

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 11, between lines 37 and 38, begin a new line and insert:
- 2 **"FOR THE INDIANA BAR FOUNDATION**
- 3 **WE THE PEOPLE**
- 4 **Total Operating Expense 300,000 300,000".**
- 5 Page 15, line 24, delete "57,750,000" and insert "**38,250,000**".
- 6 Page 15, delete lines 37 through 38.
- 7 Page 32, between lines 2 and 3, begin a new line and insert:
- 8 **"CALL 2-1-1 PROGRAM**
- 9 **Total Operating Expense 500,000 500,000".**
- 10 Page 36, line 23, delete "97,000 97,000" and insert "**500,000**".
- 11 **500,000".**
- 12 Page 49, line 29, delete "300,000 300,000" and insert
- 13 **"1,000,000 1,000,000".**
- 14 Page 50, line 2, delete "1,200,000 1,200,000" and insert
- 15 **"2,400,000 2,400,000".**
- 16 Page 51, line 33, delete "500,000 500,000" and insert
- 17 **"1,000,000 1,000,000".**
- 18 Page 51, between lines 48 and 49, begin a new line and insert:
- 19 **"Local Public Infrastructure Revolving Loan Fund**
- 20 **Total Operating Expense 200,000,000".**
- 21 Page 53, between lines 1 and 2, begin a new line and insert:
- 22 **"However, the amount appropriated above must be augmented**
- 23 **from the state general fund if the budget agency determines that an**
- 24 **amount of state gross retail tax revenue exceeding the amount**

1 appropriated would have been deposited in the public mass
 2 transportation fund (IC 8-23-3-8) under IC 6-2.5-10-1 (as in effect
 3 on January 1, 2011). The amount of the augmentation allowed is
 4 equal to the amount of the excess determined by the budget
 5 agency."

6 Page 57, between lines 32 and 33, begin a new line and insert:

7 **"Augmentation is allowed for the appropriations for the**
 8 **children's health insurance program."**

9 Page 58, between lines 44 and 45, begin a new line and insert:

10 **"State General Fund**

11 **Total Operating Expense 1,000,000 1,000,000".**

12 Page 64, line 44, delete "88,866,771 88,866,771" and insert
 13 **"89,386,871 89,756,006".**

14 Page 64, between lines 47 and 48, begin a new line and insert:

15 **"The above appropriations include an amount sufficient to increase**
 16 **the number of unduplicated participants in the community**
 17 **integration and habilitation waiver by twenty-five (25) in the state**
 18 **fiscal year beginning July 1, 2013, and by an additional twenty-five**
 19 **(25) in the state fiscal year beginning July 1, 2014."**

20 Page 66, line 44, delete "2,473,500 2,473,500" and insert
 21 **"3,000,000 3,000,000".**

22 Page 68, delete lines 23 through 26.

23 Page 70, line 6, delete "5,000,000 5,000,000" and insert
 24 **"10,000,000 10,000,000".**

25 Page 77, line 33, delete "400,000 400,000" and insert **"450,000**
 26 **450,000".**

27 Page 81, between lines 14 and 15, begin a new line and insert:

28 **"EDUCATION SERVICE CENTERS**

29 **Total Operating Expense 2,000,000 2,000,000".**

30 Page 81, line 38, delete "6,632,900,000 6,701,800,000" and
 31 insert **"6,688,300,000 6,805,400,000".**

32 Page 81, line 42, after "grants" insert **"hold harmless grants, and".**

33 Page 81, line 43, delete "scholarships, and choice scholarships" and
 34 insert **"scholarships".**

35 Page 82, line 45, delete "16,700,000" and insert **"1,000,000".**

36 Page 82, between lines 45 and 46, begin a new line and insert:

37 **"The department of education shall use the above appropriation to**
 38 **develop a pilot program for providing school performance**
 39 **awards."**

40 Page 84, delete lines 1 through 18, begin a new line block indented
 41 and insert:

42 **"TESTING**

43 **Total Operating Expense 23,000,000 23,000,000**

44 **The above appropriations for testing do not include funds for**
 45 **graduation exam remediation. The appropriations include funds**
 46 **for the advanced placement program, the College Board or ACT**

1 program, and other testing designed to measure college and career
 2 readiness as selected by the department of education. The
 3 appropriations for the advanced placement program and College
 4 Board or ACT program are to provide funding for students of
 5 accredited public and nonpublic schools. Of the above
 6 appropriations for testing, \$500,000 each year shall be used for
 7 ACT/SAT test preparation.

8 **REMEDICATION**

9 **Total Operating Expense 23,000,000 23,000,000**

10 The above appropriations for remediation include funds for
 11 graduation exam remediation. Before notification of local school
 12 corporations of the formula and components of the formula for
 13 distributing funds for remediation and graduation exam
 14 remediation, review and approval of the formula and components
 15 shall be made by the budget agency. The above appropriations for
 16 remediation shall be used by school corporations to provide
 17 remediation programs for students who attend public and
 18 nonpublic schools. For purposes of tuition support, these students
 19 are not to be counted in the average daily membership.

20 Augmentation is allowed for the amounts appropriated for testing
 21 and remediation. Any unexpended amounts appropriated for
 22 testing and remediation do not revert to the state general fund and
 23 remain available for testing and remediation in future state fiscal
 24 years."

25 Page 84, line 21, delete "5,000,000 5,000,000" and insert
 26 "**10,000,000 10,000,000**".

27 Page 84, line 28, delete "two hundred dollars (\$200)" and insert
 28 "**three hundred dollars (\$300)**".

29 Page 84, line 28, delete "It is the intent of the".

30 Page 84, delete line 29.

31 Page 84, line 30, delete "Program shall be the total allowable state
 32 expenditure for the program."

33 Page 84, line 32, delete "the department of education shall reduce
 34 each school corporation's distribution" and insert "**the amount
 35 appropriated must be augmented from the state general fund to
 36 ensure that each school corporation receives the full grant
 37 amount.**".

38 Page 84, delete line 33.

39 Page 84, line 40, delete "11,000,000 11,000,000" and insert
 40 "**250,000 250,000**".

41 Page 84, line 44, delete "program to administer the" and insert
 42 "**pilot**".

43 Page 84, line 45, before "program" insert "**pilot**".

44 Page 85, between lines 15 and 16, begin a new line block indented
 45 and insert:

46 **"PROFESSIONAL DEVELOPMENT DISTRIBUTION**

- 1 or loan under IC 8-21-11.
- 2 (3) Any other:
- 3 (A) acquisition of land;
- 4 (B) site improvements;
- 5 (C) infrastructure improvements;
- 6 (D) construction of buildings or structures;
- 7 (E) rehabilitation, renovation, or enlargement of buildings
- 8 or structures; or
- 9 (F) acquisition or improvement of machinery, equipment,
- 10 furnishings, or facilities;
- 11 (or any combination of these), that comprises or is
- 12 functionally related to an activity that serves a governmental,
- 13 a recreational, a cultural, a community, a health, a charitable,
- 14 a scientific, a public safety, a literary, or an educational
- 15 purpose, fosters amateur sports competition, or fosters
- 16 prevention of cruelty to children.
- 17 (c) The local public infrastructure revolving loan fund is
- 18 established. The fund shall be administered by the authority.
- 19 (d) The fund consists of the following resources:
- 20 (1) Appropriations from the general assembly.
- 21 (2) Gifts, grants, and donations of any tangible or intangible
- 22 property from public or private sources.
- 23 (3) Investment income earned on the fund's assets.
- 24 (4) Repayments of loans from the fund.
- 25 (e) The treasurer of state shall invest the money in the fund not
- 26 currently needed to meet the obligations of the fund in the same
- 27 manner as other public funds may be invested.
- 28 (f) The money remaining in the fund at the end of a fiscal year
- 29 does not revert to the state general fund.
- 30 (g) Interest earned on the fund may be used by the authority to
- 31 pay expenses incurred in the administration of the fund.
- 32 (h) The authority shall use the money in the fund to make low
- 33 interest loans to political subdivisions, including public
- 34 transportation corporations, to finance capital projects. The
- 35 authority shall determine the terms of each loan made from the
- 36 fund, which must include the following:
- 37 (1) The duration of the loan, which may not exceed ten (10)
- 38 years.
- 39 (2) The repayment schedule of the loan.
- 40 (3) Interest at one percent (1%) per annum.
- 41 (4) The amount of the loan.
- 42 (5) Any other conditions specified by the authority."
- 43 Page 106, delete lines 35 through 41, begin a new paragraph and
- 44 insert:
- 45 "SECTION 57. IC 4-10-22-3, AS AMENDED BY P.L.160-2012,
- 46 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 47 JULY 1, 2013]: Sec. 3. After completing the presentation to the state

1 budget committee described in section 2 of this chapter, the governor
2 shall do the following:

3 (1) If the amount of excess reserves on June 30 of any year is less
4 than fifty million dollars (\$50,000,000), the governor shall carry
5 over the excess reserves to each subsequent year until the total
6 excess reserves, including any carryover amount, equal at least
7 fifty million dollars (\$50,000,000). In the year that the total
8 excess reserves equal at least fifty million dollars (\$50,000,000),
9 the excess reserves shall be used as provided in subdivision (2).

10 (2) If in any year the amount of the excess reserves is fifty million
11 dollars (\$50,000,000) or more, the governor shall ~~do the~~
12 following:

13 (A) If the year is calendar year 2012, transfer fifty percent
14 (50%) of the excess reserves as follows:

15 (i) To the pension plans for the state police, conservation
16 officers, judges, and prosecuting attorneys to increase the
17 funded amount of each of these plans to eighty percent
18 (80%). The funded amount for each plan described in this
19 item is to be determined as of June 30 of the immediately
20 preceding year; and, if the amount of money available for
21 transfer is less than the amount needed to increase all these
22 plans' funded amount to eighty percent (80%), the transfers
23 shall be made in the priority of each plan's unfunded liability
24 so that the funded amount of the plan with the least
25 unfunded liability is raised to eighty percent (80%) first.

26 (ii) To the pension stabilization fund established by
27 IC 5-10.4-2-5 for the purposes of the pension stabilization
28 fund; if money remains after satisfying item (i):

29 If the year begins after December 31, 2012, transfer fifty **one**
30 **hundred** percent (50%) (**100%**) of any excess reserves to the
31 pension stabilization fund established by IC 5-10.4-2-5 for the
32 purposes of the pension stabilization fund.

33 (B) Use fifty percent (50%) of any excess reserves for the
34 purposes of providing an automatic taxpayer refund under
35 section 4 of this chapter.

