park authority's annual budget an item and an
 37 appropriation for the specific purposes of a nonreverting capital fund.
 38 Money put in the fund may not be withdrawn except for the purposes
 39 for which the fund was created, unless the legislative body repeals the
 40 ordinance creating the fund. The repeal may not be made under
 41 suspension of the rules. Money procured from fees shall be deposited
 42 at least once each month with the municipal fiscal officer. The fiscal

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1 officer shall deposit the money either in a special nonreverting
 2 operating fund or in the nonreverting capital fund as directed by the
 3 park authority. The legislative body may provide by ordinance that
 4 expenditures may be made from the special nonreverting operating
 5 fund without appropriation. Money from fees procured from golf
 6 courses, swimming pools, skating rinks, or other similar facilities
 7 requiring major expenditures for management and maintenance may
 8 not be deposited in this fund. Money from either fund shall be
 9 disbursed only on approved claims that are allowed and signed in the
 10 same manner as other claims of the municipality are allowed and
 11 signed.

12 SECTION 364. IC 36-10-6-2 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) This section
 14 applies to all counties.

15 (b) As used in this section, "board" refers to an area park board
 16 established under this chapter.

17 (c) As used in this section, "district" refers to an area park district
 18 established under this chapter.

19 (d) Two (2) or more counties may establish an area park district for
 20 the purposes of establishing, owning, maintaining, and controlling one
 21 (1) or more public parks for the use and benefit of the residents of those
 22 counties. To establish a district, the legislative body of each county
 23 desiring to join shall adopt substantially identical ordinances indicating
 24 this intention. Before the ordinances take effect, they must be published
 25 in their respective counties in accordance with IC 5-3-1. Within ten
 26 (10) days after the publication of the ordinance, the auditor of each
 27 county shall file a certified copy of the ordinance with the auditor of
 28 each of the other counties involved. When the ordinances have been
 29 adopted and filed by all the counties joining, the district is considered
 30 established. All of the territory of the counties joining comprises the
 31 district.

32 (e) Within ten (10) days after the publication of the ordinance, any
 33 registered voter may notify the legislative body of his intent to file a
 34 remonstrance petition. Within sixty (60) days after this notice, petitions
 35 for and against the county's joining in the proposed district may be filed
 36 with the legislative body. The petitions must be signed and
 37 acknowledged by registered voters of the county. The petition that
 38 contains the greater number of signatures prevails.

39 (f) Within thirty (30) days after the establishment of the district, the
 40 legislative body of each county joining shall appoint members to the
 41 area park board. Each county may appoint one (1) member to the
 42 board. In addition, each county may appoint an additional member for

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1 each fifty thousand (50,000) residents or fraction thereof of that
 2 county's population. Each member must be a resident of the county
 3 from which he is appointed, and at least one (1) member from each
 4 county must be an elected official of that county. Members serve for
 5 terms of four (4) years and may be reappointed. Vacancies shall be
 6 filled by the appointing authority for the unexpired term of the vacating
 7 member.

8 (g) The board shall meet within thirty (30) days after the
 9 appointment of all members. Notice of the meeting shall be given by
 10 the auditor of the county that passed the first ordinance to establish the
 11 district. At the meeting the board shall elect one (1) of its members
 12 chairman and one (1) secretary and shall adopt rules of order that it
 13 considers necessary. The board shall then meet at times and places that
 14 it determines. Members serve on the board without compensation.
 15 However, all members except the elected official members are entitled
 16 to receive a per diem and mileage for time spent in the performance of
 17 their duties.

18 (h) Except as provided in subsection (i), the board has all of the
 19 powers of a board under IC 36-10-3 except the power of eminent
 20 domain.

21 (i) The board may levy a tax for the establishment, purchase,
 22 maintenance, and control of the parks established and controlled by the
 23 board, but the tax may not exceed one and sixty-seven hundredths cents
 24 (\$0.0167) for each one hundred dollars (\$100) of assessed valuation of
 25 property in the district. When the board determines the rate of the levy,
 26 the board shall certify it to each county auditor. The levy shall then be
 27 placed upon the tax duplicate of each county in the district, and the tax
 28 shall be collected in the same manner as other taxes are collected. All
 29 money received for the district shall be paid into the treasury of the
 30 county with the greatest population. The money shall be deposited and
 31 kept as other public funds are deposited and kept, and interest earned
 32 on the money shall be credited to the area park fund. Money may be
 33 paid out by the treasurer only upon the written order of the board.

34 (j) (i) A county may withdraw from a district only upon a two-thirds
 35 (2/3) vote of its legislative body. If a county decides to withdraw from
 36 a district, the date of withdrawal must be effective on January 1 of a
 37 year at least one (1) year after the date upon which the county voted to
 38 withdraw.

39 SECTION 365. IC 36-10-7-2 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) This section
 41 applies to all townships except those in a county having a consolidated
 42 city.

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1 (b) The township executive may, upon petition of at least
2 twenty-five (25) resident freeholders and approval of the township
3 legislative body, purchase or improve suitable land or purchase,
4 construct, reconstruct, renovate, remodel, or improve room space,
5 buildings, or equipment for:

6 (1) a township community center for civic, social, recreation, or
7 other township purposes; or

8 (2) a township recreational land area.

