



January 22, 2019

HOUSE BILL No. 1021

DIGEST OF HB 1021 (Updated January 17, 2019 2:12 pm - DI 134)

Citations Affected: IC 4-11; IC 4-33; IC 4-35; IC 5-3; IC 5-4; IC 5-10.3; IC 5-10.4; IC 6-1.1; IC 20-37; IC 20-40; IC 20-41; IC 20-46; IC 24-1; IC 36-1.5.

Synopsis: Education finance. Replaces references to pre-2019 school funds with references to conform to the education funding and accounting changes made by HEA 1009-2017 and HEA 1167-2018. Extends (through 2022) the ability in current law for a school corporation to allocate circuit breaker credits proportionately (without taking protected taxes into account) under certain circumstances. Provides for the calculation of the growth in the maximum levy for a school corporation's operation fund to be based on an assessed value growth quotient (AVGQ) using the average annual growth in net assessed value over the most recent three year period. Provides for a ceiling of 4% plus the statewide AVGQ and a floor of the statewide AVGQ. Removes a requirement concerning an estimate of: (1) the source of all revenue to be dedicated to a school corporation's proposed capital expenditures in the upcoming calendar year; and (2) the amount of property taxes to be collected in the upcoming calendar year and retained in the fund for capital expenditures proposed for a later year; from the format of a school corporation's capital expenditures plan. Provides for an adjustment to the Evansville Vanderburgh School Corporation operations fund levy for 2020 to fund a historical society supporting Bosse Field (the 2019 operations fund levy did not recognize the historical society fund levy that was imposed in 2018). Makes technical corrections.

Effective: January 1, 2019 (retroactive); July 1, 2019.

Thompson, Klinker

January 3, 2019, read first time and referred to Committee on Ways and Means.
January 22, 2019, amended, reported — Do Pass.

HB 1021—LS 6332/DI 120



January 22, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1021

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

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

1 SECTION 1. IC 4-11-2-3, AS ADDED BY P.L.2-2006, SECTION
2 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY
3 1, 2019 (RETROACTIVE)]: Sec. 3. If:
4 (1) a person has purchased and been granted a deed of
5 conveyance to any lands sold for delinquent taxes by the county
6 treasurer of any county;
7 (2) at the time when the lands were sold, there was an unpaid
8 school ~~fund~~ loan, secured by mortgage, on the lands, and the
9 mortgage was foreclosed by the county after the sale; and
10 (3) through the foreclosure proceedings, the county acquired title
11 to the lands;
12 the board of commissioners of the county in which the lands are
13 situated may pay to the person who holds the tax deed to the lands any
14 sum that may be agreed upon, not exceeding the amount that the
15 purchaser paid for the lands at the tax sale, together with an amount
16 equal to any taxes that the purchaser of the lands paid, not including
17 any interest, on the condition that the holder of the tax deed to the lands

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1 execute to the board of commissioners of the county a quitclaim deed
 2 to the lands. All expenditures authorized under this section shall be
 3 paid out of the county general fund without any appropriation being
 4 made for the expenditure.

5 SECTION 2. IC 4-33-13-5, AS AMENDED BY P.L.212-2018(ss),
 6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 5. (a) This subsection
 8 does not apply to tax revenue remitted by an operating agent operating
 9 a riverboat in a historic hotel district. After funds are appropriated
 10 under section 4 of this chapter, each month the treasurer of state shall
 11 distribute the tax revenue deposited in the state gaming fund under this
 12 chapter to the following:

13 (1) An amount equal to the following shall be set aside for
 14 revenue sharing under subsection (e):

15 (A) Before July 1, 2021, the first thirty-three million dollars
 16 (\$33,000,000) of tax revenues collected under this chapter
 17 shall be set aside for revenue sharing under subsection (e).

18 (B) After June 30, 2021, if the total adjusted gross receipts
 19 received by licensees from gambling games authorized under
 20 this article during the preceding state fiscal year is equal to or
 21 greater than the total adjusted gross receipts received by
 22 licensees from gambling games authorized under this article
 23 during the state fiscal year ending June 30, 2020, the first
 24 thirty-three million dollars (\$33,000,000) of tax revenues
 25 collected under this chapter shall be set aside for revenue
 26 sharing under subsection (e).

27 (C) After June 30, 2021, if the total adjusted gross receipts
 28 received by licensees from gambling games authorized under
 29 this article during the preceding state fiscal year is less ~~then~~
 30 **than** the total adjusted gross receipts received by licensees
 31 from gambling games authorized under this article during the
 32 state year ending June 30, 2020, an amount equal to the first
 33 thirty-three million dollars (\$33,000,000) of tax revenues
 34 collected under this chapter multiplied by the result of:

35 (i) the total adjusted gross receipts received by licensees
 36 from gambling games authorized under this article during
 37 the preceding state fiscal year; divided by

38 (ii) the total adjusted gross receipts received by licensees
 39 from gambling games authorized under this article during
 40 the state fiscal year ending June 30, 2020;

41 shall be set aside for revenue sharing under subsection (e).

42 (2) Subject to subsection (c), twenty-five percent (25%) of the



- 1 remaining tax revenue remitted by each licensed owner shall be
 2 paid:
- 3 (A) to the city that is designated as the home dock of the
 4 riverboat from which the tax revenue was collected, in the case
 5 of:
- 6 (i) a city described in IC 4-33-12-6(b)(1)(A); or
 7 (ii) a city located in a county having a population of more
 8 than four hundred thousand (400,000) but less than seven
 9 hundred thousand (700,000); or
- 10 (B) to the county that is designated as the home dock of the
 11 riverboat from which the tax revenue was collected, in the case
 12 of a riverboat whose home dock is not in a city described in
 13 clause (A).
- 14 (3) Subject to subsection (d), the remainder of the tax revenue
 15 remitted by each licensed owner shall be paid to the state general
 16 fund. In each state fiscal year, the treasurer of state shall make the
 17 transfer required by this subdivision not later than the last
 18 business day of the month in which the tax revenue is remitted to
 19 the state for deposit in the state gaming fund. However, if tax
 20 revenue is received by the state on the last business day in a
 21 month, the treasurer of state may transfer the tax revenue to the
 22 state general fund in the immediately following month.
- 23 (b) This subsection applies only to tax revenue remitted by an
 24 operating agent operating a riverboat in a historic hotel district after
 25 June 30, 2015. After funds are appropriated under section 4 of this
 26 chapter, each month the treasurer of state shall distribute the tax
 27 revenue remitted by the operating agent under this chapter as follows:
- 28 (1) Fifty-six and five-tenths percent (56.5%) shall be paid to the
 29 state general fund.
- 30 (2) Forty-three and five-tenths percent (43.5%) shall be paid as
 31 follows:
- 32 (A) Twenty-two and four-tenths percent (22.4%) shall be paid
 33 as follows:
- 34 (i) Fifty percent (50%) to the fiscal officer of the town of
 35 French Lick.
- 36 (ii) Fifty percent (50%) to the fiscal officer of the town of
 37 West Baden Springs.
- 38 (B) Fourteen and eight-tenths percent (14.8%) shall be paid to
 39 the county treasurer of Orange County for distribution among
 40 the school corporations in the county. The governing bodies
 41 for the school corporations in the county shall provide a
 42 formula for the distribution of the money received under this