36 SECTION 48. IC 4-10-22-4 IS REPEALED [EFFECTIVE JULY 1,
37 2013]. Sec. 4: The following apply if sufficient excess state reserves are
38 available to provide an automatic taxpayer refund to each taxpayer
39 eligible for a refund:

40 (†) To qualify for a refund, a taxpayer:

41 (A) must have filed an Indiana resident individual adjusted
42 gross income tax return for the taxpayer's taxable year ending
43 in the calendar year immediately preceding the calendar year
44 in which a determination is made under section † of this
45 chapter that the state has excess reserves; and

46 (B) must have adjusted gross income tax liability for the

- 1 taxpayer's taxable year ending in the calendar year in which a
 2 determination is made under section 1 of this chapter that the
 3 state has excess reserves:
- 4 (2) The amount of the refund is determined for each qualifying
 5 taxpayer as follows:
- 6 STEP ONE: Determine the total amount of excess state
 7 reserves that under section 3 of this chapter are available to
 8 provide automatic taxpayer refunds.
- 9 STEP TWO: Determine the total number of taxpayers that
 10 qualify for a refund under subdivision (1):
- 11 STEP THREE: Determine the result of:
- 12 (A) the STEP ONE result, divided by
 13 (B) the STEP TWO result;
- 14 as rounded to the nearest dollar.
- 15 (3) The refund is a refundable credit that shall first be applied as
 16 a credit against adjusted gross income tax liability in the
 17 taxpayer's taxable year in which a refund is provided. Any
 18 remaining unused credit shall be refunded to the taxpayer. The
 19 credit may not be carried forward.
- 20 (4) If an individual and the individual's spouse are both qualifying
 21 taxpayers for purposes of this section for a taxable year and file
 22 a joint Indiana resident individual adjusted gross income tax
 23 return for the taxable year:
- 24 (A) the individual and the individual's spouse are considered
 25 two (2) taxpayers for purposes of determining the amount of
 26 the refund under subdivision (2) for a qualifying taxpayer; and
 27 (B) the amount of the refund that the individual and the
 28 individual's spouse are entitled to claim is equal to the amount
 29 of any refund determined under subdivision (2) for a
 30 qualifying taxpayer, multiplied by two (2)."
- 31 Page 115, delete lines 43 through 46, begin a new paragraph and
 32 insert:
- 33 "SECTION 12. IC 4-35-7-12, AS AMENDED BY P.L.229-2011,
 34 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2013]: Sec. 12. (a) The Indiana horse racing commission shall
 36 enforce the requirements of this section.
- 37 (b) Except as provided in subsection (j), a licensee shall before the
 38 fifteenth day of each month distribute an amount equal to fifteen
 39 percent (15%) of the adjusted gross receipts of the slot machine
 40 wagering from the previous month at the licensee's racetrack as
 41 provided in this subsection. The Indiana horse racing commission may
 42 not use any of this money for any administrative purpose or other
 43 purpose of the Indiana horse racing commission, and the entire amount
 44 of the money shall be distributed as provided in this section. A licensee
 45 shall pay the first one million five hundred thousand dollars
 46 (\$1,500,000) distributed under this section in a state fiscal year to the

1 treasurer of state for deposit in the Indiana tobacco master settlement
 2 agreement fund for the purposes of the tobacco use prevention and
 3 cessation program. A licensee shall pay the next two hundred fifty
 4 thousand dollars (\$250,000) distributed under this section in a state
 5 fiscal year to the Indiana horse racing commission for deposit in the
 6 gaming integrity fund established by IC 4-35-8.7-3. After this money
 7 has been distributed to the treasurer of state and the Indiana horse
 8 racing commission, a licensee shall distribute the remaining money
 9 devoted to horse racing purses and to horsemen's associations under
 10 this subsection as follows:

11 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's
 12 associations for equine promotion or welfare according to the
 13 ratios specified in subsection (e).

14 (2) Two and five-tenths percent (2.5%) shall be transferred to
 15 horsemen's associations for backside benevolence according to
 16 the ratios specified in subsection (e).

17 (3) Ninety-seven percent (97%) shall be distributed to promote
 18 horses and horse racing as provided in subsection (d).

19 (c) A horsemen's association shall expend the amounts distributed
 20 to the horsemen's association under subsection (b)(1) through (b)(2) for
 21 a purpose promoting the equine industry or equine welfare or for a
 22 benevolent purpose that the horsemen's association determines is in the
 23 best interests of horse racing in Indiana for the breed represented by the
 24 horsemen's association. Expenditures under this subsection are subject
 25 to the regulatory requirements of subsection (f).

26 (d) A licensee shall distribute the amounts described in subsection
 27 (b)(3) as follows:

28 (1) Forty-six percent (46%) for thoroughbred purposes as follows:

29 (A) Sixty percent (60%) for the following purposes:

30 (i) Ninety-seven percent (97%) for thoroughbred purses.

31 (ii) Two and four-tenths percent (2.4%) to the horsemen's
 32 association representing thoroughbred owners and trainers.

33 (iii) Six-tenths percent (0.6%) to the horsemen's association
 34 representing thoroughbred owners and breeders.

35 (B) Forty percent (40%) to the breed development fund
 36 established for thoroughbreds under IC 4-31-11-10.

37 (2) Forty-six percent (46%) for standardbred purposes as follows:

38 (A) Three hundred seventy-five thousand dollars (\$375,000)
 39 to the state fair commission to be used by the state fair
 40 commission to support standardbred racing and facilities at the
 41 state fairgrounds.

42 (B) One hundred twenty-five thousand dollars (\$125,000) to
 43 the state fair commission to be used by the state fair
 44 commission to make grants to county fairs to support
 45 standardbred racing and facilities at county fair tracks. The
 46 state fair commission shall establish a review committee to

1 include the standardbred association board, the Indiana horse
 2 racing commission, and the Indiana county fair association to
 3 make recommendations to the state fair commission on grants
 4 under this clause.

5 (C) Fifty percent (50%) of the amount remaining after the
 6 distributions under clauses (A) and (B) for the following
 7 purposes:

8 (i) Ninety-six and five-tenths percent (96.5%) for
 9 standardbred purses.

10 (ii) Three and five-tenths percent (3.5%) to the horsemen's
 11 association representing standardbred owners and trainers.

12 (D) Fifty percent (50%) of the amount remaining after the
 13 distributions under clauses (A) and (B) to the breed
 14 development fund established for standardbreds under
 15 IC 4-31-11-10.

16 (3) Eight percent (8%) for quarter horse purposes as follows:

17 (A) Seventy percent (70%) for the following purposes:

18 (i) Ninety-five percent (95%) for quarter horse purses.

19 (ii) Five percent (5%) to the horsemen's association
 20 representing quarter horse owners and trainers.

21 (B) Thirty percent (30%) to the breed development fund
 22 established for quarter horses under IC 4-31-11-10.

23 Expenditures under this subsection are subject to the regulatory
 24 requirements of subsection (f).

25 (e) Money distributed under subsection (b)(1) and (b)(2) shall be
 26 allocated as follows:

27 (1) Forty-six percent (46%) to the horsemen's association
 28 representing thoroughbred owners and trainers.

29 (2) Forty-six percent (46%) to the horsemen's association
 30 representing standardbred owners and trainers.

31 (3) Eight percent (8%) to the horsemen's association representing
 32 quarter horse owners and trainers.

33 (f) Money distributed under subsection (b)(1), (b)(2), or (b)(3) may
 34 not be expended unless the expenditure is for a purpose authorized in
 35 this section and is either for a purpose promoting the equine industry
 36 or equine welfare or is for a benevolent purpose that is in the best
 37 interests of horse racing in Indiana or the necessary expenditures for
 38 the operations of the horsemen's association required to implement and
 39 fulfill the purposes of this section. The Indiana horse racing
 40 commission may review any expenditure of money distributed under
 41 subsection (b)(1), (b)(2), or (b)(3) to ensure that the requirements of
 42 this section are satisfied. The Indiana horse racing commission shall
 43 adopt rules concerning the review and oversight of money distributed
 44 under subsection (b)(1), (b)(2), or (b)(3) and shall adopt rules
 45 concerning the enforcement of this section. The following apply to a
 46 horsemen's association receiving a distribution of money under

- 1 subsection (b)(1), (b)(2), or (b)(3):
- 2 (1) The horsemen's association must annually file a report with
- 3 the Indiana horse racing commission concerning the use of the
- 4 money by the horsemen's association. The report must include
- 5 information as required by the commission.
- 6 (2) The horsemen's association must register with the Indiana
- 7 horse racing commission.
- 8 (g) The commission shall provide the Indiana horse racing
- 9 commission with the information necessary to enforce this section.
- 10 (h) The Indiana horse racing commission shall investigate any
- 11 complaint that a licensee has failed to comply with the horse racing
- 12 purse requirements set forth in this section. If, after notice and a
- 13 hearing, the Indiana horse racing commission finds that a licensee has
- 14 failed to comply with the purse requirements set forth in this section,
- 15 the Indiana horse racing commission may:
- 16 (1) issue a warning to the licensee;
- 17 (2) impose a civil penalty that may not exceed one million dollars
- 18 (\$1,000,000); or
- 19 (3) suspend a meeting permit issued under IC 4-31-5 to conduct
- 20 a pari-mutuel wagering horse racing meeting in Indiana.
- 21 (i) A civil penalty collected under this section must be deposited in
- 22 the state general fund.
- 23 (j) For a ~~state fiscal year beginning after June 30, 2011~~, **each**
- 24 **racetrack casino**, the sum of the amount of money dedicated to the
- 25 distribution to the Indiana horse racing commission for deposit in the
- 26 gaming integrity fund and the amount of money dedicated to the
- 27 purposes described in subsection (b)(1), (b)(2), and (b)(3) for a
- 28 particular state fiscal year is equal to the ~~lesser~~ **least of the following**:
- 29 (1) The result of:
- 30 (A) fifteen percent (15%) of the licensee's **racetrack casino's**
- 31 adjusted gross receipts for the state fiscal year; minus
- 32 (B) one million five hundred thousand dollars (\$1,500,000). ~~or~~
- 33 (2) The result of:
- 34 (A) ~~in the state fiscal year beginning July 1, 2011, and ending~~
- 35 ~~June 30, 2012~~:
- 36 (i) the sum of the amount dedicated to the distribution to the
- 37 Indiana horse racing commission for deposit in the gaming
- 38 integrity fund and the amount dedicated to the purposes
- 39 described in subsection (b)(1), (b)(2), and (b)(3) in the
- 40 previous state fiscal year; minus
- 41 (ii) one million five hundred thousand dollars (\$1,500,000);
- 42 and
- 43 (B) (A) in a state fiscal year beginning after June 30, 2012, the
- 44 sum of the amount dedicated to the distribution to the Indiana
- 45 horse racing commission for deposit in the gaming integrity
- 46 fund and the amount dedicated to the purposes described in

1 subsection (b)(1), (b)(2), and (b)(3) in the previous state fiscal
 2 year; increased by
 3 **(B)** a percentage that does not exceed the percent of increase
 4 in the United States Department of Labor Consumer Price
 5 Index during the year preceding the year in which an increase
 6 is established.