9 (c) A township may issue general obligation bonds for the purposes
10 set forth in subsection (b) in the manner provided by IC 36-10-3 for the
11 issue of bonds under that chapter.

12 (d) Money for the purposes set forth in subsection (b) must be
13 appropriated as provided by statute from funds belonging to the
14 township or from the proceeds of a general obligation bond.

15 (e) The executive may operate and maintain the community center
16 or recreational land area. ~~A property tax levy may be imposed as
17 provided by statute for the cost of all or part of the operation and
18 maintenance expense incurred under this section.~~

19 (f) The executive may rent to others all or part of the community
20 center or recreational land area when it is not needed for township
21 purposes. The money received for rent shall be used to pay
22 maintenance and utility expenses of the community center or
23 recreational land area.

24 SECTION 366. IC 36-10-7-5, AS AMENDED BY P.L.170-2002,
25 SECTION 175, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) This section applies to
27 a township having a population of more than one hundred fifty
28 thousand (150,000) located in a county having a population of more
29 than four hundred thousand (400,000) but less than seven hundred
30 thousand (700,000).

31 (b) The township executive may purchase, accept by grant, devise,
32 bequest, or other conveyance, or otherwise acquire land for park
33 purposes within the township, either inside or outside the corporate
34 boundaries of a municipality, and may make necessary improvements.

35 (c) If the executive does not purchase, accept, or acquire land within
36 the township for park purposes or make necessary improvements, two
37 hundred (200) resident taxpayers and voters of the township may
38 petition the executive and the legislative body in writing to:

39 (1) purchase, accept, or otherwise acquire the land described in
40 the petition so that a township park may be established under this
41 section; or

42 (2) make the improvements designated in the petition.

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1 The petition must be addressed to the executive and legislative body
 2 and bear the signatures and addresses of the petitioners in ink,
 3 acknowledged before a notary public. After the petition is filed in the
 4 office of the executive, the executive shall have notice of the filing
 5 published in accordance with IC 5-3-1. The notice must name a date at
 6 least sixty (60) days after the date of the last publication on which the
 7 executive and legislative body will hear and consider the petition. The
 8 notice constitutes notice of the proceedings to all taxpayers within the
 9 township, whether resident or nonresident.

10 (d) At the hearing the executive and legislative body shall hear and
 11 consider all remonstrances, whether written and signed in ink or from
 12 a resident of the township upon the question of whether the land should
 13 be purchased, accepted, or acquired by the township and a township
 14 park established, maintained, and improved. After the hearing, the
 15 executive and legislative body shall approve the petition unless twenty
 16 percent (20%) of the resident taxpayers of the township remonstrate in
 17 writing by filing their remonstrance on or before the day fixed for the
 18 hearing. In that case the executive and legislative body shall dismiss
 19 the petition.

20 (e) If land has been acquired for park purposes, the executive shall
 21 establish a park. After it is established, the executive shall provide for
 22 necessary improvements and construct facilities for the comfort and
 23 convenience of the public in the township park. Except as otherwise
 24 provided, all expenses incurred shall be paid out of the park and
 25 recreation fund of the township.

26 (f) If a park or parkland is acquired by a township under this section
 27 and the expense of the acquisition or of the development and
 28 improvement of the park is too great to be borne by the park and
 29 recreation fund of the township, the legislative body may authorize its
 30 chairman to issue the bonds of the township to procure money for these
 31 purposes. However, the total bonded indebtedness of the township for
 32 park purposes may not exceed one million dollars (\$1,000,000). Upon
 33 special notice of the chairman in writing to each member of the
 34 legislative body stating the time, place, and purpose of the meeting, the
 35 legislative body may determine whether to issue the bonds of the
 36 township to pay the cost of acquiring, developing, or improving the
 37 park or parkland. If the legislative body determines that it is of public
 38 benefit to issue the bonds of the township, the legislative body, by a
 39 special order entered and signed upon the record, may authorize its
 40 chairman to issue the bonds of the township. The bonds may run for a
 41 period not to exceed ten (10) years, may bear interest at any rate, and
 42 may be sold for not less than their par value. Before issuing the bonds,

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1 the chairman shall publish notice of their sale in accordance with
 2 IC 5-3-1. The notice must state the amount of bonds offered, the
 3 denomination, the period to run, the rate of interest, and the date, place,
 4 and hour of sale. The legislative body shall attend the sale and must
 5 concur before bonds are sold.

6 (g) The legislative body shall annually ~~levy~~ **appropriate** a sufficient
 7 **tax amount** to pay at least one-tenth (1/10) of the amount of the bonds,
 8 together with the accrued interest, each year, and the legislative body
 9 shall apply the annual tax to the payment of the bonds and interest each
 10 year. ~~The tax levy is in addition to all other tax levies authorized by~~
 11 ~~statute. A tax levy authorized by this section shall be levied and~~
 12 ~~collected on all property within the boundaries of the township;~~
 13 ~~including municipalities.~~

14 (h) There is established a special nonreverting operating fund for
 15 park purposes to be known as the park and recreation fund.
 16 Appropriations may be made from the fund by the township's
 17 legislative body for park purposes only. The cost of the maintenance
 18 and improvement of the park shall be paid out of the park and
 19 recreation fund of the township, and the legislative body shall increase
 20 the levy of the fund each year by an amount sufficient to provide the
 21 money to maintain the park.