1 clause among the school corporations by joint resolution
2 adopted by the governing body of each of the school
3 corporations in the county. Money received by a school
4 corporation under this clause must be used to improve the
5 educational attainment of students enrolled in the school
6 corporation receiving the money. Not later than the first
7 regular meeting in the school year of a governing body of a
8 school corporation receiving a distribution under this clause,
9 the superintendent of the school corporation shall submit to
10 the governing body a report describing the purposes for which
11 the receipts under this clause were used and the improvements
12 in educational attainment realized through the use of the
13 money. The report is a public record.

14 (C) Thirteen and one-tenth percent (13.1%) shall be paid to the
15 county treasurer of Orange County.

16 (D) Five and three-tenths percent (5.3%) shall be distributed
17 quarterly to the county treasurer of Dubois County for
18 appropriation by the county fiscal body after receiving a
19 recommendation from the county executive. The county fiscal
20 body for the receiving county shall provide for the distribution
21 of the money received under this clause to one (1) or more
22 taxing units (as defined in IC 6-1.1-1-21) in the county under
23 a formula established by the county fiscal body after receiving
24 a recommendation from the county executive.

25 (E) Five and three-tenths percent (5.3%) shall be distributed
26 quarterly to the county treasurer of Crawford County for
27 appropriation by the county fiscal body after receiving a
28 recommendation from the county executive. The county fiscal
29 body for the receiving county shall provide for the distribution
30 of the money received under this clause to one (1) or more
31 taxing units (as defined in IC 6-1.1-1-21) in the county under
32 a formula established by the county fiscal body after receiving
33 a recommendation from the county executive.

34 (F) Six and thirty-five hundredths percent (6.35%) shall be
35 paid to the fiscal officer of the town of Paoli.

36 (G) Six and thirty-five hundredths percent (6.35%) shall be
37 paid to the fiscal officer of the town of Orleans.

38 (H) Twenty-six and four-tenths percent (26.4%) shall be paid
39 to the Indiana economic development corporation established
40 by IC 5-28-3-1 for transfer as follows:

41 (i) Beginning after December 31, 2017, ten percent (10%)
42 of the amount transferred under this clause in each calendar



1 year shall be transferred to the South Central Indiana
 2 Regional Economic Development Corporation or a
 3 successor entity or partnership for economic development
 4 for the purpose of recruiting new business to Orange County
 5 as well as promoting the retention and expansion of existing
 6 businesses in Orange County.

7 (ii) The remainder of the amount transferred under this
 8 clause in each calendar year shall be transferred to Radius
 9 Indiana or a successor regional entity or partnership for the
 10 development and implementation of a regional economic
 11 development strategy to assist the residents of Orange
 12 County and the counties contiguous to Orange County in
 13 improving their quality of life and to help promote
 14 successful and sustainable communities.

15 To the extent possible, the Indiana economic development
 16 corporation shall provide for the transfer under item (i) to be
 17 made in four (4) equal installments. However, an amount
 18 sufficient to meet current obligations to retire or refinance
 19 indebtedness or leases for which tax revenues under this
 20 section were pledged before January 1, 2015, by the Orange
 21 County development commission shall be paid to the Orange
 22 County development commission before making distributions
 23 to the South Central Indiana Regional Economic Development
 24 Corporation and Radius Indiana or their successor entities or
 25 partnerships. The amount paid to the Orange County
 26 development commission shall proportionally reduce the
 27 amount payable to the South Central Indiana Regional
 28 Economic Development Corporation and Radius Indiana or
 29 their successor entities or partnerships.

30 (c) For each city and county receiving money under subsection
 31 (a)(2), the treasurer of state shall determine the total amount of money
 32 paid by the treasurer of state to the city or county during the state fiscal
 33 year 2002. The amount determined is the base year revenue for the city
 34 or county. The treasurer of state shall certify the base year revenue
 35 determined under this subsection to the city or county. The total
 36 amount of money distributed to a city or county under this section
 37 during a state fiscal year may not exceed the entity's base year revenue.
 38 For each state fiscal year, the treasurer of state shall pay that part of the
 39 riverboat wagering taxes that:

- 40 (1) exceeds a particular city's or county's base year revenue; and
 41 (2) would otherwise be due to the city or county under this
 42 section;



1 to the state general fund instead of to the city or county.

2 (d) Each state fiscal year the treasurer of state shall transfer from the
3 tax revenue remitted to the state general fund under subsection (a)(3)
4 to the build Indiana fund an amount that when added to the following
5 may not exceed two hundred fifty million dollars (\$250,000,000):

6 (1) Surplus lottery revenues under IC 4-30-17-3.

7 (2) Surplus revenue from the charity gaming enforcement fund
8 under IC 4-32.2-7-7.

9 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

10 The treasurer of state shall make transfers on a monthly basis as needed
11 to meet the obligations of the build Indiana fund. If in any state fiscal
12 year insufficient money is transferred to the state general fund under
13 subsection (a)(3) to comply with this subsection, the treasurer of state
14 shall reduce the amount transferred to the build Indiana fund to the
15 amount available in the state general fund from the transfers under
16 subsection (a)(3) for the state fiscal year.

17 (e) Except as provided in subsections (l) and (m), before August 15
18 of each year, the treasurer of state shall distribute the wagering taxes
19 set aside for revenue sharing under subsection (a)(1) to the county
20 treasurer of each county that does not have a riverboat according to the
21 ratio that the county's population bears to the total population of the
22 counties that do not have a riverboat. Except as provided in subsection
23 (h), the county auditor shall distribute the money received by the
24 county under this subsection as follows:

25 (1) To each city located in the county according to the ratio the
26 city's population bears to the total population of the county.

27 (2) To each town located in the county according to the ratio the
28 town's population bears to the total population of the county.

29 (3) After the distributions required in subdivisions (1) and (2) are
30 made, the remainder shall be retained by the county.

31 (f) Money received by a city, town, or county under subsection (e)
32 or (h) may be used for any of the following purposes:

33 (1) To reduce the property tax levy of the city, town, or county for
34 a particular year (a property tax reduction under this subdivision
35 does not reduce the maximum levy of the city, town, or county
36 under IC 6-1.1-18.5).