7 **(3) Twenty million dollars (\$20,000,000).**
 8 If the amount specified in subdivision (1) for the state fiscal year
 9 exceeds the amount specified in subdivision (2) **or (3), whichever is**
 10 **applicable**, the licensee **operating the racetrack casino** shall transfer
 11 the amount of the excess to the commission for deposit in the state
 12 general fund. The licensee shall adjust the transfers required under this
 13 section in the final month of the state fiscal year to comply with the
 14 requirements of this subsection."

15 Delete pages 116 through 117.
 16 Page 118, delete lines 1 through 45.
 17 Page 125, between lines 20 and 21, begin a new paragraph and
 18 insert:

19 "SECTION 65. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010,
 20 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2014]: Sec. 13. (a) Except as provided in section 40.5 of
 22 this chapter, an individual may have twenty-four thousand nine
 23 hundred sixty dollars (\$24,960) deducted from the assessed value of
 24 the taxable tangible property that the individual owns, or real property,
 25 a mobile home not assessed as real property, or a manufactured home
 26 not assessed as real property that the individual is buying under a
 27 contract that provides that the individual is to pay property taxes on the
 28 real property, mobile home, or manufactured home, if the contract or
 29 a memorandum of the contract is recorded in the county recorder's
 30 office and if:

- 31 (1) the individual served in the military or naval forces of the
- 32 United States during any of its wars;
- 33 (2) the individual received an honorable discharge;
- 34 (3) the individual has a disability with a service connected
- 35 disability of ten percent (10%) or more;
- 36 (4) the individual's disability is evidenced by:
 - 37 (A) **for verifications of eligibility performed before**
 - 38 **January 1, 2014**, a pension certificate, an award of
 - 39 compensation, or a disability compensation check issued by
 - 40 the United States Department of Veterans Affairs; or
 - 41 (B) a certificate of eligibility issued to the individual by the
 - 42 Indiana department of veterans' affairs after the Indiana
 - 43 department of veterans' affairs has determined that the
 - 44 individual's disability qualifies the individual to receive a
 - 45 deduction under this section; and
 - 46 (5) the individual:

1 (A) owns the real property, mobile home, or manufactured
 2 home; or
 3 (B) is buying the real property, mobile home, or manufactured
 4 home under contract;
 5 on the date the statement required by section 15 of this chapter is
 6 filed.

7 (b) The surviving spouse of an individual may receive the deduction
 8 provided by this section if the individual would qualify for the
 9 deduction if the individual were alive.

10 (c) One who receives the deduction provided by this section may not
 11 receive the deduction provided by section 16 of this chapter. However,
 12 the individual may receive any other property tax deduction which the
 13 individual is entitled to by law.

14 (d) An individual who has sold real property, a mobile home not
 15 assessed as real property, or a manufactured home not assessed as real
 16 property to another person under a contract that provides that the
 17 contract buyer is to pay the property taxes on the real property, mobile
 18 home, or manufactured home may not claim the deduction provided
 19 under this section against that real property, mobile home, or
 20 manufactured home.

21 SECTION 66. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009,
 22 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2014]: Sec. 14. (a) Except as provided in subsection (c)
 24 and except as provided in section 40.5 of this chapter, an individual
 25 may have the sum of twelve thousand four hundred eighty dollars
 26 (\$12,480) deducted from the assessed value of the tangible property
 27 that the individual owns (or the real property, mobile home not
 28 assessed as real property, or manufactured home not assessed as real
 29 property that the individual is buying under a contract that provides
 30 that the individual is to pay property taxes on the real property, mobile
 31 home, or manufactured home if the contract or a memorandum of the
 32 contract is recorded in the county recorder's office) if:

- 33 (1) the individual served in the military or naval forces of the
- 34 United States for at least ninety (90) days;
- 35 (2) the individual received an honorable discharge;
- 36 (3) the individual either:
 - 37 (A) has a total disability; or
 - 38 (B) is at least sixty-two (62) years old and has a disability of at
 - 39 least ten percent (10%);
- 40 (4) the individual's disability is evidenced by:
 - 41 (A) **for verifications of eligibility performed before**
 - 42 **January 1, 2014**, a pension certificate or an award of
 - 43 compensation issued by the United States Department of
 - 44 Veterans Affairs; or
 - 45 (B) a certificate of eligibility issued to the individual by the
 - 46 Indiana department of veterans' affairs after the Indiana

1 department of veterans' affairs has determined that the
 2 individual's disability qualifies the individual to receive a
 3 deduction under this section; and
 4 (5) the individual:
 5 (A) owns the real property, mobile home, or manufactured
 6 home; or
 7 (B) is buying the real property, mobile home, or manufactured
 8 home under contract;
 9 on the date the statement required by section 15 of this chapter is
 10 filed.

11 (b) Except as provided in subsection (c), the surviving spouse of an
 12 individual may receive the deduction provided by this section if the
 13 individual would qualify for the deduction if the individual were alive.

14 (c) No one is entitled to the deduction provided by this section if the
 15 assessed value of the individual's tangible property, as shown by the tax
 16 duplicate, exceeds one hundred forty-three thousand one hundred sixty
 17 dollars (\$143,160).

18 (d) An individual who has sold real property, a mobile home not
 19 assessed as real property, or a manufactured home not assessed as real
 20 property to another person under a contract that provides that the
 21 contract buyer is to pay the property taxes on the real property, mobile
 22 home, or manufactured home may not claim the deduction provided
 23 under this section against that real property, mobile home, or
 24 manufactured home.

25 SECTION 67. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008,
 26 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2014]: Sec. 15. (a) Except as provided in section 17.8 of
 28 this chapter and subject to section 45 of this chapter, an individual who
 29 desires to claim the deduction provided by section 13 or section 14 of
 30 this chapter must file a statement with the auditor of the county in
 31 which the individual resides. With respect to real property, the
 32 statement must be filed during the year for which the individual wishes
 33 to obtain the deduction. With respect to a mobile home that is not
 34 assessed as real property or a manufactured home that is not assessed
 35 as real property, the statement must be filed during the twelve (12)
 36 months before March 31 of each year for which the individual wishes
 37 to obtain the deduction. The statement may be filed in person or by
 38 mail. If mailed, the mailing must be postmarked on or before the last
 39 day for filing. The statement shall contain a sworn declaration that the
 40 individual is entitled to the deduction.

41 (b) In addition to the statement, the individual shall submit to the
 42 county auditor for the auditor's inspection:

43 (1) **for verifications of eligibility performed before January 1,**
 44 **2014,** a pension certificate, an award of compensation, or a
 45 disability compensation check issued by the United States
 46 Department of Veterans Affairs if the individual claims the

- 1 deduction provided by section 13 of this chapter;
- 2 (2) **for verifications of eligibility performed before January 1,**
- 3 **2014,** a pension certificate or an award of compensation issued by
- 4 the United States Department of Veterans Affairs if the individual
- 5 claims the deduction provided by section 14 of this chapter; or
- 6 (3) the appropriate certificate of eligibility issued to the individual
- 7 by the Indiana department of veterans' affairs if the individual
- 8 claims the deduction provided by section 13 or 14 of this chapter.

9 (c) If the individual claiming the deduction is under guardianship,
 10 the guardian shall file the statement required by this section.

11 (d) If the individual claiming a deduction under section 13 or 14 of
 12 this chapter is buying real property, a mobile home not assessed as real
 13 property, or a manufactured home not assessed as real property under
 14 a contract that provides that the individual is to pay property taxes for
 15 the real estate, mobile home, or manufactured home, the statement
 16 required by this section must contain the record number and page
 17 where the contract or memorandum of the contract is recorded.

18 SECTION 68. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008,
 19 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2014]: Sec. 17. (a) Except as provided in section 17.8 of
 21 this chapter and subject to section 45 of this chapter, a surviving spouse
 22 who desires to claim the deduction provided by section 16 of this
 23 chapter must file a statement with the auditor of the county in which
 24 the surviving spouse resides. With respect to real property, the
 25 statement must be filed during the year for which the surviving spouse
 26 wishes to obtain the deduction. With respect to a mobile home that is
 27 not assessed as real property or a manufactured home that is not
 28 assessed as real property, the statement must be filed during the twelve
 29 (12) months before March 31 of each year for which the individual
 30 wishes to obtain the deduction. The statement may be filed in person
 31 or by mail. If mailed, the mailing must be postmarked on or before the
 32 last day for filing. The statement shall contain:

- 33 (1) a sworn statement that the surviving spouse is entitled to the
- 34 deduction; and
- 35 (2) the record number and page where the contract or
- 36 memorandum of the contract is recorded, if the individual is
- 37 buying the real property on a contract that provides that the
- 38 individual is to pay property taxes on the real property.

39 (b) In addition to the statement **required by subsection (a)**, the
 40 surviving spouse shall submit to the county auditor for the auditor's
 41 inspection:

- 42 (1) **for verifications performed before January 1, 2014,** a letter
- 43 or certificate from the United States Department of Veterans
- 44 Affairs; **or**
- 45 (2) **a certificate from the Indiana department of veterans'**
- 46 **affairs;**

1 establishing the service of the deceased spouse in the military or naval
2 forces of the United States before November 12, 1918."

