

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7835

BILL NUMBER: HB 1792

NOTE PREPARED: Jan 16, 2007

BILL AMENDED:

SUBJECT: County Common School Funds.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes a County Common School Fund Board in each county to administer a County Common School Fund. It provides that a County Common School Fund Board consists of the county auditor, the county treasurer, the county superintendent of schools, and the president of the governing body of each school corporation in the county.

The bill provides that a criminal fine is to be deposited in the fund of the county where the court that imposed the fine is located. It also provides that certain forfeitures of property seized in a criminal case are to be paid into the fund of the county where the property was seized. The bill provides that forfeitures of bail bonds are to be deposited in the fund of the county where the criminal case is docketed.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The State Treasurer would probably not have any reduction in administrative cost due to the transfer of a portion of the Common School Fund from the state to a county.

Explanation of State Revenues: This bill would allow a county council to take steps specified in the bill and administer a county Common School Fund. The state Common School Fund collected about \$6.3 M in fines and forfeitures for FY 2006. Depending on the number of resolutions adopted and counties rescinding the resolution, the state could have a reduction of revenue to the state Common School Fund.

Background: The Common School Fund is established by the state constitution and the principal in the fund cannot be diminished. The fund can be used to make loans to assist local corporations in financing school building projects, educational technology, construction caused by a disaster, anticipated transfer tuition, and

startup costs of charter schools before tuition support is received.

Explanation of Local Expenditures: Counties would probably not have any significant increase in expenditures due to the option of transferring money from the Common School Fund from the state to their county Common School Fund Board.

The Common School Fund Board consists of the following:

1. County auditor.
2. County treasurer.
3. County superintendent of schools.
4. President of each school board in the county.

Explanation of Local Revenues: See *Explanation of State Revenue*.

State Agencies Affected: State Treasurer.

Local Agencies Affected: Counties.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.