

HOUSE BILL No. 1590

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-30-16-3; IC 4-33-13-5; IC 21-12-15.

Synopsis: Earn more Indiana scholarship. Establishes the earn more Indiana scholarship program and fund for students attending postsecondary educational institutions immediately after high school to earn associate degrees. Sets forth qualification requirements. Provides for \$36 million annual funding as follows: (1) \$12 million from the state general fund. (2) \$12 million from Indiana state lottery revenue. (3) \$12 million from riverboat wagering taxes.

Effective: July 1, 2016.

Austin

January 20, 2015, read first time and referred to Committee on Education.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1590



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

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

1 SECTION 1. IC 4-30-16-3, AS AMENDED BY P.L.146-2008,
2 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 3. (a) The commission shall transfer the surplus
4 revenue in the administrative trust fund as follows:
5 (1) Before the last business day of January, April, July, and
6 October, the commission shall transfer to the treasurer of state, for
7 deposit in the Indiana state teachers' retirement fund
8 (IC 5-10.4-2), seven million five hundred thousand dollars
9 (\$7,500,000). Notwithstanding any other law, including any
10 appropriations law resulting from a budget bill (as defined in
11 IC 4-12-1-2), the money transferred under this subdivision shall
12 be set aside in the pension stabilization fund (IC 5-10.4-2-5) to be
13 used as a credit against the unfunded accrued liability of the
14 pre-1996 account (as defined in IC 5-10.4-1-12) of the Indiana
15 state teachers' retirement fund. The money transferred is in



- 1 addition to the appropriation needed to pay benefits for the state
 2 fiscal year.
- 3 (2) Before the last business day of January, April, July, and
 4 October, the commission shall transfer seven million five hundred
 5 thousand dollars (\$7,500,000) of the surplus revenue to the
 6 treasurer of state for deposit in the pension relief fund
 7 (IC 5-10.3-11).
- 8 **(3) Before the last business day of January, April, July, and**
 9 **October, the commission shall transfer three million dollars**
 10 **(\$3,000,000) of the surplus revenue to the treasurer of state**
 11 **for deposit in the earn more Indiana scholarship fund.**
- 12 ~~(3)~~ (4) The surplus revenue remaining in the fund on the last day
 13 of January, April, July, and October after the transfers under
 14 subdivisions (1) and (2) shall be transferred by the commission to
 15 the treasurer of state for deposit on that day in the build Indiana
 16 fund.
- 17 (b) The commission may make transfers to the treasurer of state
 18 more frequently than required by subsection (a). However, the number
 19 of transfers does not affect the amount that is required to be transferred
 20 for the purposes listed in subsection (a)(1) and (a)(2). Any amount
 21 transferred during the month in excess of the amount required to be
 22 transferred for the purposes listed in subsection (a)(1) and (a)(2) shall
 23 be transferred to the build Indiana fund.
- 24 SECTION 2. IC 4-33-13-5, AS AMENDED BY P.L.2-2014,
 25 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2016]: Sec. 5. (a) This subsection does not apply to tax
 27 revenue remitted by an operating agent operating a riverboat in a
 28 historic hotel district. After funds are appropriated under section 4 of
 29 this chapter, each month the treasurer of state shall distribute the tax
 30 revenue deposited in the state gaming fund under this chapter to the
 31 following:
- 32 (1) The first thirty-three million dollars (\$33,000,000) of tax
 33 revenues collected under this chapter shall be set aside for
 34 revenue sharing under subsection (e).
- 35 **(2) After setting aside revenue under subdivision (1), one**
 36 **million dollars (\$1,000,000) of tax revenues collected under**
 37 **this chapter shall be paid each month to the earn more**
 38 **Indiana scholarship fund.**
- 39 ~~(2)~~ (3) Subject to subsection (c), twenty-five percent (25%) of the
 40 remaining tax revenue remitted by each licensed owner shall be
 41 paid:
- 42 (A) to the city that is designated as the home dock of the



1 riverboat from which the tax revenue was collected, in the case
2 of:

- 3 (i) a city described in IC 4-33-12-6(b)(1)(A); or
4 (ii) a city located in a county having a population of more
5 than four hundred thousand (400,000) but less than seven
6 hundred thousand (700,000); or

7 (B) to the county that is designated as the home dock of the
8 riverboat from which the tax revenue was collected, in the case
9 of a riverboat whose home dock is not in a city described in
10 clause (A).