22 (i) Money in the form of fees procured from golf courses, swimming
 23 pools, skating rinks, clubhouses, social centers, or other similar
 24 facilities requiring major expenditures for maintenance and
 25 improvement shall be deposited in the park and recreation fund and
 26 shall be appropriated by the township legislative body either in the
 27 annual budget or by additional appropriation in the manner as set out
 28 in IC 6-1.1-18-5.

29 (j) The executive shall appoint a superintendent of parks. Said
 30 appointment shall be made within thirty (30) days of a vacancy in the
 31 position of superintendent of parks. If the executive fails to make said
 32 appointment within the prescribed period, the legislative body shall
 33 have the power to make said appointment. Political affiliation may not
 34 be considered in the selection of the superintendent. The
 35 superintendent must:

- 36 (1) be qualified by training or experience in the field of parks and
 37 recreation; and
- 38 (2) have a certificate or an advanced degree in the field of parks
 39 and recreation.

40 (k) The superintendent must do the following:

- 41 (1) Propose annually to the executive a plan for the operation of
 42 the park.

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- 1 (2) Administer the plan as approved by the executive.
- 2 (3) Supervise the general maintenance of the park.
- 3 (4) Keep the records of the park and preserve all papers and
- 4 documents of the park.
- 5 (5) Keep accurate records of park income and expenditures in the
- 6 manner prescribed by the state board of accounts.
- 7 (6) Appoint and discharge employees of the park without regard
- 8 to political affiliation.
- 9 (7) Prepare and present to the executive an annual report.
- 10 (8) Perform other duties that the executive directs.
- 11 (l) The executive shall execute an employment contract with the
- 12 superintendent that must contain the terms and conditions of the
- 13 superintendent's employment.
- 14 SECTION 367. IC 36-10-7-6 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) This section
- 16 applies to all townships having a population of at least eight thousand
- 17 five hundred (8,500) that contain a town.
- 18 (b) The township executive may do the following in relation to
- 19 township parks:
- 20 (1) Purchase, acquire by eminent domain, accept by grant, devise,
- 21 bequest, or other conveyance, or otherwise acquire land within the
- 22 township for park purposes.
- 23 (2) Make necessary improvements on the land.
- 24 (3) Maintain and operate the land.
- 25 (4) Dispose of all or part of the land that is unnecessary for the
- 26 park or park purposes.
- 27 (c) If the executive decides to acquire land for park purposes under
- 28 this section, the following procedures apply:
- 29 (1) A resolution to that effect shall be adopted by the legislative
- 30 body and shall be entered upon the minutes of the legislative
- 31 body. The resolution must be signed by the members of the
- 32 legislative body and by the executive.
- 33 (2) Upon a petition signed in ink by at least one hundred (100)
- 34 resident taxpayers and freeholders of the township, the executive
- 35 shall, after the adoption of the resolution, fix a day not less than
- 36 fifteen (15) nor more than twenty (20) days after adoption during
- 37 which time remonstrances may be filed with the executive against
- 38 the resolution.
- 39 (3) The executive shall give notice by publication of the
- 40 resolution and of the time limits for filing remonstrances in
- 41 accordance with IC 5-3-1.
- 42 (4) Remonstrances must be signed in ink and shall be filed not

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1 later than the day fixed for the expiration of the time for filing
 2 remonstrances in the notices.
 3 (5) If the number of signers of remonstrances exceeds the number
 4 of signers who have signed the original petition, determined by
 5 the same qualifications, the executive may give notice, in
 6 accordance with IC 5-3-1, of a date by which time a
 7 supplementary petition containing the names of qualified signers
 8 in addition to the names signed to the first petition may be filed
 9 asking for acquisition.
 10 (6) A supplemental petition must be signed in ink by signers
 11 having the same qualifications as required for the original
 12 petition.
 13 (7) If, after the expiration of the period for filing a supplemental
 14 petition, it is determined that the number of qualified signers to
 15 the original petition and the supplemental petition exceeds the
 16 number of signers to the remonstrance, the executive may proceed
 17 with the acquisition of land and the improvement and operation
 18 of it.
 19 (8) If the number signing the remonstrance is greater than the
 20 number signing the original and supplemental petition, then the
 21 township may not proceed with the improvement.
 22 However, the remonstrance does not prevent the acquisition of land or
 23 inhibit the power of the executive to acquire parkland unless at least
 24 twenty percent (20%) of the resident freeholders who are also legal
 25 voters, execute the remonstrance. Only the executive and the legislative
 26 body may determine the sufficiency of a petition or remonstrance and
 27 the qualifications of a signer. These matters are subject to review only
 28 for fraud.
 29 (d) The executive may acquire any property, land, privilege,
 30 immunities, or other species of interest reasonably necessary for the
 31 park or for the purpose of improving, maintaining, or operating it. The
 32 executive may sue in the name of the township for the condemnation
 33 of any property, land, privilege, immunities, or other species of interest
 34 in accordance with statutes available to municipal corporations for
 35 condemnation.
 36 (e) To provide money for any of the purposes of this section, the
 37 legislative body may authorize the executive to issue the bonds of the
 38 township. However, the total bonds issued and outstanding at any time
 39 for such purposes may not exceed ninety thousand dollars (\$90,000).
 40 The bonds may bear interest at any rate, may be made payable
 41 semiannually, shall be sold for at least their par value, and run for a
 42 period of not less than ten (10) nor more than twenty (20) years. Parts