3 Page 125, delete lines 33 through 46, begin a new paragraph and
4 insert:

5 "SECTION 69. IC 6-3-2-1, AS AMENDED BY P.L.172-2011,
6 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2013]: Sec. 1. (a) Each taxable year, a tax at the rate of three
8 and four-tenths percent (3.4%) of adjusted gross income is imposed
9 upon the adjusted gross income of every resident person, and on that
10 part of the adjusted gross income derived from sources within Indiana
11 of every nonresident person, as follows:

12 **(1) At the rate of three and four-tenths percent (3.4%) of**
13 **adjusted gross income in any taxable year in which the person**
14 **elects to claim a tax credit under IC 6-3-3-13.**

15 **(2) At the applicable rate determined under subsection (d) in**
16 **a taxable year beginning after December 31, 2013, and ending**
17 **before January 1, 2015, if the person elects to forego a tax**
18 **credit under IC 6-3-3-13.**

19 **(3) At the applicable rate determined under subsection (e) in**
20 **a taxable year beginning after December 31, 2014, if the**
21 **person elects to forego a tax credit under IC 6-3-3-13.**

22 **(4) At the rate determined under subsection (d) or (e), as**
23 **applicable, in any taxable year in which the person is**
24 **ineligible to elect a tax credit under IC 6-3-3-13 because the**
25 **person had no textbook rental expenses in the taxable year.**

26 (b) Except as provided in section 1.5 of this chapter, each taxable
27 year, a tax at the following rate of adjusted gross income is imposed on
28 that part of the adjusted gross income derived from sources within
29 Indiana of every corporation:

30 (1) Before July 1, 2012, eight and five-tenths percent (8.5%).

31 (2) After June 30, 2012, and before July 1, 2013, eight percent
32 (8.0%).

33 (3) After June 30, 2013, and before July 1, 2014, seven and
34 five-tenths percent (7.5%).

35 (4) After June 30, 2014, and before July 1, 2015, seven percent
36 (7.0%).

37 (5) After June 30, 2015, six and five-tenths percent (6.5%).

38 (c) If for any taxable year a taxpayer is subject to different tax rates
39 under subsection (b), the taxpayer's tax rate for that taxable year is the
40 rate determined in the last STEP of the following STEPS:

41 STEP ONE: Multiply the number of months in the taxpayer's
42 taxable year that precede the month the rate changed by the rate
43 in effect before the rate change.

44 STEP TWO: Multiply the number of months in the taxpayer's
45 taxable year that follow the month before the rate changed by the
46 rate in effect after the rate change.

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

3 However, the rate determined under this subsection shall be rounded
4 to the nearest one-hundredth of one percent (0.01%).

5 **(d) For a taxable year beginning after December 31, 2013, and**
6 **ending before January 1, 2015, the applicable tax rates for**
7 **purposes of subsection (a)(2) are set forth in the following table:**

8 TAX RATE	TAXABLE INCOME
9 3.15%	Equal to or less than \$25,000
10 3.23%	Greater than \$25,000, but not 11 more than \$50,000
12 3.32%	Greater than \$50,000, but not 13 more than \$100,000
14 3.36%	Greater than \$100,000, but not 15 more than \$200,000
16 3.4%	Greater than \$200,000

17 **This subsection may not be construed to impose a graduated**
18 **income tax. All of a taxpayer's taxable income is subject to taxation**
19 **at the rate specified in the table.**

20 **(e) For a taxable year beginning after December 31, 2014, the**
21 **applicable tax rates for purposes of subsection (a)(3) are set forth**
22 **in the following table:**

23 TAX RATE	TAXABLE INCOME
24 2.89%	Equal to or less than \$25,000
25 3.06%	Greater than \$25,000, but not 26 more than \$50,000
27 3.23%	Greater than \$50,000, but not 28 more than \$100,000
29 3.32%	Greater than \$100,000, but not 30 more than \$200,000
31 3.4%	Greater than \$200,000

32 **This subsection may not be construed to impose a graduated**
33 **income tax. All of a taxpayer's taxable income is subject to taxation**
34 **at the rate specified in the table.**

35 SECTION 67. IC 6-3-3-13 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
37 1, 2013]: Sec. 13. (a) This section applies only to taxable years
38 beginning after December 31, 2013.

39 (b) As used in this section, "dependent child" has the meaning
40 set forth in IC 6-3-2-22(a)(1).

41 (c) Each taxable year, an individual may elect to claim a credit
42 against the individual's adjusted gross income tax liability for
43 expenditures incurred during the taxable year for textbook rentals
44 that are required for a course of instruction furnished by an
45 Indiana school corporation in which a dependent child of the
46 individual is enrolled.

47 **(d) For a taxable year beginning after December 31, 2013, and**

1 ending before January 1, 2015, the amount of the credit provided
 2 by this section is equal to the lesser of:

- 3 (1) the amount expended for textbook rentals during the
- 4 taxable year; or
- 5 (2) fifty dollars (\$50).

6 (e) For a taxable year beginning after December 31, 2014, the
 7 amount of the credit provided by this section is equal to the lesser
 8 of:

- 9 (1) the amount expended for textbook rentals during the
- 10 taxable year; or
- 11 (2) one hundred dollars (\$100)."

12 Delete pages 126 through 131.

13 Page 132, delete lines 1 through 4, begin a new paragraph and
 14 insert:

15 "SECTION 73. IC 6-6-5-5 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The amount of
 17 tax imposed by this chapter shall be based upon the classification of the
 18 vehicle, as provided in section 4 of this chapter, and the age of the
 19 vehicle, in accordance with the schedule set out in subsection (b) or
 20 (c). or (d):

21 (b) A person who owns a vehicle and who is entitled to a property
 22 tax deduction under IC 6-1.1-12-13; IC 6-1.1-12-14; IC 6-1.1-12-16; or
 23 IC 6-1.1-12-17.4 is entitled to a credit against the annual license excise
 24 tax as follows: Any remaining deduction from assessed valuation to
 25 which the person is entitled; applicable to property taxes payable in the
 26 year in which the excise tax imposed by this chapter is due; after
 27 allowance of the deduction on real estate and personal property owned
 28 by the person; shall reduce the annual excise tax in the amount of two
 29 dollars (\$2) on each one hundred dollars (\$100) of taxable value or
 30 major portion thereof. The county auditor shall, upon request, furnish
 31 a certified statement to the person verifying the credit allowable under
 32 this section and the statement shall be presented to and retained by the
 33 bureau to support the credit.

34 (c) (b) After January 1, 1996, the tax schedule is as follows:

35 Year of

36 Manufacture	I	II	III	IV	V
37 1st	\$12	\$36	\$50	\$50	\$66
38 2nd	12	30	50	50	57
39 3rd	12	27	42	50	50
40 4th	12	24	33	50	50
41 5th	12	18	24	48	50
42 6th	12	12	18	36	50
43 7th	12	12	12	24	42
44 8th	12	12	12	18	24
45 9th	12	12	12	12	12
46 10th	12	12	12	12	12

1	and thereafter					
2	Year of					
3	Manufacture	VI	VII	VIII	IX	X
4	1st	\$84	\$103	\$123	\$150	\$172
5	2nd	74	92	110	134	149
6	3rd	63	77	93	115	130
7	4th	52	64	78	98	112
8	5th	50	52	64	82	96
9	6th	50	50	50	65	79
10	7th	49	50	50	52	65
11	8th	30	40	50	50	53
12	9th	18	21	34	40	50
13	10th	12	12	12	12	12
14	and thereafter					
15	Year of					
16	Manufacture	XI	XII	XIII	XIV	XV
17	1st	\$207	\$250	\$300	\$350	\$406
18	2nd	179	217	260	304	353
19	3rd	156	189	225	265	307
20	4th	135	163	184	228	257
21	5th	115	139	150	195	210
22	6th	94	114	121	160	169
23	7th	78	94	96	132	134
24	8th	64	65	65	91	91
25	9th	50	50	50	50	50
26	10th	21	26	30	36	42
27	and thereafter					
28	Year of					
29	Manufacture	XVI	XVII			
30	1st	\$469	\$532			
31	2nd	407	461			
32	3rd	355	398			
33	4th	306	347			
34	5th	261	296			
35	6th	214	242			
36	7th	177	192			
37	8th	129	129			
38	9th	63	63			
39	10th	49	50			
40	and thereafter.					

41 ~~(d)~~ (c) Every vehicle shall be taxed as a vehicle in its first year of
42 manufacture throughout the calendar year in which vehicles of that
43 make and model are first offered for sale in Indiana, except that a
44 vehicle of a make and model first offered for sale in Indiana after
45 August 1 of any year shall continue to be taxed as a vehicle in its first
46 year of manufacture until the end of the calendar year following the

1 year in which it is first offered for sale. Thereafter, the vehicle shall be
2 considered to have aged one (1) year as of January 1 of each year.

3 SECTION 74. IC 6-6-5-5.7 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2013]: **Sec. 5.7. (a) The following definitions apply throughout
6 this section:**

7 (1) "Eligible veteran or surviving spouse" means any of the
8 following:

9 (A) A World War I veteran who is a resident of Indiana.

10 (B) An individual described in subdivision (2), (3), or (4).

11 (2) "Partially disabled veteran" means an individual who
12 meets the conditions specified in IC 6-1.1-12-13(a)(1) through
13 IC 6-1.1-12-13(a)(3).

14 (3) "Surviving spouse" means a surviving spouse:

15 (A) whose deceased spouse is described by subdivision (2)
16 or (4) at the time of the deceased spouse's death; or

17 (B) who is described in IC 6-1.1-12-16(a)(1) and
18 IC 6-1.1-12-16(a)(2).

19 (4) "Totally disabled veteran" means an individual who meets
20 the conditions specified in IC 6-1.1-12-14(a)(1) through
21 IC 6-1.1-12-14(a)(3).

22 (b) Each year, an eligible veteran or surviving spouse to whom
23 the Indiana department of veterans' affairs has issued a certificate
24 of eligibility for the credit provided by this section is entitled to a
25 credit against the eligible veteran or surviving spouse's annual
26 license excise tax in an amount determined in STEP FOUR of the
27 following STEPS:

28 **STEP ONE: Determine one (1) of the following amounts:**

29 (A) If the eligible veteran or surviving spouse is a World
30 War I veteran who is a resident of Indiana, the result of
31 this STEP is the maximum deduction specified in
32 IC 6-1.1-12-17.4(a).

33 (B) If the eligible veteran or surviving spouse is a partially
34 disabled veteran or the surviving spouse of a partially
35 disabled veteran, the result of this STEP is the maximum
36 deduction specified in IC 6-1.1-12-13(a).

37 (C) If the eligible veteran or surviving spouse is a surviving
38 spouse described in subsection (a)(3)(B), the result of this
39 STEP is the maximum deduction specified in
40 IC 6-1.1-12-16(a).

41 (D) If the eligible veteran or surviving spouse is a totally
42 disabled veteran or the surviving spouse of a totally
43 disabled veteran, the result of this STEP is the maximum
44 deduction specified in IC 6-1.1-12-14(a).