37 (2) For deposit in a special fund or allocation fund created under
38 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
39 IC 36-7-30 to provide funding for debt repayment.

40 (3) To fund sewer and water projects, including storm water
41 management projects.

42 (4) For police and fire pensions.



- 1 (5) To carry out any governmental purpose for which the money
 2 is appropriated by the fiscal body of the city, town, or county.
 3 Money used under this subdivision does not reduce the property
 4 tax levy of the city, town, or county for a particular year or reduce
 5 the maximum levy of the city, town, or county under
 6 IC 6-1.1-18.5.
- 7 (g) Before July 15 of each year, the treasurer of state shall determine
 8 the total amount of money distributed to an entity under IC 4-33-12-6
 9 or IC 4-33-12-8 during the preceding state fiscal year. If the treasurer
 10 of state determines that the total amount of money distributed to an
 11 entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state
 12 fiscal year was less than the entity's base year revenue (as determined
 13 under IC 4-33-12-9), the treasurer of state shall make a supplemental
 14 distribution to the entity from taxes collected under this chapter and
 15 deposited into the state general fund. Except as provided in subsection
 16 (i), the amount of an entity's supplemental distribution is equal to:
- 17 (1) the entity's base year revenue (as determined under
 18 IC 4-33-12-9); minus
 19 (2) the sum of:
- 20 (A) the total amount of money distributed to the entity and
 21 constructively received by the entity during the preceding state
 22 fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus
 23 (B) the amount of any admissions taxes deducted under
 24 IC 6-3.1-20-7.
- 25 (h) This subsection applies only to a county containing a
 26 consolidated city. The county auditor shall distribute the money
 27 received by the county under subsection (e) as follows:
- 28 (1) To each city, other than a consolidated city, located in the
 29 county according to the ratio that the city's population bears to the
 30 total population of the county.
 31 (2) To each town located in the county according to the ratio that
 32 the town's population bears to the total population of the county.
 33 (3) After the distributions required in subdivisions (1) and (2) are
 34 made, the remainder shall be paid in equal amounts to the
 35 consolidated city and the county.
- 36 (i) This subsection applies to a supplemental distribution made after
 37 June 30, 2017. The maximum amount of money that may be distributed
 38 under subsection (g) in a state fiscal year is equal to the following:
- 39 (1) Before July 1, 2021, forty-eight million dollars (\$48,000,000).
 40 (2) After June 30, 2021, if the total adjusted gross receipts
 41 received by licensees from gambling games authorized under this
 42 article during the preceding state fiscal year is equal to or greater



1 than the total adjusted gross receipts received by licensees from
 2 gambling games authorized under this article during the state
 3 fiscal year ending June 30, 2020, the maximum amount is
 4 forty-eight million dollars (\$48,000,000).

5 (3) After June 30, 2021, if the total adjusted gross receipts
 6 received by licensees from gambling games authorized under this
 7 article during the preceding state fiscal year is less than the total
 8 adjusted gross receipts received by licensees from gambling
 9 games authorized under this article during the state fiscal year
 10 ending June 30, 2020, the maximum amount is equal to the result

11 of:

12 (A) forty-eight million dollars (\$48,000,000); multiplied by

13 (B) the result of:

14 (i) the total adjusted gross receipts received by licensees
 15 from gambling games authorized under this article during
 16 the preceding state fiscal year; divided by

17 (ii) the total adjusted gross receipts received by licensees
 18 from gambling games authorized under this article during
 19 the state fiscal year ending June 30, 2020.

20 If the total amount determined under subsection (g) exceeds the
 21 maximum amount determined under this subsection, the amount
 22 distributed to an entity under subsection (g) must be reduced according
 23 to the ratio that the amount distributed to the entity under IC 4-33-12-6
 24 or IC 4-33-12-8 bears to the total amount distributed under
 25 IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental
 26 distribution.

27 (j) This subsection applies to a supplemental distribution, if any,
 28 payable to Lake County, Hammond, Gary, or East Chicago under
 29 subsections (g) and (i). Beginning in July 2016, the treasurer of state
 30 shall, after making any deductions from the supplemental distribution
 31 required by IC 6-3.1-20-7, deduct from the remainder of the
 32 supplemental distribution otherwise payable to the unit under this
 33 section the lesser of:

34 (1) the remaining amount of the supplemental distribution; or

35 (2) the difference, if any, between:

36 (A) three million five hundred thousand dollars (\$3,500,000);
 37 minus

38 (B) the amount of admissions taxes constructively received by
 39 the unit in the previous state fiscal year.

40 The treasurer of state shall distribute the amounts deducted under this
 41 subsection to the northwest Indiana redevelopment authority
 42 established under IC 36-7.5-2-1 for deposit in the development



1 authority revenue fund established under IC 36-7.5-4-1.

2 (k) Money distributed to a political subdivision under subsection
3 (b):

4 (1) must be paid to the fiscal officer of the political subdivision
5 and may be deposited in the political subdivision's general fund
6 **(in the case of a school corporation, the school corporation**
7 **may deposit the money into either the education fund**
8 **(IC 20-40-2) or the operations fund (IC 20-40-18))** or riverboat
9 fund established under IC 36-1-8-9, or both;

10 (2) may not be used to reduce the maximum levy under
11 IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate
12 of a school corporation, but, except as provided in subsection
13 (b)(2)(B), may be used at the discretion of the political
14 subdivision to reduce the property tax levy of the county, city, or
15 town for a particular year;

16 (3) except as provided in subsection (b)(2)(B), may be used for
17 any legal or corporate purpose of the political subdivision,
18 including the pledge of money to bonds, leases, or other
19 obligations under IC 5-1-14-4; and

20 (4) is considered miscellaneous revenue.

21 Money distributed under subsection (b)(2)(B) must be used for the
22 purposes specified in subsection (b)(2)(B).

23 (l) After June 30, 2020, the amount of wagering taxes that would
24 otherwise be distributed to South Bend under subsection (e) shall be
25 deposited as being received from all riverboats whose supplemental
26 wagering tax, as calculated under IC 4-33-12-1.5(b), is over three and
27 five-tenths percent (3.5%). The amount deposited under this
28 subsection, in each riverboat's account, is proportionate to the
29 supplemental wagering tax received from that riverboat under
30 IC 4-33-12-1.5 in the month of July. The amount deposited under this
31 subsection must be distributed in the same manner as the supplemental
32 wagering tax collected under IC 4-33-12-1.5. This subsection expires
33 June 30, 2021.

34 (m) After June 30, 2021, the amount of wagering taxes that would
35 otherwise be distributed to South Bend under subsection (e) shall be
36 withheld and deposited in the state general fund.