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1 of the total issue may be sold from time to time as the executive
 2 determines. After the authorization of the bonds, the executive shall, in
 3 accordance with IC 5-3-1, publish notice of that part of the bonds that
 4 will be sold at that time. The notice must state the amount of bonds
 5 offered, the denomination, the period to run, the rate of interest, and the
 6 date, place, and hour of sale. No part of the bonds may be sold except
 7 after notice.

8 (f) The legislative body shall ~~levy~~ annually **appropriate** a sufficient
 9 **tax amount** to pay at least the principal and interest of bonds that will
 10 mature in the following year, and the executive shall apply the tax to
 11 the payment of bonds and interest. ~~The tax levy is in addition to other~~
 12 ~~tax levies. The tax shall be levied and collected on all property within~~
 13 ~~the boundaries of the township, including municipalities.~~ The cost of
 14 the care, upkeep, repair, maintenance, and improvement of the park
 15 shall be paid out of the general fund of the township, and the legislative
 16 body shall increase the levy of the fund each year by an amount
 17 sufficient to provide the money to maintain the park.

18 (g) The executive shall direct the expenditure of the money raised
 19 by the bond issue to save money that otherwise would be expended for
 20 ~~poor relief: township assistance.~~ The executive may offer persons who
 21 are able-bodied and capable of work the opportunity to work upon the
 22 park improvement. If a person refuses without good excuse, the
 23 executive shall consider the refusal prima facie evidence that the
 24 person is not entitled to ~~poor relief: township assistance.~~

25 SECTION 368. IC 36-10-7-7 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) This section
 27 applies to all townships having a population between two thousand
 28 (2,000) and three thousand (3,000).

29 (b) The township executive may accept, acquire, and maintain
 30 grounds and structures to be used as public parks upon petition of at
 31 least fifty-one percent (51%) of the resident taxpayers of the township.

32 (c) ~~Whenever a park has been established in the township, the~~
 33 ~~legislative body shall, at its annual meeting and annually each~~
 34 ~~following year, levy a tax not exceeding one and sixty-seven~~
 35 ~~hundredths cents (\$0.0167) on each one hundred dollars (\$100) of~~
 36 ~~taxable property in the township. The money shall be set aside in a~~
 37 ~~public park fund to be used by the executive for the maintenance and~~
 38 ~~improvement of the park and for no other purpose.~~

39 SECTION 369. IC 36-10-7-8, AS AMENDED BY P.L.90-2002,
 40 SECTION 518, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) This section applies to
 42 all townships having a population of less than two thousand (2,000).

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1 (b) The township executive may lease, purchase, accept by grant,
2 devise, bequest, or other conveyance to the township, or otherwise
3 acquire land for park purposes and may make necessary improvements
4 only as provided by this section.

5 (c) The legislative body may establish a township park and may, by
6 resolution, appropriate from the general fund of the township the
7 necessary money to lease, purchase, accept, or otherwise acquire land
8 for park purposes or make improvements thereon. The executive shall
9 then lease, purchase, accept, or acquire the land for park purposes or
10 shall make improvements thereon as directed in the resolution.
11 However, the costs of the park grounds or of the improvements
12 provided for in the resolution may not exceed in one (1) year one-fifth
13 of one percent (0.2%) of the adjusted value of all taxable property of
14 the township as determined under IC 36-1-15.

15 (d) If a park has been established under this section, the executive
16 shall have the park maintained and may make improvements and
17 construct and maintain facilities for the comfort and convenience of the
18 public. ~~However, the executive annually may not spend more than one~~
19 ~~cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation~~
20 ~~of taxable property in the township as it appears on the tax duplicates~~
21 ~~of the auditor of the county in which the township is located. The~~
22 ~~money shall be paid from the general fund of the township.~~

23 (e) If the general fund of the township is insufficient to meet the
24 expenses of acquiring or improving the land for park purposes, the
25 executive shall call a special meeting of the legislative body by written
26 notice to each member of the legislative body at least three (3) days
27 before the date of the meeting. The notice must state the time, place,
28 and purpose of the meeting. The legislative body shall meet and
29 determine whether an emergency exists for the issuance of the warrants
30 or bonds of the township. The legislative body shall, by resolution,
31 authorize the issuance and sale of the warrants or bonds of the
32 township in an amount not exceeding two percent (2%) of the adjusted
33 value of all taxable property in the township as determined under
34 IC 36-1-15. The amount of bonds may not exceed the total estimated
35 cost of all land to be acquired and all improvements described in the
36 resolution, including all expenses necessarily incurred in connection
37 with the proceedings. The proceeds from the sale of the bonds shall be
38 deposited in the general fund of the township. The bonds become due
39 and payable not less than two (2) nor more than ten (10) years after the
40 date of issuance, may bear interest at any rate, and may not be sold for
41 less than par value. The bonds shall be sold after giving notice of the
42 sale of bonds in accordance with IC 5-3-1. The bonds and the interest