45 **STEP TWO: Determine the amount of the property tax
46 deduction that the eligible veteran or surviving spouse is
47 actually claiming for the year, if any, under IC 6-1.1-12-13,**

- 1 **IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4, as**
- 2 **applicable.**
- 3 **STEP THREE: Determine:**
- 4 **(A) the STEP ONE result; minus**
- 5 **(B) the STEP TWO result.**
- 6 **STEP FOUR: Multiply:**
- 7 **(A) the STEP THREE result; by**
- 8 **(B) two percent (2%);**
- 9 **rounding the result to the nearest dollar.**
- 10 SECTION 35. IC 6-7-1-28.1, AS AMENDED BY P.L.229-2011,
- 11 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 12 JULY 1, 2013]: Sec. 28.1. The taxes, registration fees, fines, or
- 13 penalties collected under this chapter shall be deposited in the
- 14 following manner:
- 15 (1) Four and twenty-two hundredths percent (4.22%) of the
- 16 money shall be deposited in a fund to be known as the cigarette
- 17 tax fund.
- 18 (2) Six-tenths percent (0.6%) of the money shall be deposited in
- 19 a fund to be known as the mental health centers fund.
- 20 (3) The following amount of the money shall be deposited in the
- 21 state general fund:
- 22 (A) After June 30, 2011, and before July 1, 2013, sixty and
- 23 twenty-four hundredths percent (60.24%).
- 24 (B) After June 30, 2013, fifty-four and five-tenths percent
- 25 (54.5%).
- 26 (4) Five and forty-three hundredths percent (5.43%) of the money
- 27 shall be deposited into the pension relief fund established in
- 28 IC 5-10.3-11.
- 29 (5) Twenty-seven and five hundredths percent (27.05%) of the
- 30 money shall be deposited in the Indiana check-up plan trust fund
- 31 established by ~~IC 12-15-44.2-17~~: **IC 12-15-44.2-17(a) or the**
- 32 **Indiana check-up plan legacy reserve fund established by**
- 33 **IC 12-15-44.2-17(i), if applicable.**
- 34 (6) Two and forty-six hundredths percent (2.46%) of the money
- 35 shall be deposited in the state general fund for the purpose of
- 36 paying appropriations for Medicaid—Current Obligations, for
- 37 provider reimbursements.
- 38 (7) The following amount of the money shall be deposited in the
- 39 state retiree health benefit trust fund established by IC 5-10-8-8.5
- 40 as follows:
- 41 (A) Before July 1, 2011, five and seventy-four hundredths
- 42 percent (5.74%).
- 43 (B) After June 30, 2011, and before July 1, 2013, zero percent
- 44 (0%).
- 45 (C) After June 30, 2013, five and seventy-four hundredths
- 46 percent (5.74%).

1 The money in the cigarette tax fund, the mental health centers fund, the
 2 Indiana check-up plan trust fund, or the pension relief fund at the end
 3 of a fiscal year does not revert to the state general fund. However, if in
 4 any fiscal year, the amount allocated to a fund under subdivision (1) or
 5 (2) is less than the amount received in fiscal year 1977, then that fund
 6 shall be credited with the difference between the amount allocated and
 7 the amount received in fiscal year 1977, and the allocation for the fiscal
 8 year to the fund under subdivision (3) shall be reduced by the amount
 9 of that difference. Money deposited under subdivisions (6) through (7)
 10 may not be used for any purpose other than the purpose stated in the
 11 subdivision."

12 Page 133, between lines 17 and 18, begin a new paragraph and
 13 insert:

14 "SECTION 84. IC 8-14-15-10, AS ADDED BY P.L.47-2006,
 15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2013]: Sec. 10. (a) The principal of the trust may not be
 17 diminished during the term of the trust.

18 (b) The income that accrues from investment of the trust shall be
 19 deposited in the trust.

20 (c) On ~~March 15, 2011; March 15, 2016; and March 15 every five~~
 21 ~~(5) years~~ **January 1, 2014, and each year** thereafter, the treasurer of
 22 state shall ~~transfer~~ **distribute** all interest accruing to the trust to ~~the~~
 23 ~~major moves construction fund;~~ **each unit of local government**
 24 **entitled to a distribution from the local road and street account**
 25 **under IC 8-14-2-4. The treasurer of state shall allocate the amount**
 26 **distributed under this subsection in accordance with**
 27 **IC 8-14-2-4(c). A unit of local government may use money received**
 28 **under this subsection for the purposes described in IC 8-14-2-5."**

29 Page 134, between lines 7 and 8, begin a new paragraph and insert:

30 "SECTION 86. IC 10-17-5-4 IS ADDED TO THE INDIANA CODE
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2013]: **Sec. 4. (a) The Indiana department of veterans' affairs**
 33 **shall issue certificates of eligibility to veterans and surviving**
 34 **spouses of veterans who qualify for various tax benefits that**
 35 **require verification of military service or disability, including:**

36 (1) **the property tax deductions under IC 6-1.1-12-13,**
 37 **IC 6-1.1-12-14, and IC 6-1.1-12-16; and**

38 (2) **the annual license excise tax credit under IC 6-6-5-5.7.**

39 (b) **The Indiana department of veterans' affairs may maintain**
 40 **a data base of the certificates of eligibility issued under subsection**
 41 **(a) and provide for access to the data base for purposes of**
 42 **verification by:**

43 (1) **the county auditors;**

44 (2) **the bureau of motor vehicles; and**

45 (3) **any other governmental entity in Indiana that administers**
 46 **tax benefits for veterans."**

1 Page 136, between lines 40 and 41, begin a new paragraph and
2 insert:

3 "SECTION 87. IC 12-15-2-2.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. (a) This section does not**
6 **apply if, before July 1, 2013, the United States Department of**
7 **Health and Human Services approves a request by the office of the**
8 **secretary to provide coverage for an individual described in**
9 **subsection (b) through a Medicaid waiver or state plan amendment**
10 **other than a waiver or amendment applied for in order to**
11 **implement this section.**

12 **(b) Beginning January 1, 2014, and notwithstanding any other**
13 **state law, a person described in 42 U.S.C. 1396a(a)(10)(A)(i)(VIII)**
14 **is eligible to receive Medicaid assistance.**

15 **(c) The office shall take any action necessary to implement this**
16 **section."**

17 Page 159, between lines 44 and 45, begin a new paragraph and
18 insert:

19 "SECTION 109. IC 12-15-44.2-17, AS ADDED BY P.L.3-2008,
20 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2013]: Sec. 17. (a) The Indiana check-up plan trust fund is
22 established for the following purposes:

- 23 (1) Administering a plan created by the general assembly to
- 24 provide health insurance coverage for low income residents of
- 25 Indiana under this chapter.
- 26 (2) Providing copayments, preventative care services, and
- 27 premiums for individuals enrolled in the plan.
- 28 (3) Funding tobacco use prevention and cessation programs,
- 29 childhood immunization programs, and other health care
- 30 initiatives designed to promote the general health and well being
- 31 of Indiana residents.

32 The fund is separate from the state general fund.

33 (b) The fund shall be administered by the office of the secretary of
34 family and social services.

35 (c) The expenses of administering the fund shall be paid from
36 money in the fund.

37 (d) The fund shall consist of the following:

- 38 (1) Cigarette tax revenues designated by the general assembly to
- 39 be part of the fund.
- 40 (2) Other funds designated by the general assembly to be part of
- 41 the fund.
- 42 (3) Federal funds available for the purposes of the fund.
- 43 (4) Gifts or donations to the fund.

44 (e) The treasurer of state shall invest the money in the fund not
45 currently needed to meet the obligations of the fund in the same
46 manner as other public money may be invested.

- 1 (f) Money must be appropriated before funds are available for use.
- 2 (g) Money in the fund does not revert to the state general fund at the
- 3 end of any fiscal year.
- 4 (h) The fund is considered a trust fund for purposes of IC 4-9.1-1-7.
- 5 **Except as provided in subsection(i),** money may not be transferred,
- 6 assigned, or otherwise removed from the fund by the state board of
- 7 finance, the budget agency, or any other state agency.
- 8 **(i) This subsection applies after March 1, 2014, if the United**
- 9 **States Department of Health and Human Services does not**
- 10 **approve a request by the office of the secretary to provide coverage**
- 11 **for an individual described in 42 U.S.C. 1396a(a)(10)(A)(i)(VIII)**
- 12 **through a Medicaid waiver or state plan amendment to use the**
- 13 **plan described in this chapter or use a Medicaid waiver in any**
- 14 **other manner to provide coverage for the individuals. The Indiana**
- 15 **check-up plan trust fund described in this section shall become the**
- 16 **Indiana check-up plan legacy reserve fund. The Indiana check-up**
- 17 **plan legacy reserve fund consists of the funds described in**
- 18 **subsection (d) and may only be used for the following:**
- 19 **(1) Payment of claims arising out of the plan before its**
- 20 **expiration.**
- 21 **(2) Payment for providing Medicaid coverage to an individual**
- 22 **described in this subsection.**
- 23 **Any unobligated or unencumbered balance in the fund under this**
- 24 **subsection shall be considered part of Indiana's combined balances**
- 25 **in the same manner as the counter-cyclical revenue and economic**
- 26 **stabilization fund under IC 4-10-18."**
- 27 Page 161, between lines 26 and 27, begin a new paragraph and
- 28 insert:
- 29 "SECTION 113. IC 12-17.6-3-2, AS AMENDED BY P.L.229-2011,
- 30 SECTION 146, IS AMENDED TO READ AS FOLLOWS
- 31 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) To be eligible to enroll
- 32 in the program, a child must meet the following requirements:
- 33 (1) The child is less than nineteen (19) years of age.
- 34 (2) The child is a member of a family with an annual income of:
- 35 (A) more than one hundred fifty percent (150%); and
- 36 (B) not more than:
- 37 (i) ~~two three~~ **three** hundred ~~forty~~ **thirty** percent (~~250%~~); **(300%)**; or
- 38 (ii) the maximum percentage approved by the federal
- 39 Centers for Medicare and Medicaid Services if the approved
- 40 amount is less than ~~two three~~ **three** hundred ~~forty~~ **thirty** percent (~~250%~~);
- 41 **(300%)**;
- 42 of the federal income poverty level.
- 43 (3) The child is a resident of Indiana.
- 44 (4) The child meets all eligibility requirements under Title XXI
- 45 of the federal Social Security Act.
- 46 (5) The child's family agrees to pay any cost sharing amounts