37 SECTION 3. IC 4-35-8.3-5, AS AMENDED BY P.L.149-2016,
38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 5. (a) Money distributed
40 to a political subdivision under section 4 of this chapter:

41 (1) must be paid to the fiscal officer of the political subdivision
42 and may be deposited in the political subdivision's general fund



- 1 **(in the case of a school corporation, the school corporation**
 2 **may deposit the money into either the education fund**
 3 **(IC 20-40-2) or the operations fund (IC 20-40-18))** or riverboat
 4 fund established under IC 36-1-8-9, or both;
 5 (2) may not be used to reduce the maximum levy under
 6 IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate
 7 of a school corporation, but, except as provided in section 4(2) of
 8 this chapter, may be used at the discretion of the political
 9 subdivision to reduce the property tax levy of the county, city, or
 10 town for a particular year;
 11 (3) except as provided in section 4(2) of this chapter, may be used
 12 for any legal or corporate purpose of the political subdivision,
 13 including the pledge of money to bonds, leases, or other
 14 obligations under IC 5-1-14-4; and
 15 (4) is considered miscellaneous revenue.
- 16 (b) Money distributed under section 4(2) of this chapter must be
 17 used for the purposes specified in section 4(2) of this chapter.
- 18 SECTION 4. IC 5-3-1-3, AS AMENDED BY P.L.244-2017,
 19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 3. (a) Within sixty (60)
 21 days after the expiration of each calendar year, the fiscal officer of each
 22 civil city and town in Indiana shall publish an annual report of the
 23 receipts and expenditures of the city or town during the preceding
 24 calendar year.
- 25 (b) Not earlier than August 1 or later than August 15 of each year,
 26 the secretary of each school corporation in Indiana shall publish an
 27 annual financial report.
- 28 (c) In the annual financial report the school corporation shall
 29 include the following:
- 30 (1) Actual receipts and expenditures by major accounts as
 31 compared to the budget advertised under IC 6-1.1-17-3 for the
 32 prior calendar year.
- 33 (2) The salary schedule for all certificated employees (as defined
 34 in IC 20-29-2-4) as of June 30, with the number of employees at
 35 each salary increment. However, the listing of salaries of
 36 individual teachers is not required.
- 37 (3) The extracurricular salary schedule as of June 30.
- 38 (4) The range of rates of pay for all noncertificated employees by
 39 specific classification.
- 40 (5) The number of employees who are full-time certificated,
 41 part-time certificated, full-time noncertificated, and part-time
 42 noncertificated.



- 1 (6) The lowest, highest, and average salary for the administrative
 2 staff and the number of administrators without a listing of the
 3 names of particular administrators.
- 4 (7) The number of students enrolled at each grade level and the
 5 total enrollment.
- 6 (8) The assessed valuation of the school corporation for the prior
 7 and current calendar year.
- 8 (9) The tax rate for each fund for the prior and current calendar
 9 year.
- 10 (10) In the ~~general fund, capital projects fund, and transportation~~
 11 ~~fund, education fund and operations fund~~, a report of the total
 12 payment made to each vendor ~~for the specific~~ **from each** fund in
 13 excess of two thousand five hundred dollars (\$2,500) during the
 14 prior calendar year. However, a school corporation is not required
 15 to include more than two hundred (200) vendors whose total
 16 payment to each vendor was in excess of two thousand five
 17 hundred dollars (\$2,500). A school corporation shall list the
 18 vendors in descending order from the vendor with the highest
 19 total payment to the vendor with the lowest total payment above
 20 the minimum listed in this subdivision.
- 21 (11) A statement providing that the contracts, vouchers, and bills
 22 for all payments made by the school corporation are in its
 23 possession and open to public inspection.
- 24 (12) The total indebtedness as of the end of the prior calendar
 25 year showing the total amount of notes, bonds, certificates, claims
 26 due, total amount due from such corporation for public
 27 improvement assessments or intersections of streets, and any and
 28 all other evidences of indebtedness outstanding and unpaid at the
 29 close of the prior calendar year.
- 30 (d) The school corporation may provide an interpretation or
 31 explanation of the information included in the financial report.
- 32 (e) The department of education shall do the following:
- 33 (1) Develop guidelines for the preparation and form of the
 34 financial report.
- 35 (2) Provide information to assist school corporations in the
 36 preparation of the financial report.
- 37 (f) The annual reports required by this section and IC 36-2-2-19 and
 38 the abstract required by IC 36-6-4-13 shall each be published one (1)
 39 time only, in accordance with this chapter.
- 40 (g) Each school corporation shall submit to the department of
 41 education a copy of the financial report required under this section. The
 42 department of education shall make the financial reports available for



1 public inspection.

2 (h) As used in this subsection, "bonds" means any bonds, notes, or
 3 other evidences of indebtedness, whether payable from property taxes,
 4 other taxes, revenues, fees, or any other source. However, the term does
 5 not include notes, warrants, or other evidences of indebtedness that
 6 have a maturity of not more than five (5) years and that are made in
 7 anticipation of and to be paid from revenues of the school corporation.
 8 Notwithstanding any other law, a school corporation may not issue any
 9 bonds unless the school corporation has filed the annual financial
 10 report required under subsection (b) with the department of education.
 11 The requirements under this subsection for the issuance of bonds by a
 12 school corporation are in addition to any other requirements imposed
 13 under any other law. This subsection applies to the issuance of bonds
 14 authorized under any statute, regardless of whether that statute
 15 specifically references this subsection or the requirements under this
 16 subsection.

17 SECTION 5. IC 5-4-5-2 IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2. The cost
 19 of any such bond or other like obligation so procured, if furnished by
 20 a state officer or employee, shall be paid out of the general fund of the
 21 state treasury; if furnished by an officer or employee of any state
 22 institution, such cost shall be paid out of the maintenance fund of such
 23 institution; if furnished by a county, city, town, or township officer or
 24 employee, such cost shall be paid out of the general fund of the county,
 25 city, town, or township in and for which such officer or employee shall
 26 have been or shall be elected or appointed, as the case may be; if
 27 furnished by any officer or employee of any school corporation, such
 28 cost shall be paid out of the ~~special school~~ fund of the school
 29 corporation in **accordance with the categories of expenditures**
 30 **established under IC 20-42.5-3** and for which such officer or
 31 employee shall have been or shall be elected or appointed; and if
 32 furnished by any officer or employee of any municipal corporation or
 33 political subdivision of the state, other than those designated in this
 34 section, such cost shall be paid out of the operating or maintenance
 35 fund of such corporation or political subdivision in or for which such
 36 officer or employee is acting.