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1 thereon are exempt from taxation as provided by IC 6-8-5 and are
 2 subject to the provisions of IC 6-1.1-20 relating to the filing of a
 3 petition requesting the issuance of bonds, the appropriation of the
 4 proceeds of the bonds, and the approval by the department of local
 5 government finance.

6 (f) The legislative body shall, at its next annual meeting after
 7 authorization of bonds and annually each following year, ~~levy~~
 8 **appropriate** a sufficient ~~tax against all the taxable property of the~~
 9 **township amount** to pay the principal of the bonds, together with
 10 accruing interest, as they become due. The executive shall apply the
 11 money received from the levy only to the payment of bonds and interest
 12 as they become due.

13 ~~(g) In addition to the levy required by subsection (f), the legislative~~
 14 ~~body shall, when a park has been established under this section and at~~
 15 ~~every annual meeting after establishment, levy a tax not exceeding one~~
 16 ~~cent (\$0.01) on each one hundred dollars (\$100) of taxable property in~~
 17 ~~the township. The levy required by this subsection shall be used by the~~
 18 ~~executive for the maintenance and improvement of the park. The~~
 19 ~~executive may not expend more for maintenance and improvement of~~
 20 ~~the park than the amount collected by the levy except:~~

21 (1) upon petition by fifty-one percent (51%) of the taxpayers of
 22 the township; or

23 (2) when warrants or bonds are to be issued under this section to
 24 finance the expenses of improvements.

25 The amount received from the levy shall be deposited in the general
 26 fund of the township.

27 ~~(h)~~ (g) A park established under this section shall be kept open to
 28 the public in accordance with rules prescribed by the executive.

29 ~~(i)~~ (h) If the executive determines that land or other property used
 30 for park purposes under this section should be disposed of and that the
 31 park should no longer be maintained, the executive shall appoint three
 32 (3) disinterested appraisers to appraise the property. The property shall
 33 then be disposed of either at public or private sale for at least its
 34 appraised value.

35 ~~(j)~~ (i) This subsection applies if the township sells the property by
 36 acceptance of bids. A bid submitted by a trust (as defined in
 37 IC 30-4-1-1(a)) must identify each:

38 (1) beneficiary of the trust; and

39 (2) settlor empowered to revoke or modify the trust.

40 ~~(k)~~ (j) All money from the sale of park property, less the expenses
 41 incurred in making the appraisal and sale, shall be paid into the general
 42 fund of the township.

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1 SECTION 370. IC 36-10-7.5-17 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) The
 3 territory within the boundaries of the township comprises a special
 4 taxing district for the purpose of levying special ~~benefit taxes~~
 5 **assessments** for park and recreational purposes as provided in this
 6 chapter.

7 (b) The fiscal body of the township shall determine and provide the
 8 revenues necessary for the operation of the department or for capital
 9 expenditures not covered by the issuance of bonds by:

- 10 (1) a specific ~~levy~~ **special assessment** to be used exclusively for
 11 these purposes;
 12 (2) a special appropriation; or
 13 (3) both.

14 SECTION 371. IC 36-10-7.5-19 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. ~~(a)~~ The fiscal
 16 body may establish a cumulative building fund under IC 6-1.1-41 to
 17 provide money for:

- 18 (1) building, remodeling, and repair of park and recreation
 19 facilities; or
 20 (2) purchase of land for park and recreation purposes.

21 ~~(b) To provide for the cumulative building fund, the township fiscal~~
 22 ~~body may levy a tax in compliance with IC 6-1.1-41 not greater than~~
 23 ~~one and sixty-seven hundredths cents (\$0.0167) on each one hundred~~
 24 ~~dollars (\$100) of assessed valuation of taxable property within the~~
 25 ~~township:~~

26 ~~(c) The tax shall be collected and held in a special fund known as~~
 27 ~~the township park and recreation cumulative building fund:~~

28 SECTION 372. IC 36-10-7.5-22, AS AMENDED BY P.L.90-2002,
 29 SECTION 519, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JANUARY 1, 2005]: Sec. 22. (a) To raise money to pay
 31 for land to be acquired for any of the purposes named in this chapter or
 32 to pay for an improvement authorized by this chapter and in
 33 anticipation of the special ~~benefit tax assessment~~ to be levied as
 34 provided in this chapter, the legislative body shall issue in the name of
 35 the township the bonds of the district. The bonds may not exceed in
 36 amount the total cost of all land to be acquired and all improvements
 37 described in the resolution, including all expenses necessarily incurred
 38 in connection with the proceedings, together with a sum sufficient to
 39 pay the costs of supervision and inspection during the period of
 40 construction of a work. The expenses to be covered in the bond issue
 41 include all expenses of every kind actually incurred preliminary to
 42 acquiring the land and the construction of the work, such as the cost of

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1 the necessary record, engineering expenses, publication of notices,
 2 preparation of bonds, and other necessary expenses. If more than one
 3 (1) resolution or proceeding of the legislative body under this chapter
 4 is confirmed whereby different parcels of land are to be acquired or
 5 more than one (1) contract for work is let by the executive at
 6 approximately the same time, the cost involved under all of the
 7 resolutions and proceedings may be included in one (1) issue of bonds.

