

SENATE BILL No. 163

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-20-36.3.

Synopsis: Property tax circuit breaker replacement grant. Establishes a grant program for qualifying school corporations to replace part of the property tax revenue not received because of the property tax circuit breaker credit. Specifies that to qualify for a grant, a school corporation's total property tax revenue must be reduced by the lesser of 10% or \$1,000,000 because of the application of the circuit breaker credit. Specifies that the grant is equal to the credits on that part of the school corporation's debt service fund levy that is used to pay debt service on debt issued before January 1, 2009. Annually appropriates to the department of education from the state general fund the amount necessary to make these grants.

Effective: July 1, 2014.

Head

January 8, 2014, read first time and referred to Committee on Appropriations.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 163

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

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

1 SECTION 1. IC 20-20-36.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]:
4 **Chapter 36.3. Circuit Breaker Credit Replacement Grant**
5 **Sec. 1. As used in this chapter, "circuit breaker replacement**
6 **amount" refers to the amount determined under section 4 of this**
7 **chapter.**
8 **Sec. 2. As used in this chapter, "credit" refers to a credit**
9 **granted under IC 6-1.1-20.6.**
10 **Sec. 3. As used in this chapter, "grant" refers to a grant**
11 **distributed under this chapter.**
12 **Sec. 4. (a) Notwithstanding any other provision, a school**
13 **corporation is eligible for a grant under this chapter in a particular**
14 **year only if for that year the school corporation's total property**
15 **tax revenue is expected to be reduced by the lesser of ten percent**
16 **(10%) or one million dollars (\$1,000,000) because of the**



1 application of credits in that year.

2 (b) An eligible school corporation's circuit breaker replacement
3 amount for a year is equal to the amount of credits that are
4 attributable to that part of the eligible school corporation's debt
5 service fund levy that is used to pay debt service on debt issued
6 before January 1, 2009. This determination is to be made without
7 considering the allocation of the credits under IC 6-1.1-20.6-9.8.

8 Sec. 5. The department shall administer the grant program.

9 Sec. 6. (a) Not later than July 30 of a calendar year, the budget
10 agency shall certify to the department an initial estimate of the
11 circuit breaker replacement amount attributable to each school
12 corporation for the calendar year.

13 (b) Not later than November 1 of a calendar year, the budget
14 agency shall certify to the department a final estimate of the circuit
15 breaker replacement amount attributable to each eligible school
16 corporation for the calendar year.

17 (c) The budget agency shall compute an amount certified under
18 this section using the best information available to the budget
19 agency at the time the certification is made.

20 Sec. 7. Subject to section 8 of this chapter, the department shall
21 distribute a grant to an eligible school corporation equal to fifty
22 percent (50%) of the eligible school corporation's estimated circuit
23 breaker replacement amount for the calendar year in two (2)
24 installments. There is annually appropriated to the department
25 from the state general fund the amount necessary to make the
26 grants under this chapter.

27 Sec. 8. Based on the final estimate of the circuit breaker
28 replacement amount certified to the department by the budget
29 agency, the department shall settle any overpayment or
30 underpayment of circuit breaker replacement amounts to an
31 eligible school corporation. The department may offset
32 overpayments of circuit breaker replacement amounts for a
33 particular calendar year against:

34 (1) a grant; or

35 (2) state tuition support distribution;

36 that the eligible school corporation would otherwise be entitled to
37 receive.

38 Sec. 9. An eligible school corporation shall deposit and use the
39 amount received from a grant as follows:

40 (1) An amount equal to the revenue lost to the eligible school
41 corporation's debt service fund as the result of the granting of
42 credits shall be deposited in the eligible school corporation's



1 **debt service fund for purposes of the debt service fund.**
2 **(2) Any part of a grant remaining after making the deposit**
3 **required under subdivision (1) may be deposited in any**
4 **combination of the eligible school corporation's capital**
5 **projects fund, transportation fund, school bus replacement**
6 **fund, and racial balance fund, as determined by the school**
7 **corporation.**