37 SECTION 6. IC 5-10.3-6-6 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]:
 39 Sec. 6. ~~Appropriations and Payments by School Corporations~~: A school
 40 corporation shall make the appropriations and payments required of
 41 participating political subdivisions from its ~~general education fund or~~
 42 **operations fund in accordance with the categories of expenditures**



1 **established under IC 20-42.5-3.**

2 SECTION 7. IC 5-10.4-9-5, AS ADDED BY P.L.217-2017,
3 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 5. A school corporation
5 shall make the appropriations and payments required under this article
6 and IC 5-10.2 from its ~~general~~ **education fund or operations fund in**
7 **accordance with the categories of expenditures established under**
8 **IC 20-42.5-3.**

9 SECTION 8. IC 6-1.1-18.5-2, AS AMENDED BY P.L.184-2016,
10 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2019]: Sec. 2. (a) As used in this section, "Indiana nonfarm
12 personal income" means the estimate of total nonfarm personal income
13 for Indiana in a calendar year as computed by the federal Bureau of
14 Economic Analysis using any actual data for the calendar year and any
15 estimated data determined appropriate by the federal Bureau of
16 Economic Analysis.

17 (b) **Except as provided in subsection (c)**, for purposes of
18 determining a civil taxing unit's maximum permissible ad valorem
19 property tax levy for an ensuing calendar year, the civil taxing unit
20 shall use the assessed value growth quotient determined in the last
21 STEP of the following STEPS:

22 STEP ONE: For each of the six (6) calendar years immediately
23 preceding the year in which a budget is adopted under
24 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
25 nonfarm personal income for the calendar year by the Indiana
26 nonfarm personal income for the calendar year immediately
27 preceding that calendar year, rounding to the nearest
28 one-thousandth (0.001).

29 STEP TWO: Determine the sum of the STEP ONE results.

30 STEP THREE: Divide the STEP TWO result by six (6), rounding
31 to the nearest one-thousandth (0.001).

32 STEP FOUR: Determine the lesser of the following:

33 (A) The STEP THREE quotient.

34 (B) One and six-hundredths (1.06).

35 (c) **A school corporation shall use for its operations fund**
36 **maximum levy calculation under IC 20-46-8-1 the assessed value**
37 **growth quotient determined in the last STEP of the following**
38 **STEPS:**

39 **STEP ONE: Determine for each school corporation, the**
40 **average annual growth in net assessed value using the three**
41 **(3) calendar years immediately preceding the year in which a**
42 **budget is adopted under IC 6-1.1-17-5 for the ensuing**



1 calendar year.
 2 **STEP TWO: Determine the greater of:**
 3 (A) zero (0); or
 4 (B) the STEP ONE amount minus the sum of:
 5 (i) the assessed value growth quotient determined under
 6 subsection (b) minus one (1); plus
 7 (ii) two-hundredths (0.02).
 8 **STEP THREE: Determine the lesser of:**
 9 (A) the STEP TWO amount; or
 10 (B) four-hundredths (0.04).
 11 **STEP FOUR: Determine the sum of:**
 12 (A) the STEP THREE amount; plus
 13 (B) the assessed value growth quotient determined under
 14 subsection (b).
 15 **STEP FIVE: Determine the greater of:**
 16 (A) the STEP FOUR amount; or
 17 (B) the assessed value growth quotient determined under
 18 subsection (b).
 19 (ⓓ) The budget agency shall provide the assessed value growth
 20 quotient for the ensuing year to civil taxing units, school corporations,
 21 and the department of local government finance before July 1 of each
 22 year.
 23 SECTION 9. IC 6-1.1-20.6-9.9, AS AMENDED BY P.L.244-2017,
 24 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 9.9. (a) If:
 26 (1) a school corporation in ~~2017, 2018, or 2019~~, **2020, 2021, or**
 27 **2022** issues new bonds or enters into a new lease rental agreement
 28 for which the school corporation is imposing or will impose a debt
 29 service levy other than:
 30 (A) to refinance or renew prior bond or lease rental obligations
 31 existing before January 1, ~~2017~~; **2019**; or
 32 (B) indebtedness that is approved in a local public question or
 33 referendum under IC 6-1.1-20 or any other law; and
 34 (2) the school corporation's:
 35 (A) total debt service levy in ~~2018 or 2019~~, **2020, 2021, or**
 36 **2022** is greater than the school corporation's total debt service
 37 levy in ~~2016~~; **2018**; and
 38 (B) total debt service tax rate in ~~2018 or 2019~~, **2020, 2021, or**
 39 **2022** is greater than the school corporation's total debt service
 40 tax rate in ~~2016~~; **2018**;
 41 the school corporation is not eligible to allocate credits proportionately
 42 under this section.



1 (b) Subject to subsection (a), a school corporation is eligible to
 2 allocate credits proportionately under this section for ~~2016, 2017, 2018,~~
 3 ~~or 2019, 2020, 2021, or 2022~~ if the school corporation's percentage
 4 computed under this subsection is at least ten percent (10%) for its
 5 ~~transportation fund levy for that year (for 2017 and 2018) or operations~~
 6 ~~fund levy, after 2018,~~ as certified by the department of local
 7 government finance. A school corporation shall compute its percentage
 8 under this subsection as follows:

9 (1) Compute the amount of credits granted under this chapter
 10 against the school corporation's levy for the school corporation's
 11 ~~transportation fund (for 2017 and 2018) or operations fund, after~~
 12 ~~2018.~~

13 (2) Compute the school corporation's levy for the school
 14 corporation's ~~transportation fund (for 2017 and 2018) or~~
 15 ~~operations fund levy, after 2018.~~

16 (3) Divide the amount computed under subdivision (1) by the
 17 amount computed under subdivision (2) and express it as a
 18 percentage.

19 The computation must be made by taking into account the requirements
 20 of section 9.8 of this chapter regarding protected taxes and the impact
 21 of credits granted under this chapter on the revenue to be distributed to
 22 the school corporation's ~~transportation fund (for 2017 and 2018) or~~
 23 ~~operations fund after 2018~~ for the particular year.

24 (c) A school corporation that desires to be an eligible school
 25 corporation under this section must, before May 1 of the year for which
 26 it wants a determination, submit a written request for a certification by
 27 the department of local government finance that the computation of the
 28 school corporation's percentage under subsection (b) is correct. The
 29 department of local government finance shall, not later than June 1 of
 30 that year, determine whether the percentage computed by the school
 31 corporation is accurate and certify whether the school corporation is
 32 eligible under this section.

33 (d) For a school corporation that is certified as eligible under this
 34 section, the school corporation may allocate the effect of the credits
 35 granted under this chapter proportionately among all the school
 36 corporation's property tax funds that are not exempt under section
 37 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and
 38 without taking into account the requirements of section 9.8 of this
 39 chapter regarding protected taxes.