11 ~~(3)~~ (4) Subject to subsection (d), the remainder of the tax revenue
12 remitted by each licensed owner shall be paid to the state general
13 fund. In each state fiscal year, the treasurer of state shall make the
14 transfer required by this subdivision not later than the last
15 business day of the month in which the tax revenue is remitted to
16 the state for deposit in the state gaming fund. However, if tax
17 revenue is received by the state on the last business day in a
18 month, the treasurer of state may transfer the tax revenue to the
19 state general fund in the immediately following month.

20 (b) This subsection applies only to tax revenue remitted by an
21 operating agent operating a riverboat in a historic hotel district. After
22 funds are appropriated under section 4 of this chapter, each month the
23 treasurer of state shall distribute the tax revenue remitted by the
24 operating agent under this chapter as follows:

25 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the
26 state general fund.

27 (2) Nineteen percent (19%) shall be paid to the West Baden
28 Springs historic hotel preservation and maintenance fund
29 established by IC 36-7-11.5-11(b). However, at any time the
30 balance in that fund exceeds twenty million dollars
31 (\$20,000,000), the amount described in this subdivision shall be
32 paid to the state general fund.

33 (3) Eight percent (8%) shall be paid to the Orange County
34 development commission established under IC 36-7-11.5.

35 (4) Sixteen percent (16%) shall be paid in equal amounts to each
36 town that is located in the county in which the riverboat is located
37 and contains a historic hotel. The following apply to taxes
38 received by a town under this subdivision:

39 (A) At least twenty-five percent (25%) of the taxes must be
40 transferred to the school corporation in which the town is
41 located.

42 (B) At least twelve and five-tenths percent (12.5%) of the



- 1 taxes imposed on adjusted gross receipts received after June
 2 30, 2010, must be transferred to the Orange County
 3 development commission established by IC 36-7-11.5-3.5.
- 4 (5) Nine percent (9%) shall be paid to the county treasurer of the
 5 county in which the riverboat is located. The county treasurer
 6 shall distribute the money received under this subdivision as
 7 follows:
- 8 (A) Twenty-two and twenty-five hundredths percent (22.25%)
 9 shall be quarterly distributed to the county treasurer of a
 10 county having a population of more than forty thousand
 11 (40,000) but less than forty-two thousand (42,000) for
 12 appropriation by the county fiscal body after receiving a
 13 recommendation from the county executive. The county fiscal
 14 body for the receiving county shall provide for the distribution
 15 of the money received under this clause to one (1) or more
 16 taxing units (as defined in IC 6-1.1-1-21) in the county under
 17 a formula established by the county fiscal body after receiving
 18 a recommendation from the county executive.
- 19 (B) Twenty-two and twenty-five hundredths percent (22.25%)
 20 shall be quarterly distributed to the county treasurer of a
 21 county having a population of more than ten thousand seven
 22 hundred (10,700) but less than twelve thousand (12,000) for
 23 appropriation by the county fiscal body after receiving a
 24 recommendation from the county executive. The county fiscal
 25 body for the receiving county shall provide for the distribution
 26 of the money received under this clause to one (1) or more
 27 taxing units (as defined in IC 6-1.1-1-21) in the county under
 28 a formula established by the county fiscal body after receiving
 29 a recommendation from the county executive.
- 30 (C) Fifty-five and five-tenths percent (55.5%) shall be retained
 31 by the county in which the riverboat is located for
 32 appropriation by the county fiscal body after receiving a
 33 recommendation from the county executive.
- 34 (6) Five percent (5%) shall be paid to a town having a population
 35 of more than two thousand (2,000) but less than three thousand
 36 five hundred (3,500) located in a county having a population of
 37 more than nineteen thousand five hundred (19,500) but less than
 38 twenty thousand (20,000). At least forty percent (40%) of the
 39 taxes received by a town under this subdivision must be
 40 transferred to the school corporation in which the town is located.
- 41 (7) Five percent (5%) shall be paid to a town having a population
 42 of more than three thousand five hundred (3,500) located in a



1 county having a population of more than nineteen thousand five
 2 hundred (19,500) but less than twenty thousand (20,000). At least
 3 forty percent (40%) of the taxes received by a town under this
 4 subdivision must be transferred to the school corporation in which
 5 the town is located.