8 (b) The bonds may be issued in any denomination not less than one
 9 thousand dollars (\$1,000) each, in not less than five (5) nor more than
 10 forty (40) annual series. The bonds are payable one (1) series each
 11 year, beginning at a date after the receipt of taxes from a levy made for
 12 that purpose. The bonds are negotiable. The bonds may bear interest at
 13 any rate, payable semiannually. After adopting a resolution ordering
 14 bonds, the legislative body shall certify a copy of the resolution to the
 15 township's fiscal officer. The fiscal officer shall prepare the bonds and
 16 the executive shall execute the bonds, attested by the fiscal officer.

17 (c) The bonds and the interest on the bonds are exempt from
 18 taxation as prescribed by IC 6-8-5-1. Bonds issued under this section
 19 are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the
 20 filing of a petition requesting the issuance of bonds, the right of
 21 taxpayers to remonstrate against the issuance of bonds, the
 22 appropriation of the proceeds of the bonds with the approval of the
 23 department of local government finance, and the sale of bonds at public
 24 sale for not less than the par value of the bonds.

25 (d) The legislative body may not have bonds of the district issued
 26 under this section that are payable by special ~~taxation~~ **assessment** when
 27 the total issue for that purpose, including the bonds already issued or
 28 to be issued, exceeds two percent (2%) of the total adjusted value of the
 29 taxable property in the district as determined under IC 36-1-15. All
 30 bonds or obligations issued in violation of this subsection are void. The
 31 bonds are not obligations or indebtedness of the township but constitute
 32 an indebtedness of the district as a special taxing district. The bonds
 33 and interest are payable only out of a special ~~tax~~ **assessment** levied
 34 upon all the property of the district as prescribed by this chapter. A
 35 bond must recite the terms upon the face of the bond, together with the
 36 purposes for which the bond is issued.

37 SECTION 373. IC 36-10-7.5-25 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 25. ~~(a) To raise~~
 39 ~~money to pay all bonds issued under this chapter;~~ The fiscal body shall
 40 ~~levy annually a special tax upon all of the real and personal property~~
 41 ~~located in the district~~ **appropriate an amount** sufficient to pay the
 42 principal of the bonds as the bonds mature, including accrued interest.

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1 The fiscal body shall have the tax to be levied each year certified to the
 2 auditor of the county in which the township is located at the time for
 3 certification of tax levies. The tax shall be collected and enforced by
 4 the county treasurer in the same manner as other taxes are collected
 5 and enforced.

6 (b) As the tax is collected, the tax shall be accumulated and kept in
 7 a separate fund to be known as the district bond fund. The tax shall be
 8 applied to the payment of the bonds and interest as the bonds mature
 9 and may not be used for another purpose.

10 SECTION 374. IC 36-10-10-12, AS AMENDED BY P.L.90-2002,
 11 SECTION 522, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2005]: Sec. 12. A lease under this chapter
 13 must provide for the payment of the lease rental by the city from the
 14 levy of taxes against the real and personal property located within the
 15 a city **appropriation**. The lease is subject to approval by the
 16 department of local government finance under IC 6-3.5. The lease may
 17 be executed before approval; however, if the department of local
 18 government finance does not approve the lease, it is void.

19 SECTION 375. THE FOLLOWING ARE REPEALED
 20 [EFFECTIVE JANUARY 1, 2005]: IC 6-1.1-18.6; IC 6-1.1-19;
 21 IC 6-1.1-21.2; IC 6-1.1-34; IC 6-1.1-41; IC 8-1-2.2-22; IC 8-9.5-7-18;
 22 IC 8-22-3-24; IC 12-13-8; IC 12-15-19-9; IC 12-16-14-3;
 23 IC 12-16-14-4; IC 12-16-14-5; IC 12-19-1.5; IC 12-19-5; IC 12-19-7;
 24 IC 12-19-7-3; IC 12-19-7.5; IC 12-24-6-6; IC 12-24-6-9; IC 12-24-6-10;
 25 IC 12-24-6-11; IC 12-24-6-12; IC 12-24-6-13; IC 12-24-6-14;
 26 IC 12-24-9-2; IC 12-24-9-3; IC 12-24-9-4; IC 12-29-1-2; IC 12-29-1-3;
 27 IC 12-29-1-7; IC 12-29-2; IC 13-21-3-15; IC 13-21-3-15.5;
 28 IC 13-21-3-16; IC 14-27-6-47; IC 14-33-7-1; IC 14-33-7-3;
 29 IC 14-33-9-5; IC 14-33-22-6; IC 14-33-22-7; IC 16-35-3; IC 16-35-4-2;
 30 IC 21-1-5-8; IC 21-1-5-10; IC 21-1-11-8; IC 21-2-1; IC 21-2-3.1;
 31 IC 21-2-3.2; IC 21-2-5; IC 21-2-5.5; IC 21-2-5.6; IC 21-2-9;
 32 IC 21-2-11; IC 21-2-11.5; IC 21-2-11.6; IC 21-2-12; IC 21-2-13;
 33 IC 21-2-14; IC 21-2-15; IC 21-2-17; IC 21-2-18; IC 21-4; IC 21-5-8-1;
 34 IC 36-1-8-14.2; IC 36-2-6-22; IC 36-3-2-10; IC 36-3-2-11;
 35 IC 36-7-30-31; IC 36-9-4-46; IC 36-9-4-49; IC 36-9-6.1-2;
 36 IC 36-9-6.5-12; IC 36-9-14-5; IC 36-9-14-7; IC 36-9-17.5-5;
 37 IC 36-9-26-4; IC 36-9-31-6.