40 SECTION 10. IC 20-37-2-2, AS AMENDED BY P.L.69-2015,
 41 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2. (a) A governing body



- 1 may:
- 2 (1) establish career and technical education centers, schools, or
- 3 departments in the manner approved by the state board; and
- 4 (2) maintain these schools or departments from the ~~general~~
- 5 **education fund and operations** fund in accordance with the
- 6 **categories of expenditures established under IC 20-42.5-3.**
- 7 (b) The governing body may include in the high school curriculum
- 8 without additional state board approval any secondary level career and
- 9 technical education course that is approved under section 11 of this
- 10 chapter, if applicable.
- 11 (c) The governing body shall notify the department and the
- 12 department of workforce development whenever the governing body:
- 13 (1) includes an approved course for; or
- 14 (2) removes an approved course from;
- 15 the high school curriculum.
- 16 SECTION 11. IC 20-40-10-3, AS ADDED BY P.L.2-2006,
- 17 SECTION 163, IS AMENDED TO READ AS FOLLOWS
- 18 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 3. The
- 19 chief fiscal officer of a school corporation may invest money in the
- 20 school corporation's fund in the same manner in which money in the
- 21 school corporation's ~~general~~ **education fund or operations** fund may
- 22 be invested. However, any income derived from investment of the
- 23 money shall be deposited in and becomes a part of the fund.
- 24 SECTION 12. IC 20-40-12-6, AS AMENDED BY P.L.146-2008,
- 25 SECTION 479, IS AMENDED TO READ AS FOLLOWS
- 26 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 6. Subject
- 27 to the approval of the commissioner of insurance, the governing body
- 28 of the school corporation may:
- 29 (1) transfer to the fund an amount of money in the ~~general~~
- 30 **education fund or operations** fund budget in accordance with
- 31 **the categories of expenditures established under IC 20-42.5-3;**
- 32 (2) transfer money from the ~~general~~ **education fund or**
- 33 **operations** fund in accordance with the **categories of**
- 34 **expenditures established under IC 20-42.5-3** to the fund;
- 35 (3) appropriate money from the ~~general~~ **education fund or**
- 36 **operations** fund in accordance with the **categories of**
- 37 **expenditures established under IC 20-42.5-3** for the fund; or
- 38 (4) transfer money from the ~~capital projects~~ **operations** fund to
- 39 the fund, to the extent that money in the ~~capital projects~~
- 40 **operations** fund may be used for property or casualty insurance.
- 41 SECTION 13. IC 20-40-14-1, AS ADDED BY P.L.2-2006,
- 42 SECTION 163, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 1. (a)
 2 Except as provided in this section, money received by a school
 3 corporation for a specific purpose or purposes, by gift, endowment, or
 4 under a federal statute, may be accounted for by establishing separate
 5 funds apart from ~~the general~~ **any other school corporation** fund.

6 (b) Subsection (a) does not apply if local tax funds are involved.

7 (c) Money described in subsection (a) may not be accepted unless
 8 the:

9 (1) terms of the gift, endowment, or payment; and

10 (2) acceptance of the gift, endowment, or payment;

11 provide that the officers of the school corporation are not divested of
 12 any right or authority that the officers are granted by law.

13 SECTION 14. IC 20-40-18-6, AS AMENDED BY P.L.140-2018,
 14 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 6. (a) A school
 16 corporation's capital projects expenditure plan or amended plan must
 17 limit proposed expenditures to those described in section 7 of this
 18 chapter. The plan must include all proposed expenditures that exceed
 19 ten thousand dollars (\$10,000) and are for:

20 (1) capital assets; or

21 (2) projects that are considered capital in nature under section 7
 22 of this chapter, including technology related projects.

23 The department of local government finance shall prescribe the
 24 information that is required in a plan.

25 (b) The department of local government finance shall prescribe the
 26 format of the plan. A plan must:

27 (1) apply to at least the three (3) years immediately following the
 28 year the plan is adopted; **and**

29 (2) estimate for each year to which the plan applies the nature and
 30 amount of proposed capital expenditures from the fund. **and**

31 ~~(3) estimate:~~

32 ~~(A) the source of all revenue to be dedicated to the proposed
 33 capital expenditures in the upcoming calendar year; and~~

34 ~~(B) the amount of property taxes to be collected in the
 35 upcoming calendar year and retained in the fund for capital
 36 expenditures proposed for a later year.~~

37 (c) If a school corporation wants to use money in the operations
 38 fund during the year to pay for any items listed in section 7 of this
 39 chapter that are considered capital in nature, the governing body must
 40 adopt a resolution approving the plan or amended plan. The school
 41 corporation shall post the proposed plan or proposed amended plan on
 42 the school corporation's Internet web site before the hearing. The



1 governing body must hold a hearing on the adoption of the resolution
2 as follows:

3 (1) For a school corporation that has not elected to adopt a budget
4 under IC 6-1.1-17-5.6 or for which a resolution adopted under
5 IC 6-1.1-17-5.6(d) is in effect, the school corporation must hold
6 the hearing and adopt the resolution after January 1 and not later
7 than November 1 of the immediately preceding year.

8 (2) For a school corporation that elects to adopt a budget under
9 IC 6-1.1-17-5.6, the school corporation must hold the hearing and
10 adopt the resolution after January 1 and not later than April 1 of
11 the immediately preceding school fiscal year.

12 The governing body shall publish a notice of the hearing in accordance
13 with IC 5-3-1-2(b). The notice must include the address of the school
14 corporation's Internet web site. The governing body may hold the
15 hearing and include the notice as part of a regular governing body
16 meeting or part of the same hearing and notice for a school bus
17 replacement plan. If an amendment to a capital projects expenditure
18 plan is being proposed, the governing body must declare the nature of
19 and the need for the amendment in the resolution to adopt the
20 amendment to the plan. The plan, as proposed to be amended, must
21 comply with the requirements for a plan under this section.

22 (d) If a governing body adopts the resolution specified in subsection
23 (c), the school corporation must then submit the resolution to the
24 department of local government finance in the manner prescribed by
25 the department.

26 (e) This subsection applies to an amendment to a plan that is
27 required because of an emergency that results in costs that exceed the
28 amount accumulated in the fund for repair, replacement, or site
29 acquisition that is necessitated by an emergency. The governing body
30 is not required to comply with subsection (c) or (d). If the governing
31 body determines that an emergency exists, the governing body may
32 adopt a resolution to amend the plan. An amendment to the plan is not
33 subject to the deadline and the procedures for adoption described in
34 this section.

35 SECTION 15. IC 20-41-1-2, AS AMENDED BY P.L.286-2013,
36 SECTION 119, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2. Any
38 self-supporting programs maintained by a school corporation,
39 including:

40 (1) school lunch; and

41 (2) rental or sale of curricular materials;

42 may be established as separate funds, separate and apart from ~~the~~



1 ~~general~~ **any other school corporation** fund, if no local tax rate is
 2 established for the programs.