- 1 required by the office.
- 2 (b) The office may adjust eligibility requirements based on available
- 3 program resources under rules adopted under IC 4-22-2."
- 4 Page 166, delete lines 39 through 46.
- 5 Delete pages 167 through 170.
- 6 Page 171, delete lines 1 through 40.
- 7 Page 172, delete lines 34 through 46, begin a new paragraph and
- 8 insert:
- 9 "SECTION 118. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,
- 10 SECTION 170, IS AMENDED TO READ AS FOLLOWS
- 11 [EFFECTIVE JULY 1, 2013]: Sec. 6.5. (a) Subject to subsection (b)
- 12 and with the approval of a majority of the members of the governing
- 13 body, a school corporation may distribute any part of the following to
- 14 a conversion school sponsored by the school corporation in the amount
- 15 and under the terms and conditions adopted by a majority of the
- 16 members of the governing body:
- 17 (1) State tuition support and other state distributions to the school
- 18 corporation.
- 19 (2) Any other amount deposited in the school corporation's
- 20 general fund.
- 21 (b) The total amount that may be transferred under subsection (a) in
- 22 a **calendar state fiscal** year to a particular conversion charter school
- 23 may not exceed the result determined under STEP FOUR of the
- 24 following formula:
- 25 STEP ONE: Determine the result of:
- 26 (A) the amount of state tuition support that the school
- 27 corporation is eligible to receive in the **calendar state fiscal**
- 28 year; divided by
- 29 (B) the current ADM of the school corporation **for conducted**
- 30 **in the current calendar state fiscal** year.
- 31 STEP TWO: Determine the result of:
- 32 (A) the amount of state tuition support that the conversion
- 33 charter school is eligible to receive in the **calendar state fiscal**
- 34 year; divided by
- 35 (B) the current ADM of the conversion charter school **for**
- 36 **conducted in the calendar state fiscal** year.
- 37 STEP THREE: Determine the greater of zero (0) or the result of:
- 38 (A) the STEP ONE amount; minus
- 39 (B) the STEP TWO amount.
- 40 STEP FOUR: Determine the result of:
- 41 (A) the STEP THREE amount; multiplied by
- 42 (B) the current ADM of the conversion charter school **for**
- 43 **conducted in the calendar state fiscal** year."
- 44 Page 173, delete lines 1 through 14.
- 45 Page 173, delete lines 31 through 46, begin a new paragraph and
- 46 insert:

1 "SECTION 120. IC 20-24-7-13, AS AMENDED BY P.L.229-2011,
 2 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section,
 4 "virtual charter school" means any charter school, including a
 5 conversion charter school, that provides for the delivery of more than
 6 fifty percent (50%) of instruction to students through:

- 7 (1) virtual distance learning;
- 8 (2) online technologies; or
- 9 (3) computer based instruction.

10 (b) ~~Beginning with the 2011-2012 school year~~; A virtual charter
 11 school may apply for sponsorship with any statewide sponsor in
 12 accordance with the sponsor's guidelines.

13 (c) ~~Before January 1, 2012, a virtual charter school is entitled to~~
 14 ~~receive funding from the state in an amount equal to the sum of:~~

15 (1) the product of:

- 16 (A) the number of students included in the virtual charter
 17 school's ADM; multiplied by
- 18 (B) ~~eighty percent (80%) of statewide average basic tuition~~
 19 ~~support.~~

20 (d) (c) ~~After December 31, 2011, For state fiscal years beginning~~
 21 **after June 30, 2013**, a virtual charter school is entitled to receive
 22 funding **in a month** from the state in an amount equal to the sum of:

23 (1) the product of:

- 24 (A) the number of students included in the virtual charter
 25 school's **current** ADM; multiplied by

26 (B) **the result of:**

- 27 (i) eighty-seven and five-tenths percent (87.5%) of the
 28 school's foundation amount determined under IC 20-43-5-4;
 29 **divided by**

30 (ii) **twelve (12)**; plus

31 (2) the total of any special education grants under IC 20-43-7 to
 32 which the virtual charter school is entitled **for the month.**

33 ~~After December 31, 2011, For state fiscal years beginning after June~~
 34 **30, 2013**, a virtual charter school is entitled to receive special
 35 education grants under IC 20-43-7 calculated in the same manner as
 36 special education grants are calculated for other school corporations.

37 (d) The department shall adopt rules under IC 4-22-2 to govern the
 38 operation of virtual charter schools.

39 (e) Beginning in 2009, the department shall before December 1 of
 40 each year submit an annual report to the budget committee concerning
 41 the program under this section.

42 (f) ~~This subsection does not apply to students who were enrolled in~~
 43 ~~a virtual charter school during the 2010-2011 school year.~~ Each school
 44 year, at least sixty percent (60%) of the students who are enrolled in
 45 virtual charter schools under this section for the first time must have
 46 been included in the state's ADM count for the previous school year."

- 1 Page 174, delete lines 1 through 23.
- 2 Page 174, delete lines 26 through 46.
- 3 Delete pages 175 through 177.
- 4 Page 178, delete lines 1 through 22.
- 5 Page 179, line 2, delete "current".
- 6 Page 179, line 3, delete "current".
- 7 Page 179, line 11, delete "current".
- 8 Page 179, line 43, delete "current".
- 9 Page 181, line 11, delete "current".
- 10 Page 181, line 14, delete "current".
- 11 Page 181, delete lines 32 through 46.
- 12 Page 182, delete lines 1 through 33.
- 13 Page 183, delete lines 4 through 22.
- 14 Page 185, delete lines 5 through 13.
- 15 Page 185, delete lines 18 through 26.
- 16 Page 185, delete lines 34 through 35.
- 17 Page 185, line 38, after "distributed to" insert ":".
- 18 Page 185, line 39, reset in roman "(1)".
- 19 Page 185, line 39, reset in roman "other than a virtual charter
- 20 school".
- 21 Page 185, line 40, delete "." and insert ";".
- 22 Page 185, line 40, reset in roman "and".
- 23 Page 185, reset in roman line 41.
- 24 Page 186, delete lines 18 through 32, begin a new paragraph and
- 25 insert:
- 26 "SECTION 132. IC 20-43-2-3, AS AMENDED BY P.L.229-2011,
- 27 SECTION 205, IS AMENDED TO READ AS FOLLOWS
- 28 [EFFECTIVE JULY 1, 2013]: Sec. 3. If the total amount to be
- 29 distributed:
- 30 (1) as basic tuition support;
- 31 (2) for honors diploma awards;
- 32 (3) for primetime distributions;
- 33 (4) for special education grants; ~~and~~
- 34 (5) for career and technical education grants;
- 35 **(6) for Mitch Daniels early graduation scholarships;**
- 36 **(7) for full-day kindergarten grants; and**
- 37 **(8) for hold harmless grants;**
- 38 for a particular **state fiscal** year exceeds the ~~maximum state~~
- 39 ~~distribution amounts appropriated by the general assembly for~~
- 40 **those purposes** for a ~~calendar~~ **the state fiscal** year, the amount to be
- 41 distributed for state tuition support under this article to each school
- 42 corporation during each of the last six (6) months of the **state fiscal**
- 43 year shall be proportionately reduced so that the total reductions equal
- 44 the amount of the excess."
- 45 Page 186, delete lines 45 through 46, begin a new paragraph and
- 46 insert:

1 "SECTION 134. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,
2 SECTION 206, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) **This subsection applies to**
4 **the determination of a school corporation's previous year revenue**
5 **for purposes of determining distributions under this article before**
6 **July 1, 2013.** A school corporation's previous year revenue equals the
7 amount determined under STEP TWO of the following formula:

8 STEP ONE: Determine the sum of the following:

9 (A) The school corporation's basic tuition support actually
10 received for the year that precedes the current year.

11 (B) For 2012, the restoration grant (IC 20-43-12 (repealed))
12 actually received for 2011.

13 (C) For 2012, the small school grant (IC 20-43-12.2
14 (repealed)) actually received for 2011.

15 STEP TWO: Subtract from the STEP ONE result an amount equal
16 to the reduction in the school corporation's state tuition support
17 under any combination of subsection (b) or IC 20-30-2-4.

18 **(b) This subsection applies to the determination of a school**
19 **corporation's previous year revenue for purposes of determining**
20 **distributions under this article after June 30, 2013. A school**
21 **corporation's previous year revenue equals the amount determined**
22 **under STEP THREE of the following formula:**

23 **STEP ONE: Determine the school corporation's basic tuition**
24 **support actually received for the state fiscal year that**
25 **immediately precedes the current state fiscal year.**

26 **STEP TWO: For each state fiscal year ending before July 1,**
27 **2015, add the quotient of:**

28 (A) the total amount subtracted from the school
29 corporation's distributions under this article in calendar
30 year 2011 by the department of education; divided by

31 (B) four (4).

32 **STEP THREE: Subtract from the STEP TWO result an**
33 **amount equal to the reduction in the school corporation's**
34 **state tuition support under any combination of subsection (c)**
35 **or IC 20-30-2-4.**

36 **(b) (c) A school corporation's previous year revenue must be**
37 **reduced if:**

38 (1) the school corporation's state tuition support for special
39 education or career and technical education is reduced as a result
40 of a complaint being filed with the department after December 31,
41 1988, because the school program overstated the number of
42 children enrolled in special education programs or career and
43 technical education programs; and

44 (2) the school corporation's previous year revenue has not been
45 reduced under this subsection more than one (1) time because of
46 a given overstatement.

1 The amount of the reduction equals the amount the school corporation
2 would have received in state tuition support for special education and
3 career and technical education because of the overstatement."

4 Delete page 187.

5 Page 188, delete lines 1 through 30.

6 Page 189, delete lines 9 through 38.

7 Page 190, delete lines 11 through 30, begin a new paragraph and
8 insert:

9 "SECTION 3. IC 20-43-5-3, AS AMENDED BY P.L.229-2011,
10 SECTION 208, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2013]: Sec. 3. A school corporation's
12 complexity index is determined under the following formula:

13 STEP ONE: Determine the greater of zero (0) or the result of the
14 following:

15 (1) Determine the percentage of the school corporation's
16 students who were eligible for free or reduced price lunches in
17 the school year ending in the later of:

18 (A) ~~2011~~ **2013** for the purposes of determining the
19 complexity index in ~~2012 and 2013~~; **state fiscal years 2014**
20 **and 2015**; or

21 (B) the first year of operation of the school corporation.

22 (2) Determine the quotient of:

23 ~~(A) in 2012:~~

24 ~~(i) two thousand one hundred twenty-nine dollars (\$2,129);~~
25 ~~divided by~~

26 ~~(ii) four thousand two hundred eighty dollars (\$4,280); and~~

27 ~~(B) in 2013:~~

28 ~~(i) (A) two thousand one hundred ninety dollars (\$2,190);~~
29 ~~divided by~~

30 ~~(ii) (B) four thousand four hundred five dollars (\$4,405).~~

31 (3) Determine the product of:

32 (A) the subdivision (1) amount; multiplied by

33 (B) the subdivision (2) amount.