38 SECTION 376. [EFFECTIVE JANUARY 5, 2005] (a) For
 39 purposes of:

- 40 (1) IC 6-2.5-2-2, as amended by this act;
 41 (2) IC 6-2.5-4-4.5, as amended by this act;
 42 (3) IC 6-2.5-6-7, as amended by this act;

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- 1 (4) IC 6-2.5-6-8, as amended by this act;
 2 (5) IC 6-2.5-6-10, as amended by this act;
 3 (6) IC 6-2.5-7-3, as amended by this act; and
 4 (7) IC 6-2.5-7-5, as amended by this act;

5 all transactions, except the furnishing of public utility, telephone,
 6 or cable television services and commodities by retail merchants
 7 described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11, shall be
 8 considered as having occurred after January 31, 2005, to the extent
 9 that delivery of the property or services constituting selling at
 10 retail is made after that date to the purchaser or to the place of
 11 delivery designated by the purchaser. However, a transaction shall
 12 be considered as having occurred before February 1, 2005, to the
 13 extent that the agreement of the parties to the transaction was
 14 entered into before February 1, 2005, and payment for the
 15 property or services furnished in the transaction is made before
 16 February 1, 2005, notwithstanding the delivery of the property or
 17 services after January 31, 2005.

18 (b) With respect to a transaction constituting the furnishing of
 19 public utility, telephone, or cable television services and
 20 commodities, only transactions for which the charges are collected
 21 upon original statements and billings dated after January 31, 2005,
 22 shall be considered as having occurred after January 31, 2005.

23 SECTION 377. [EFFECTIVE JANUARY 5, 2005] IC 21-10, as
 24 added by this act, applies only to budget years beginning after June
 25 30, 2005.

26 SECTION 378. [EFFECTIVE JULY 1, 2004] (a) Money in a
 27 county medical assistance to wards fund account of a county
 28 general fund on December 31, 2004, shall be transferred to the
 29 state within thirty (30) days for deposit in the state medical
 30 assistance to wards fund.

31 (b) Money in a county hospital care for the indigent fund
 32 account of a county general fund on December 31, 2004, shall be
 33 transferred to the state within thirty (30) days for deposit in the
 34 state's hospital care for the indigent fund for that county.

35 (c) Money in a county family and children's fund on December
 36 31, 2004, shall be transferred to the state within thirty (30) days for
 37 deposit in the state's general fund for use for children's services.

38 (d) Money in a county children's psychiatric residential
 39 treatment services fund on December 31, 2004, shall be transferred
 40 to the state within thirty (30) days for deposit in the state's general
 41 fund for use for children's psychiatric residential treatment
 42 services.

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1 (e) Money in a children with special health care needs county
2 fund on December 31, 2004, shall be transferred to the state within
3 thirty (30) days for deposit in the state children with special health
4 care needs fund for the purposes of the fund.

5 (f) In addition to any other amounts appropriated for use by the
6 office of the secretary of family and social services, there is
7 appropriated to the family and social services administration from
8 the state general fund for the state fiscal year beginning July 1,
9 2004, and ending June 30, 2005:

10 (1) the amount that counties would have transferred to the
11 state before July 1, 2005, from 2005 property taxes imposed
12 for a county medical assistance to wards fund, if the law
13 establishing a levy for the fund had not been repealed by this
14 act for its use to make distributions to the state medical
15 assistance to wards fund and use the money for the purposes
16 of the state medical assistance to wards fund;

17 (2) the amount that counties would have transferred to the
18 state before July 1, 2005, from 2005 property taxes imposed
19 for a county hospital care for the indigent fund, if the law
20 establishing a levy for the fund had not been repealed by this
21 act for its use to make distributions to the state hospital care
22 for the indigent fund and use the money for the purposes of
23 the state hospital care for the indigent fund, including
24 transfers to the Medicaid indigent care trust fund;

25 (3) the amount that counties would have paid in 2005 from
26 their county family and children's fund for child services
27 provided after December 31, 2004, and before July 1, 2005, if
28 the law establishing a levy for the fund had not been repealed
29 by this act for its use to provide child services after December
30 31, 2004, and before July 1, 2005, including amounts needed
31 to provide assistance to destitute children under IC 12-17-1;