3 SECTION 16. IC 20-41-1-4, AS ADDED BY P.L.2-2006,
 4 SECTION 164, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 4. (a) All
 6 forms and records for keeping the accounts of the extracurricular
 7 activities in school corporations shall be prescribed or approved by the
 8 state board of accounts. The records and affairs of the extracurricular
 9 activities may be examined by the state board of accounts when the
 10 state examiner determines an examination is necessary. The forms
 11 prescribed or approved for keeping these accounts must achieve a
 12 simplified system of bookkeeping and shall be paid for, along with the
 13 bond required in this chapter, from the ~~general~~ **education fund or**
 14 **operations fund in accordance with the categories of expenditures**
 15 **established under IC 20-42.5-3.**

16 (b) The funds of all accounts of any organization, class, or activity
 17 shall be accounted separately from all others. Funds may not be
 18 transferred from the accounts of any organization, class, or activity
 19 except by a majority vote of its members, if any, and by the approval
 20 of the principal, sponsor, and treasurer of the organization, class, or
 21 activity. However, in the case of athletic funds:

- 22 (1) approval of the transfer must be made by the athletic director,
 23 who is regarded as the sponsor; and
 24 (2) participating students are not considered members.

25 All expenditures of the funds are subject to review by the governing
 26 body of the school corporation.

27 SECTION 17. IC 20-46-1-7, AS AMENDED BY P.L.41-2010,
 28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2019 (RETROACTIVE)]: Sec. 7. (a) This section
 30 applies to a school corporation that added an amount to the school
 31 corporation's base tax levy before 2002 as the result of the approval of
 32 an excessive tax levy by the majority of individuals voting in a
 33 referendum held in the area served by the school corporation under
 34 IC 6-1.1-19-4.5 (before its repeal).

35 (b) A school corporation may adopt a resolution before September
 36 21, 2005, to transfer the power of the school corporation to levy the
 37 amount described in subsection (a) from the school corporation's
 38 general fund (**before the elimination of the general fund**) to the
 39 school corporation's fund. A school corporation that adopts a resolution
 40 under this section shall, as soon as practicable after adopting the
 41 resolution, send a certified copy of the resolution to the department of
 42 local government finance and the county auditor. A school corporation



1 that adopts a resolution under this section may, for property taxes first
 2 due and payable after 2005, levy an additional amount for the fund that
 3 does not exceed the amount of the excessive tax levy added to the
 4 school corporation's base tax levy before 2002.

5 (c) The power of the school corporation to impose the levy
 6 transferred to the fund under this section expires December 31, 2012,
 7 unless:

8 (1) the school corporation adopts a resolution to reimpose or
 9 extend the levy; and

10 (2) the levy is approved, before January 1, 2013, by a majority of
 11 the individuals who vote in a referendum that is conducted in
 12 accordance with the requirements in this chapter.

13 As soon as practicable after adopting the resolution under subdivision
 14 (1), the school corporation shall send a certified copy of the resolution
 15 to the department of local government finance and the county auditor.
 16 However, if requested by the school corporation in the resolution
 17 adopted under subdivision (1), the question of reimposing or extending
 18 a levy transferred to the fund under this section may be combined with
 19 a question presented to the voters to reimpose or extend a levy initially
 20 imposed after 2001. A levy reimposed or extended under this
 21 subsection shall be treated for all purposes as a levy reimposed or
 22 extended under this chapter.

23 (d) The school corporation's levy under this section may not be
 24 considered in the determination of the school corporation's state tuition
 25 support distribution under IC 20-43 or the determination of any other
 26 property tax levy imposed by the school corporation.

27 SECTION 18. IC 20-46-7-6, AS ADDED BY P.L.2-2006,
 28 SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 6. An
 29 amount equal to deductions made or to be made in the current year for
 30 the payment of principal and interest on an advancement from any state
 31 fund (including the common school fund and the veterans memorial
 32 school construction fund) may be included in a levy and appropriated
 33 and paid to the ~~general~~ **operations** fund.

34 SECTION 19. IC 20-46-8-9 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 36 1, 2019]: **Sec. 9. (a) This section applies to a school corporation in
 37 a county having a population of more than one hundred
 38 seventy-five thousand (175,000) but less than one hundred
 39 eighty-five thousand (185,000).**

40 **(b) For property taxes first due and payable in 2020, the
 41 maximum permissible operations fund property tax levy of a
 42**



1 school corporation subject to this section is equal to the amount
 2 determined in the following STEPS, instead of the amount
 3 determined under section 1 of this chapter:

4 **STEP ONE: Determine the result under section 1(c) of this**
 5 **chapter, without regard to this section.**

6 **STEP TWO: Determine the result of:**

7 (A) the amount of the school corporation's 2018 historical
 8 society fund levy under IC 36-10-13-5 (as it existed on
 9 December 31, 2018); multiplied by

10 (B) the 2019 assessed value growth quotient determined
 11 under IC 6-1.1-18.5-2.

12 **STEP THREE: Determine the result of:**

13 (A) the STEP TWO amount; multiplied by

14 (B) the 2020 assessed value growth quotient determined
 15 under IC 6-1.1-18.5-2.

16 **STEP FOUR: Determine the sum of:**

17 (A) the STEP ONE amount;

18 (B) the STEP TWO amount; and

19 (C) the STEP THREE amount.

20 (c) For purposes of determining the 2021 maximum permissible
 21 property tax levy for the school corporation's operations fund, the
 22 amount to be used for purposes of STEP ONE (A) of section 1(c) of
 23 this chapter is equal to the remainder of:

24 (1) the amount determined under STEP FOUR of subsection
 25 (b); minus

26 (2) the amount determined under STEP TWO of subsection
 27 (b).