34 STEP TWO: Determine the result of one (1) plus the STEP ONE
35 result.

36 STEP THREE: This STEP applies if the STEP TWO result ~~in~~
37 ~~2012~~ is equal to or greater than ~~at least one and twenty-eight~~
38 ~~hundredths (1.28) and applies if the STEP TWO result in 2013 is~~
39 ~~at least one and thirty-one hundredths (1.31)~~. Determine the result
40 of the following:

41 ~~(1) In 2012; subtract one and twenty-eight hundredths (1.28)~~
42 ~~and in 2013; Subtract one and thirty-one hundredths (1.31)~~
43 ~~from the STEP TWO result.~~

44 (2) Determine the result of:

45 (A) the STEP TWO result; plus

46 (B) the subdivision (1) result.

1 The data to be used in making the calculations under STEP ONE must
 2 be the data collected in the annual pupil enrollment count by the
 3 department.

4 SECTION 143. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,
 5 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2103]: Sec. 4. **(a)** A school corporation's
 7 foundation amount for a ~~calendar year~~ **the first six (6) months of 2013**
 8 is the result determined under STEP THREE of the following formula:

9 STEP ONE: The STEP ONE amount is
 10 ~~(A) in 2012, four thousand two hundred eighty dollars~~
 11 ~~(\$4,280); and~~
 12 ~~(B) in 2013, four thousand four hundred five dollars (\$4,405).~~

13 STEP TWO: Multiply the STEP ONE amount by the school
 14 corporation's complexity index.

15 STEP THREE: Determine the sum of the STEP TWO amount and
 16 the following:

- 17 (A) Zero dollars (\$0), if the school corporation's current ADM
 18 is less than five hundred (500).
- 19 (B) One hundred fifty dollars (\$150), if the school
 20 corporation's current ADM is at least five hundred (500) and
 21 is not more than one thousand (1,000).
- 22 (C) The result of one hundred fifty thousand dollars
 23 (\$150,000) divided by the school corporation's current ADM,
 24 if the school corporation's current ADM is more than one
 25 thousand (1,000).

26 **(b) A school corporation's foundation amount for:**
 27 **(1) the state fiscal year beginning July 1, 2013, is four**
 28 **thousand four hundred five dollars (\$4,405); and**
 29 **(2) the state fiscal year beginning July 1, 2014, is four**
 30 **thousand four hundred five dollars (\$4,405).".**

31 Page 192, delete lines 11 through 36.
 32 Page 193, delete lines 4 through 8.
 33 Page 194, delete lines 29 through 46, begin a new paragraph and
 34 insert:

35 "SECTION 8. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,
 36 SECTION 217, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2013]: Sec. 6. A school corporation's primetime
 38 distribution for a ~~calendar~~ **state fiscal** year under this chapter is the
 39 amount determined by the following formula:

- 40 STEP ONE: Determine the applicable target pupil/teacher ratio
 41 for the school corporation as follows:
- 42 (A) If the school corporation's complexity index is less than
 43 one and one-tenth (1.1), the school corporation's target
 44 pupil/teacher ratio is eighteen to one (18:1).
 - 45 (B) If the school corporation's complexity index is at least one
 46 and one-tenth (1.1) but less than one and three-tenths (1.3), the

- 1 school corporation's target pupil/teacher ratio is fifteen (15)
- 2 plus the result determined in item (iii) to one (1):
- 3 (i) Determine the result of one and three-tenths (1.3) minus
- 4 the school corporation's complexity index.
- 5 (ii) Determine the item (i) result divided by two-tenths (0.2).
- 6 (iii) Determine the item (ii) result multiplied by three (3).
- 7 (C) If the school corporation's complexity index is at least one
- 8 and three-tenths (1.3), the school corporation's target
- 9 pupil/teacher ratio is fifteen to one (15:1).
- 10 STEP TWO: Determine the result of:
- 11 (A) the ADM of the school corporation in kindergarten
- 12 through grade 3 for the current school year; divided by
- 13 (B) the school corporation's applicable target pupil/teacher
- 14 ratio, as determined in STEP ONE.
- 15 STEP THREE: Determine the result of:
- 16 (A) the basic tuition support for the year multiplied by
- 17 seventy-five hundredths (0.75); divided by
- 18 (B) the school corporation's ADM.
- 19 STEP FOUR: Determine the result of:
- 20 (A) the STEP THREE result; multiplied by
- 21 (B) the ADM of the school corporation in kindergarten
- 22 through grade 3 for the current school year.
- 23 STEP FIVE: Determine the result of:
- 24 (A) the STEP FOUR result; divided by
- 25 (B) the staff cost amount.
- 26 STEP SIX: Determine the greater of zero (0) or the result of:
- 27 (A) the STEP TWO amount; minus
- 28 (B) the STEP FIVE amount.
- 29 STEP SEVEN: Determine the result of:
- 30 (A) the STEP SIX amount; multiplied by
- 31 (B) the staff cost amount.
- 32 ~~STEP EIGHT: Determine the greater of the STEP SEVEN amount~~
- 33 ~~or:~~
- 34 ~~(A) for 2012, fifty percent (50%) of the school corporation's~~
- 35 ~~guaranteed primetime amount; or~~
- 36 ~~(B) for 2013, zero (0).~~
- 37 ~~STEP NINE: EIGHT:~~ A school corporation's amount under this
- 38 STEP is the following:
- 39 (A) If the amount the school corporation received under this
- 40 chapter in the previous calendar year is greater than zero (0),
- 41 the amount under this STEP is the lesser of:
- 42 (i) the ~~STEP EIGHT~~ **SEVEN** amount; or
- 43 (ii) the amount the school corporation received under this
- 44 chapter for the previous calendar year multiplied by one
- 45 hundred seven and one-half percent (107.5%).
- 46 (B) If the amount the school corporation received under this

1 chapter in the previous calendar year is not greater than zero
2 (0), the amount under this STEP is the STEP EIGHT SEVEN
3 amount."

4 Page 195, delete lines 1 through 30.

5 Page 195, delete lines 40 through 41.

6 Page 196, delete lines 22 through 46, begin a new paragraph and
7 insert:

8 "SECTION 161. IC 20-43-14 IS ADDED TO THE INDIANA
9 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2013]:

11 **Chapter 14. Full-Day Kindergarten Grants**

12 **Sec. 1. This chapter applies to all school corporations, including**
13 **virtual charter schools.**

14 **Sec. 2. The total amount to be distributed to a school**
15 **corporation or charter school for each state fiscal year beginning**
16 **after June 30, 2013, equals the amount determined in STEP**
17 **THREE of the following formula:**

18 **STEP ONE: Determine the school corporation's transition to**
19 **foundation revenue per adjusted ADM.**

20 **STEP TWO: Divide the STEP ONE result by two (2).**

21 **STEP THREE: Determine the product of:**

22 **(A) the STEP TWO result; multiplied by**

23 **(B) the number of eligible pupils who are:**

24 **(i) counted in the ADM of the school; and**

25 **(ii) enrolled in and attending full-day kindergarten on**
26 **the count date on which the ADM is determined.**

27 **Sec. 3. A school corporation or charter school that receives a**
28 **grant for full-day kindergarten may not charge a fee for enrolling**
29 **in or attending full-day kindergarten in a school year:**

30 **(1) beginning July 1, 2013, and ending June 30, 2014; or**

31 **(2) beginning July 1, 2014, and ending June 30, 2015.**

32 SECTION 162. IC 20-43-15 IS ADDED TO THE INDIANA CODE
33 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2013]:

35 **Chapter 15. Hold Harmless Grants**

36 **Sec. 1. The amount of a school corporation's hold harmless**
37 **grant is the amount determined in STEP THREE of the following**
38 **formula:**

39 **STEP ONE: Determine the sum of the following amounts**
40 **received by the school corporation in the previous school**
41 **year:**

42 **(A) Basic tuition support under IC 20-43-6.**

43 **(B) The special education grant under IC 20-43-7.**

44 **(C) The career and technical education grant under**
45 **IC 20-43-8.**

46 **(D) Primetime distributions under IC 20-43-9.**

- 1 **(E) Other tuition support grants under IC 20-43-10.**
 2 **(F) The full-day kindergarten grant under IC 20-43-14.**
 3 **(G) The hold harmless grant, if any.**
 4 **STEP TWO: Determine the sum of the following amounts the**
 5 **school corporation is entitled to receive in the current school**
 6 **year:**
 7 **(A) Basic tuition support under IC 20-43-6.**
 8 **(B) The special education grant under IC 20-43-7.**
 9 **(C) The career and technical education grant under**
 10 **IC 20-43-8.**
 11 **(D) Primetime distributions under IC 20-43-9.**
 12 **(E) Other tuition support grants under IC 20-43-10.**
 13 **(F) The full-day kindergarten grant under IC 20-43-14.**
 14 **STEP THREE: Determine the greater of:**
 15 **(A) zero (0); or**
 16 **(B) the difference between:**
 17 **(i) the STEP ONE result; minus**
 18 **(ii) the STEP TWO result."**
 19 Delete page 197 through 198.
 20 Page 199, delete lines 1 through 44.
 21 Page 200, delete lines 4 through 17.
 22 Page 200, delete lines 20 through 44.
 23 Page 206, between lines 2 and 3, begin a new paragraph and insert:
 24 "SECTION 165. IC 21-13-9 IS ADDED TO THE INDIANA CODE
 25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2013]:
 27 **Chapter 9. Teacher Loan Repayment Program and Fund**
 28 **Sec. 1. As used in this chapter, "critical shortage area" means**
 29 **a geographic area determined annually by the department of**
 30 **education established by IC 20-19-3-1 to have, or projected within**
 31 **the next twelve (12) months to have, a shortage of licensed,**
 32 **full-time elementary or high school teachers.**
 33 **Sec. 2. As used in this chapter, "fund" refers to the teacher loan**
 34 **repayment fund established by section 4 of this chapter.**
 35 **Sec. 3. (a) The teacher loan repayment fund is established.**
 36 **(b) The purpose of the fund is to attract qualified teachers who:**
 37 **(1) graduated from an accredited Indiana high school after**
 38 **June 30, 2013, and either:**
 39 **(A) were in the highest twenty percent (20%) of students**
 40 **in their high school graduating classes; or**
 41 **(B) received scores in the top twentieth percentile on the**
 42 **SAT or ACT examination;**
 43 **(2) graduated from a four (4) year postsecondary educational**
 44 **institution with at least a 3.5 grade point average on a 4.0**
 45 **scale or its equivalent; and**
 46 **(3) teach:**
 47 **(A) for at three (3) consecutive years in public schools in**