6 (8) Five-tenths percent (0.5%) of the taxes imposed on adjusted
 7 gross receipts received after June 30, 2010, shall be paid to the
 8 Indiana economic development corporation established by
 9 IC 5-28-3-1.

10 (c) For each city and county receiving money under subsection
 11 (a)(2), the treasurer of state shall determine the total amount of money
 12 paid by the treasurer of state to the city or county during the state fiscal
 13 year 2002. The amount determined is the base year revenue for the city
 14 or county. The treasurer of state shall certify the base year revenue
 15 determined under this subsection to the city or county. The total
 16 amount of money distributed to a city or county under this section
 17 during a state fiscal year may not exceed the entity's base year revenue.
 18 For each state fiscal year, the treasurer of state shall pay that part of the
 19 riverboat wagering taxes that:

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

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

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

- 28 (1) Surplus lottery revenues under IC 4-30-17-3.
- 29 (2) Surplus revenue from the charity gaming enforcement fund
 30 under IC 4-32.2-7-7.
- 31 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

32 The treasurer of state shall make transfers on a monthly basis as needed
 33 to meet the obligations of the build Indiana fund. If in any state fiscal
 34 year insufficient money is transferred to the state general fund under
 35 subsection (a)(3) to comply with this subsection, the treasurer of state
 36 shall reduce the amount transferred to the build Indiana fund to the
 37 amount available in the state general fund from the transfers under
 38 subsection (a)(3) for the state fiscal year.

39 (e) Before August 15 of each year, the treasurer of state shall
 40 distribute the wagering taxes set aside for revenue sharing under
 41 subsection (a)(1) to the county treasurer of each county that does not
 42 have a riverboat according to the ratio that the county's population



1 bears to the total population of the counties that do not have a
 2 riverboat. Except as provided in subsection (h), the county auditor shall
 3 distribute the money received by the county under this subsection as
 4 follows:

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

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

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

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

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

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

20 (3) To fund sewer and water projects, including storm water
 21 management projects.

22 (4) For police and fire pensions.

23 (5) To carry out any governmental purpose for which the money
 24 is appropriated by the fiscal body of the city, town, or county.
 25 Money used under this subdivision does not reduce the property
 26 tax levy of the city, town, or county for a particular year or reduce
 27 the maximum levy of the city, town, or county under
 28 IC 6-1.1-18.5.

29 (g) This subsection does not apply to an entity receiving money
 30 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer
 31 of state shall determine the total amount of money distributed to an
 32 entity under IC 4-33-12-6 during the preceding state fiscal year. If the
 33 treasurer of state determines that the total amount of money distributed
 34 to an entity under IC 4-33-12-6 during the preceding state fiscal year
 35 was less than the entity's base year revenue (as determined under
 36 IC 4-33-12-6), the treasurer of state shall make a supplemental
 37 distribution to the entity from taxes collected under this chapter and
 38 deposited into the state general fund. Except as provided in subsection
 39 (i), the amount of an entity's supplemental distribution is equal to:

40 (1) the entity's base year revenue (as determined under
 41 IC 4-33-12-6); minus

42 (2) the sum of:



- 1 (A) the total amount of money distributed to the entity during
 2 the preceding state fiscal year under IC 4-33-12-6; plus
 3 (B) any amounts deducted under IC 6-3.1-20-7.
- 4 (h) This subsection applies only to a county containing a
 5 consolidated city. The county auditor shall distribute the money
 6 received by the county under subsection (e) as follows:
- 7 (1) To each city, other than a consolidated city, located in the
 8 county according to the ratio that the city's population bears to the
 9 total population of the county.
- 10 (2) To each town located in the county according to the ratio that
 11 the town's population bears to the total population of the county.
- 12 (3) After the distributions required in subdivisions (1) and (2) are
 13 made, the remainder shall be paid in equal amounts to the
 14 consolidated city and the county.
- 15 (i) This subsection applies to a supplemental distribution made after
 16 June 30, 2013. The maximum amount of money that may be distributed
 17 under subsection (g) in a state fiscal year is forty-eight million dollars
 18 (\$48,000,000). If the total amount determined under subsection (g)
 19 exceeds forty-eight million dollars (\$48,000,000), the amount
 20 distributed to an entity under subsection (g) must be reduced according
 21 to the ratio that the amount distributed to the entity under IC 4-33-12-6
 22 bears to the total amount distributed under IC 4-33-12-6 to all entities
 23 receiving a supplemental distribution.
- 24 SECTION 3. IC 21-12-15 IS ADDED TO THE INDIANA CODE
 25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2016]:
- 27 **Chapter 15. Earn More Indiana Scholarship**
- 28 **Sec. 1. As used in this chapter, "fund" refers to the earn more**
 29 **Indiana scholarship fund created under section 6 of this chapter.**
- 30 **Sec. 2. As used in this chapter, "program" refers to the earn**
 31 **more Indiana scholarship program established under section 4 of**
 32 **this chapter.**
- 33 **Sec. 3. As used in this chapter, "scholarship" refers to the earn**
 34 **more Indiana scholarship.**
- 35 **Sec. 4. (a) The earn more Indiana scholarship program is**
 36 **established. The commission shall administer the program.**
- 37 **(b) The program shall provide scholarships for individuals to**
 38 **earn an associate degree from either:**
- 39 **(1) a state educational institution; or**
 40 **(2) a nonprofit independent college or university located in**
 41 **Indiana;**
 42 **that offers associate degree programs.**



1 (c) To be eligible to receive a scholarship under the program, an
2 individual must complete the following requirements:

3 (1) Apply for the scholarship in the fall semester of the
4 individual's senior year of secondary school and meet all
5 application deadlines.

6 (2) Beginning with the individual's senior year of secondary
7 school, complete the Free Application for Federal Student Aid
8 before February 1 of each year the individual participates in
9 the program.

10 (3) Graduate from an approved secondary school.

11 (4) Begin attending an eligible postsecondary educational
12 institution not later than the fall semester after the individual
13 graduates from secondary school, and remain at an eligible
14 postsecondary educational institution for consecutive
15 semesters.

16 (5) Successfully complete at least fifteen (15) credit hours each
17 semester the individual is enrolled in the postsecondary
18 educational institution.

19 (6) Complete at least fifteen (15) hours of community service
20 each semester the individual is enrolled in the postsecondary
21 educational institution.

22 (d) An individual who does not meet each requirement set forth
23 in subsection (c) is ineligible to receive a scholarship.

24 Sec. 5. (a) The amount of a scholarship is:

25 (1) the cost of tuition, after all other sources of state and
26 federal financial aid, except for education loans and
27 work-study programs, have been exhausted; or

28 (2) four thousand dollars (\$4,000) for an academic year;

29 whichever is less.

30 (b) The scholarship shall be paid to the eligible postsecondary
31 institution.

32 Sec. 6. (a) The earn more Indiana scholarship fund is created.
33 The commission shall administer the fund.

34 (b) The fund consists of:

35 (1) appropriations from the general assembly;

36 (2) transfers from the Indiana state lottery administrative
37 trust fund under IC 4-30-16; and

38 (3) distributions from the riverboat wagering taxes collected
39 under IC 4-33-13.

40 (c) Money in the fund does not revert to the state general fund
41 at the end of a state fiscal year. The treasurer of state shall invest
42 the money in the fund not currently needed to meet the obligations



1 of the fund in the same manner as other public funds may be
2 invested.

3 (d) There is appropriated annually to the commission from the
4 fund an amount sufficient to pay the costs of administering the
5 scholarship program and the scholarships awarded under this
6 chapter.

7 SECTION 4. [EFFECTIVE JULY 1, 2016] (a) IC 4-30-16-3, as
8 amended by this act, applies to lottery revenues received after June
9 30, 2016.

10 (b) IC 4-33-13-5, as amended by this act, applies to riverboat
11 admissions taxes remitted after June 30, 2016.

12 (c) This SECTION expires July 1, 2017.

13 SECTION 5. [EFFECTIVE JULY 1, 2016] (a) There is
14 appropriated from the state general fund twelve million dollars
15 (\$12,000,000) for the period beginning July 1, 2016, and ending
16 June 30, 2017, to the commission for higher education for the earn
17 more Indiana scholarship program established under IC 21-12-15,
18 as added by this act.

19 (b) This SECTION expires July 1, 2017.