28 **(d) This section expires January 1, 2022.**

29 SECTION 20. IC 24-1-2-5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]:
 31 Sec. 5. It shall be the duty of the attorney general and of the
 32 prosecuting attorney of each judicial circuit to institute appropriate
 33 proceedings to prevent and restrain violations of the provisions of this
 34 chapter or any other statute or the common law relating to the subject
 35 matter of this chapter and to prosecute any person or persons guilty of
 36 having violated any of the penal provisions thereof. In all criminal
 37 proceedings the prosecution may be by way of affidavit or indictment
 38 the same as in other criminal matters, and the attorney general shall
 39 have concurrent jurisdiction with the prosecuting attorneys in
 40 instituting and prosecuting any such actions. All civil proceedings to
 41 prevent and restrain violations shall be in the name of the state of
 42 Indiana upon relation of the proper party. The attorney general may file



1 such proceedings upon **his the attorney general's** own relation or that
 2 of any private person in any circuit or superior court of the state,
 3 without applying to such court for leave, when ~~he~~ **the attorney general**
 4 shall deem it **his the attorney general's** duty so to do. Such
 5 proceedings shall be by information filed by any prosecuting attorney
 6 in a circuit or superior court of the proper county upon **his the**
 7 **prosecuting attorney's** own relation whenever ~~he~~ **the prosecuting**
 8 **attorney** shall deem it **his the prosecuting attorney's** duty so to do,
 9 or shall be directed by the court or governor or attorney general, and an
 10 information may be filed by any taxpayer on **his the taxpayer's** own
 11 relation. If judgment or decree be rendered against any domestic
 12 corporation or against any person claiming to be a corporation, the
 13 court may cause the costs to be collected by execution against the
 14 person claiming to be a corporation or by attachment against any or all
 15 of the directors or officers of the corporation, and may restrain the
 16 corporation or any director, agent, employee, or stockholder and
 17 appoint a receiver for its property and effects, and take an accounting
 18 and make distribution of its assets among its creditors, and exercise any
 19 other power or authority necessary and proper for carrying out the
 20 provisions of this chapter. If judgment or decree be rendered against
 21 any corporation incorporated under the laws of the United States, or of
 22 any district or territory thereof, or of any state other than this state, or
 23 of any foreign country, the court may cause the costs to be collected as
 24 in this section provided and may render judgment and decree of ouster
 25 perpetually excluding such corporation from the privilege of
 26 transacting business in the state of Indiana and forfeiting to the school
 27 **corporation's education fund or operations** fund any or all property
 28 of such corporation within the state, and shall exercise such power and
 29 authority with regard to the property of such corporation as may be
 30 exercised with regard to that of domestic corporations.

31 SECTION 21. IC 36-1.5-3-5, AS AMENDED BY P.L.217-2017,
 32 SECTION 159, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 5. (a) This
 34 subsection applies to the plan of reorganization of a political
 35 subdivision other than a school corporation. The plan of reorganization
 36 must specify the amount (if any) of the decrease that the department of
 37 local government finance shall make to the maximum permissible
 38 property tax levies, maximum permissible property tax rates, and
 39 budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of the reorganized
 40 political subdivision to:

- 41 (1) eliminate double taxation for services or goods provided by
 42 the reorganized political subdivision; or



- 1 (2) eliminate any excess by which the amount of property taxes
 2 imposed by the reorganized political subdivision exceeds the
 3 amount necessary to pay for services or goods provided under this
 4 article.
- 5 (b) This subsection applies to a plan of reorganization for a school
 6 corporation. The plan of reorganization must specify the adjustments
 7 that the department of local government finance shall make to the
 8 maximum permissible property tax levies, maximum permissible
 9 property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of
 10 the reorganized school corporation. The following apply to a school
 11 corporation reorganized under this article:
- 12 (1) The new maximum permissible tax levy under ~~IC 20-46-4~~
 13 ~~(transportation fund)~~ and ~~IC 20-46-5 (school bus replacement)~~
 14 **IC 20-46-8 (operations fund property tax levy)** for the first
 15 calendar year in which the reorganization is effective equals the
 16 following:
- 17 STEP ONE: Determine for each school corporation that is part
 18 of the reorganization the sum of the maximum levies under
 19 ~~IC 20-46-4~~ and ~~IC 20-46-5~~ **IC 20-46-8 (operations fund**
 20 **property tax levy)** for the ensuing calendar year, including
 21 the assessed value growth quotient (IC 6-1.1-18.5-2)
 22 adjustment for the ensuing calendar year.
- 23 STEP TWO: Determine the sum of the STEP ONE amounts.
- 24 STEP THREE: Multiply the STEP TWO amount by one
 25 hundred three percent (103%).
- 26 (2) ~~The new maximum capital projects fund rate under IC 20-46-6~~
 27 ~~for the first calendar year in which the reorganization is effective~~
 28 ~~equals the following:~~
- 29 ~~STEP ONE: Determine for each school corporation that is part~~
 30 ~~of the reorganization the maximum amount that could have~~
 31 ~~been levied using the school corporation's maximum capital~~
 32 ~~projects fund tax rate for the calendar year.~~
- 33 ~~STEP TWO: Determine the sum of the STEP ONE amounts.~~
- 34 ~~STEP THREE: Determine the sum of the certified net assessed~~
 35 ~~values for all the school corporations that are part of the~~
 36 ~~reorganization.~~
- 37 ~~STEP FOUR: Divide the STEP TWO amount by the STEP~~
 38 ~~THREE amount.~~
- 39 ~~STEP FIVE: Determine the product (rounded to the nearest~~
 40 ~~ten-thousandth (0.0001)) of:~~
- 41 ~~(i) the STEP FOUR amount; multiplied by~~
 42 ~~(ii) one hundred (100).~~



1 ~~(3)~~ (2) The new debt service levy under IC 20-46-7 for the first
2 calendar year in which the reorganization is effective equals the
3 sum of the debt service fund levies for each school corporation
4 that is part of the reorganization that would have been permitted
5 under IC 20-46-7 in the calendar year.
6 (c) The fiscal body of the reorganized political subdivision shall
7 determine and certify to the department of local government finance
8 the amount of the adjustment (if any) under subsection (a).
9 (d) The amount of the adjustment (if any) under subsection (a) or (b)
10 must comply with the reorganization agreement under which the
11 political subdivision or school corporation is reorganized under this
12 article.
13 SECTION 22. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1021, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 13, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-18.5-2, AS AMENDED BY P.L.184-2016, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) **Except as provided in subsection (c)**, for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

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

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) **A school corporation shall use for its operations fund maximum levy calculation under IC 20-46-8-1 the assessed value growth quotient determined in the last STEP of the following STEPS:**

STEP ONE: Determine for each school corporation, the average annual growth in net assessed value using the three (3) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year.

STEP TWO: Determine the greater of:

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- (A) zero (0); or
- (B) the STEP ONE amount minus the sum of:
 - (i) the assessed value growth quotient determined under subsection (b) minus one (1); plus
 - (ii) two-hundredths (0.02).

STEP THREE: Determine the lesser of:

- (A) the STEP TWO amount; or
- (B) four-hundredths (0.04).

STEP FOUR: Determine the sum of:

- (A) the STEP THREE amount; plus
- (B) the assessed value growth quotient determined under subsection (b).

STEP FIVE: Determine the greater of:

- (A) the STEP FOUR amount; or
- (B) the assessed value growth quotient determined under subsection (b).

(e) (d) The budget agency shall provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year."

Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 1021 as introduced.)

HUSTON

Committee Vote: yeas 24, nays 0.