1 **Indiana; and**
 2 **(B) science, technology, engineering, mathematics, or**
 3 **special education classes, or in a critical shortage area;**
 4 **by granting loan repayment assistance authorized under this**
 5 **chapter to eligible applicants.**

6 **(c) The fund consists of appropriations to the fund and gifts,**
 7 **grants, devises, or bequests made to the state to achieve the**
 8 **purposes of the fund.**

9 **(d) The fund shall be administered by the commission. The**
 10 **expenses of administering the fund shall be paid from money in the**
 11 **fund.**

12 **(e) Loan repayment assistance payments shall be made from the**
 13 **fund by the treasurer of state upon a warrant issued by the auditor**
 14 **of state in accordance with rules adopted by the commission.**

15 **Sec. 4. The commission shall receive and consider all**
 16 **applications for loan repayment assistance received from qualified**
 17 **teachers with outstanding guaranteed student loans made, issued,**
 18 **or guaranteed under a program authorized by Title IV of the**
 19 **federal Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).**

20 **Sec. 5. (a) To qualify for loan repayment assistance for student**
 21 **loans under this chapter, an applicant must:**

- 22 **(1) hold a license to teach under IC 20-28-5;**
 23 **(2) agree in writing to the employment requirements set forth**
 24 **in section 7 of this chapter; and**
 25 **(3) meet any additional criteria established by the**
 26 **commission.**

27 **(b) At the end of the third consecutive school year in which a**
 28 **teacher who qualifies under subsection (a) has taught, the**
 29 **commission shall pay directly to the financial institution that holds**
 30 **the qualified teacher's student loans an amount not to exceed the**
 31 **lesser of:**

- 32 **(1) the total principal and interest of the guaranteed student**
 33 **loans owed by the teacher at the end of the third year; or**
 34 **(2) nine thousand dollars (\$9,000);**

35 **which must be used to reduce the principal and interest on a**
 36 **guaranteed student loan owed by that qualified teacher.**

37 **Sec. 6. A qualified teacher must apply for a loan repayment on**
 38 **a form supplied by the commission. The commission shall consider**
 39 **each application and determine the eligibility of the applicant for**
 40 **the loan repayment assistance.**

41 **Sec. 7. (a) Before being granted loan repayment assistance**
 42 **under this chapter, a teacher must:**

- 43 **(1) apply for the loan repayment assistance not later than**
 44 **twenty-four (24) months after graduating from a**
 45 **post-secondary educational institution; and**
 46 **(2) enter into a contract with the commission agreeing to the**
 47 **terms and conditions upon which the loan repayment**

- 1 **assistance will be granted to the teacher.**
- 2 **(b) As a condition of being granted loan repayment assistance**
- 3 **under this chapter, a teacher must agree to employment for a**
- 4 **period of at least three (3) consecutive years as a licensed teacher**
- 5 **in a public school in Indiana in science, technology, engineering,**
- 6 **mathematics, or special education, or in a critical shortage area.**
- 7 **The teacher is not required to teach at the same public school for**
- 8 **three (3) consecutive years.**
- 9 **(c) Service rendered by a teacher in a public school before that**
- 10 **teacher becomes a participant in the program may not be**
- 11 **considered to have fulfilled the employment commitment required**
- 12 **by subsection (b).**
- 13 **Sec. 8. The commission shall maintain complete and accurate**
- 14 **records in implementing the fund, including records of the**
- 15 **following:**
- 16 **(1) The receipt, disbursement, and uses of money from the**
- 17 **fund.**
- 18 **(2) The number of applications for loan repayment assistance.**
- 19 **(3) The number and amount of loans for which loan**
- 20 **repayment assistance has been provided by the department.**
- 21 **(4) Other pertinent information requested by the commission.**
- 22 **Sec. 9. The commission may adopt rules under IC 4-22-2**
- 23 **necessary to carry out this chapter, including rules governing the**
- 24 **enforcement of any employment requirements.**
- 25 SECTION 166. IC 21-18.5-4-3, AS ADDED BY P.L.107-2012,
- 26 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2013]: Sec. 3. For purposes of administering this chapter, the
- 28 commission shall do the following:
- 29 (1) Prepare and supervise the issuance of public information
- 30 concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and
- 31 IC 21-12-5.
- 32 (2) Prescribe the form and regulate the submission of applications
- 33 for higher education awards and the commission's programs.
- 34 (3) Conduct conferences and interviews with applicants as
- 35 appropriate.
- 36 (4) Determine the eligibility of applicants.
- 37 (5) Select qualified applicants.
- 38 (6) Determine annually the maximum higher education award (IC
- 39 21-12-3) and freedom of choice award (IC 21-12-4), subject to
- 40 approval by the budget agency with review by the budget
- 41 committee.
- 42 (7) Determine the respective amounts of, and award, the
- 43 appropriate higher education awards, grants, and scholarships.
- 44 (8) Determine eligibility for, and award, annual renewals of
- 45 higher education awards, grants, and scholarships.
- 46 (9) Act as the designated state agency for participation in any

- 1 federal program for reinsurance of student loans.
- 2 (10) Receive federal funds made available to the commission for
- 3 awards, grants, and scholarships, and disburse these funds in the
- 4 manner prescribed by federal law.
- 5 (11) One (1) time every year, submit a report to the legislative
- 6 council that provides data and statistical information regarding
- 7 the number of individuals who received assistance under
- 8 IC 21-12-6 and IC 21-12-6.5. The report made to the legislative
- 9 council must be in an electronic format under IC 5-14-6.
- 10 (12) One (1) time every year, submit a report to the budget
- 11 committee that provides data and statistical information regarding
- 12 the number of individuals who received assistance under
- 13 IC 21-12, IC 21-13, and IC 21-14.
- 14 **(13) Administer and determine the eligibility of applicants for**
- 15 **and award amounts under the teacher loan repayment**
- 16 **program established by IC 21-13-9."**

17 Page 212, between lines 22 and 23, begin a new paragraph and
 18 insert:

19 "SECTION 169.IC 36-7-13-15, AS AMENDED BY P.L.172-2011,
 20 SECTION 146, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) If an advisory commission
 22 on industrial development designates a district under this chapter or the
 23 legislative body of a county or municipality adopts an ordinance
 24 designating a district under section 10.5 of this chapter, the treasurer
 25 of state shall establish an incremental tax financing fund for the
 26 district. The fund shall be administered by the treasurer of state. Money
 27 in the fund does not revert to the state general fund at the end of a state
 28 fiscal year.

29 (b) Subject to subsection (c), the following amounts shall be
 30 deposited during each state fiscal year in the incremental tax financing
 31 fund established for the district under subsection (a):

- 32 (1) The aggregate amount of state gross retail and use taxes that
- 33 are remitted under IC 6-2.5 by businesses operating in the district,
- 34 until the amount of state gross retail and use taxes deposited
- 35 equals the gross retail incremental amount for the district.
- 36 (2) The aggregate amount of state and local income taxes paid by
- 37 employees employed in the district with respect to wages earned
- 38 for work in the district, until the amount of state and local income
- 39 taxes deposited equals the income tax incremental amount.

40 (c) ~~Except as provided in subsection (c)~~, The aggregate amount of
 41 revenues that is:

- 42 (1) attributable to:
 - 43 (A) the state gross retail and use taxes established under
 - 44 IC 6-2.5; and
 - 45 (B) the adjusted gross income tax established under IC 6-3-1
 - 46 through IC 6-3-7; and

1 (2) deposited during any state fiscal year in each incremental tax
2 financing fund established for a district;
3 may not exceed one million dollars (\$1,000,000) per district designated
4 under section 10.5 or 12 of this chapter and seven hundred fifty
5 thousand dollars (\$750,000) per district for a district designated under
6 section 10.1 or 12.1 of this chapter.

7 (d) On or before the twentieth day of each month, all amounts held
8 in the incremental tax financing fund established for a district shall be
9 distributed to the district's advisory commission on industrial
10 development for deposit in the industrial development fund of the unit
11 that requested designation of the district.

12 (e) ~~The aggregate amount of revenues that is:~~
13 ~~(1) attributable to:~~
14 ~~(A) the state gross retail and use taxes established under~~
15 ~~IC 6-2.5; and~~
16 ~~(B) the adjusted gross income tax established under IC 6-3-1~~
17 ~~through IC 6-3-7; and~~
18 ~~(2) deposited during any state fiscal year in the incremental tax~~
19 ~~financing funds established for the districts located in Delaware~~
20 ~~County;~~
21 may not exceed two million dollars (\$2,000,000)."

22 Page 213, delete lines 26 through 31, begin a new paragraph and
23 insert:

24 "SECTION 172. P.L.182-2009(ss), SECTION 46, IS AMENDED
25 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: SECTION
26 46. (a) There is appropriated three million dollars (\$3,000,000) to the
27 Indiana finance authority from the tobacco master settlement
28 agreement fund (IC 4-12-1-14.3) to carry out:

- 29 (1) a feasibility study concerning the construction and
30 operation of an academic medical center and trauma care
31 center in the city of Gary; and
- 32 (2) architectural and engineering work for a building for a trauma
33 care center in the city of Gary;

34 beginning July 1, ~~2009~~; **2013**, and ending June 30, ~~2010~~; **2015**. Any
35 unencumbered amount remaining from this appropriation at the end of
36 a state fiscal year remains available in subsequent state fiscal years for
37 the purposes for which it is appropriated. Money appropriated under
38 this SECTION may be released after review by the budget committee.

39 **(b) This SECTION expires July 1, 2015.**

40 SECTION 173. [EFFECTIVE UPON PASSAGE] (a) **As used in**
41 **this SECTION, "office" has the meaning set forth in**
42 **IC 12-17.6-1-4.**

43 **(b) The office shall expand the children's health insurance**
44 **program in accordance with IC 12-17.6-3-1, as amended by this**
45 **act, before October 1, 2013.**

46 **(c) This SECTION expires July 1, 2014.**

1 SECTION 174. [EFFECTIVE JULY 1, 2013] **Notwithstanding any**
2 **other law, choice scholarships must be funded from amounts**
3 **appropriated for outside bill contingencies."**

4 Renumber all SECTIONS consecutively.
 (Reference is to HB 1001 as printed February 19, 2013.)

Representative Porter