32 (4) the amount that counties would have paid in 2005 from
33 their children's psychiatric residential treatment services fund
34 for children's psychiatric residential treatment services
35 provided after December 31, 2004, and before July 1, 2005, if
36 the law establishing a levy for the fund had not been repealed
37 by this act for its use to provide children's psychiatric
38 residential treatment services after December 31, 2004, and
39 before July 1, 2005;

40 (5) the amount necessary to reimburse townships under
41 IC 12-20-16-2, as amended by this act, for expenditures
42 incurred after December 31, 2004, and before July 1, 2005, for

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its use to make these reimbursements;

(6) the amount that counties would have been required to reimburse a state institution for clothing supplied in 2005 under IC 12-24-6, if the requirement for county reimbursement had not been repealed by this act, for its use to pay these costs;

(7) the amount that counties would have been required to reimburse a state institution for funeral expenses incurred in 2005 under IC 12-24-9, if the requirement for county reimbursement had not been repealed by this act, for its use to pay these costs;

(8) the amount that counties would have been required to pay in 2005 for costs under IC 12-24-16-3, if it had not been amended to eliminate the requirement for the county to pay costs in a proceeding related to treatment and maintenance charges, for its use to pay these costs;

(9) the amount that counties would have been required to pay in 2005 for costs under IC 12-26-10 for the comfort and care of committed individuals, if IC 12-26-10-4 had not been amended to eliminate the requirement for the county to pay these costs, for its use to pay these costs;

(10) the amount that counties were required to, or as a course of practice would have, appropriated to:

- (A) community mental health centers; and
- (B) community mental retardation and other developmental disabilities centers, including a community mental retardation and other developmental disabilities center defined in IC 12-29-3-6;

in the period after December 31, 2004, and before July 1, 2005, under IC 12-29, if the requirement for county funding had not been repealed by this act for its use to make distributions to these entities; and

(11) the amount that counties would have transferred to the state in 2005 from a children with special health care needs county fund, if the law establishing a levy for the fund had not been repealed by this act for its use to make distributions to the state children with special health care needs county fund and use the money for the purposes of the state children with special health care needs county fund.

SECTION 379. [EFFECTIVE JULY 1, 2004] (a) Notwithstanding any other law, except for property tax levies for police and fire services if a political subdivision has not elected to fund these

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1 services under IC 36-8.5 and property taxes for school
 2 corporations for the first six (6) months in 2005, the authority of a
 3 political subdivision (as defined in IC 36-1-2-13 and including an
 4 entity established under IC 36-7) to impose an ad valorem property
 5 tax, including a special benefits tax imposed on an ad valorem
 6 basis, is terminated for assessment dates after February 29, 2004,
 7 and property taxes that would otherwise be due and payable after
 8 December 31, 2004.

9 (b) The department of local government finance shall adjust a
 10 political subdivision's maximum permissible levy under
 11 IC 6-1.1-18.5 and any other statute imposing a levy limit or rate
 12 limit to reflect the elimination of most property tax levies.

13 (c) For purposes of allocating taxes under IC 6-3.5-1.1,
 14 IC 6-3.5-6, and IC 6-3.5-7 among civil taxing units, the budgets
 15 certified under IC 36-3.1 shall be treated as if they were fully
 16 funded by property tax levies.

17 (d) IC 36-1.3 and IC 36-8.5, both as added by this act, apply only
 18 to budget years beginning after December 31, 2004.

19 SECTION 380. [EFFECTIVE JULY 1, 2004] (a) Not later than
 20 January 30, 2005, the auditor of state shall transfer from the state
 21 general fund to the state emergency reserve fund established by
 22 IC 36-1.3-5-1, as added by this act, an amount equal to ten percent
 23 (10%) of the appropriations made by political subdivisions in 2003
 24 that were payable from ad valorem property taxes, regardless of
 25 the number of political subdivisions that have elected to fund police
 26 and fire services under IC 36-8.5, as added by this act.

27 (b) The auditor of state shall establish an account within the
 28 fund for each political subdivision that appropriated money from
 29 ad valorem property taxes in 2003. The auditor of state shall
 30 allocate the money transferred under this SECTION to the
 31 accounts in the fund for each political subdivision.

32 (c) This SECTION expires December 31, 2005.

33 SECTION 381. [EFFECTIVE JULY 1, 2004] (a) As used in this
 34 SECTION, "committee" refers to the interim study committee on
 35 property tax elimination established by this section.

36 (b) There is established the interim study committee on property
 37 tax elimination. The committee shall prepare legislation for
 38 introduction in the 2005 session of the general assembly to bring all
 39 laws in conflict with this act into conformity with this act.

40 (c) The committee shall operate under the policies governing
 41 study committees adopted by the legislative council.

42 (d) The affirmative votes of a majority of the voting members

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1 **appointed to the committee are required for the committee to take**
2 **action on any measure, including final reports.**
3 **(e) This SECTION expires November 1, 2004.**
4 **SECTION 382. An emergency is declared for this act.**

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