



February 19, 2016

---

---

# ENGROSSED HOUSE BILL No. 1161

---

DIGEST OF HB 1161 (Updated February 17, 2016 12:38 pm - DI 102)

**Citations Affected:** IC 6-8.1; noncode.

**Synopsis:** Pension thirteenth checks and other distributions. Provides for a thirteenth check in 2016 for certain members of the: (1) Indiana state teachers' retirement fund; (2) public employees' retirement fund; (3) state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan; (4) state police 1987 benefit system; and (5) state police pre-1987 benefit system. Specifies the manner in which certain excise taxes and local taxes  
(Continued next page)

**Effective:** Upon passage; July 1, 2016.

---

---

**Gutwein, Burton, Niezgodski,  
Morris**

(SENATE SPONSORS — BOOTS, TALLIAN)

---

---

January 7, 2016, read first time and referred to Committee on Employment, Labor and Pensions.

January 12, 2016, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

January 21, 2016, amended, reported — Do Pass.

January 25, 2016, read second time, ordered engrossed.

January 26, 2016, engrossed. Read third time, passed. Yeas 91, nays 0.

SENATE ACTION

February 3, 2016, read first time and referred to Committee on Pensions & Labor.

February 18, 2016, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

---

---

EH 1161—LS 6353/DI 113



Digest Continued

collected under the tax amnesty program (program) shall be distributed. Provides that after making the distributions required under the program, the next \$42,000,000 collected under the program must be deposited into the Indiana regional cities development fund. Provides that after making the \$42,000,000 deposit into the Indiana regional cities development fund, the next \$20,700,000 collected under the program must be deposited in the pension stabilization fund within the pre-1996 account of the Indiana state teachers' retirement fund. Provides that the remaining amounts collected under the program must be distributed to the department of state revenue to be used to: (1) make upgrades or improvements to; or (2) expand the capabilities of; the department's technology resources, including information systems and computer systems. Makes an appropriation.

**EH 1161—LS 6353/DI 113**



February 19, 2016

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1161

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

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

- 1 SECTION 1. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015,  
2 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the  
4 department shall deposit the amounts collected under a tax amnesty  
5 program carried out under section 17 of this chapter after June 30,  
6 2015, as follows:
- 7 (1) **County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6,**  
8 **or IC 6-3.5-7 (repealed January 1, 2017) shall be distributed**  
9 **to counties in the same manner as otherwise provided by the**  
10 **appropriate chapter of the Indiana Code.**
  - 11 (2) **Eight percent (8%) of inheritance tax collected for**  
12 **resident decedents shall be distributed to counties in the**  
13 **manner provided under IC 6-4.1-9-6.**
  - 14 (3) **County innkeeper's tax collected shall be deposited as**  
15 **required by IC 6-9.**
  - 16 (4) **County and municipal food and beverage tax collected**  
17 **shall be deposited as required by IC 6-9.**
  - 18 (5) **County admissions taxes collected shall be deposited as**

**EH 1161—LS 6353/DI 113**



- 1 required by IC 6-9-13 and IC 6-9-28.  
 2 **(6) Aircraft license excise tax collected shall be deposited as**  
 3 **required by IC 6-6-6.5-21.**  
 4 **(7) Auto rental excise tax collected shall be deposited as**  
 5 **required by IC 6-6-9-11.**  
 6 **(8) Supplemental auto rental excise tax shall be deposited as**  
 7 **otherwise required by the appropriate chapter of the Indiana**  
 8 **Code.**  
 9 **(9) Financial institutions tax collected shall be deposited as**  
 10 **required by IC 6-5.5-8-2.**  
 11 **(+) (10) After making the deposits required under subdivisions**  
 12 **(1) through (9), the first eighty-four million dollars**  
 13 **(\$84,000,000) collected must be deposited into the Indiana**  
 14 **regional cities development fund established by IC 5-28-38-2.**  
 15 **(-) (11) After making the deposits required under subdivision**  
 16 **subdivisions (1) through (10), the next six million dollars**  
 17 **(\$6,000,000) collected shall be transferred to the Indiana**  
 18 **department of transportation to reimburse the Indiana department**  
 19 **of transportation for money expended by the Indiana department**  
 20 **of transportation under IC 8-23-2-18.5 for the operation of the**  
 21 **Hoosier State Rail Line. However, the total amount transferred**  
 22 **under this subdivision to the Indiana department of transportation**  
 23 **may not exceed the lesser of:**  
 24 **(A) six million dollars (\$6,000,000); or**  
 25 **(B) the total amount expended by the Indiana department of**  
 26 **transportation under IC 8-23-2-18.5 for the operation of the**  
 27 **Hoosier State Rail Line after June 30, 2015, and before July 1,**  
 28 **2017.**  
 29 **(12) After making the deposits required under subdivisions (1)**  
 30 **through (11), the next forty-two million dollars (\$42,000,000)**  
 31 **collected must be deposited into the Indiana regional cities**  
 32 **development fund established by IC 5-28-38-2.**  
 33 **(13) After making the deposits required under subdivisions (1)**  
 34 **through (12), the next twenty million seven hundred thousand**  
 35 **dollars (\$20,700,000) must be deposited into the pension**  
 36 **stabilization fund established by IC 5-10.4-2-5. The amount**  
 37 **deposited under this subdivision is appropriated to the board**  
 38 **of trustees of the Indiana public retirement system for the**  
 39 **purposes of the pension stabilization fund.**  
 40 **(-) (14) Any remaining amounts collected must be deposited into**  
 41 **the state general fund. distributed to the department of state**  
 42 **revenue to be used to:**



- 1           (A) make upgrades or improvements to; or  
 2           (B) expand the capabilities of;  
 3           the department of state revenue's technology resources,  
 4           including information systems and computer systems.
- 5           SECTION 2. [EFFECTIVE JULY 1, 2016] (a) As used in this  
 6           SECTION, "fund" refers to the Indiana state teachers' retirement  
 7           fund established by IC 5-10.4-2-1.
- 8           (b) Not later than October 1, 2016, the fund shall pay the  
 9           amount determined under subsection (c) to a member of the fund  
 10          (or to a survivor or beneficiary of a member) who retired or was  
 11          disabled on or before December 1, 2015, and who is entitled to  
 12          receive a monthly benefit on July 1, 2016. The amount is not an  
 13          increase in the pension portion of the monthly benefit.
- 14          (c) The amount paid under this SECTION to a member of the  
 15          fund (or to a survivor or beneficiary of a member) who meets the  
 16          requirements of subsection (b) is determined as follows:
- | 17          If a Member's Creditable<br>18          Service Is:  | The Amount Is: |
|--|----------------|
| 19          At least 5 years, but less than 10 years<br>20          (only in the case of a member receiving<br>21          disability retirement benefits) | \$150          |
| 22          At least 10 years, but less than 20 years  | \$275          |
| 23          At least 20 years, but less than 30 years  | \$375          |
| 24          At least 30 years  | \$450          |
- 25          (d) The creditable service used to determine the amount paid to  
 26          a member (or to a survivor or beneficiary of a member) under this  
 27          SECTION is the creditable service that was used to compute the  
 28          member's retirement benefit under IC 5-10.2-4-4, except that  
 29          partial years of creditable service may not be used to determine the  
 30          amount paid under this SECTION.
- 31          (e) If two (2) or more survivors or beneficiaries of a member are  
 32          entitled to an amount paid under this SECTION, the amount shall  
 33          be allocated to the survivors or beneficiaries in shares using the  
 34          same percentages as the percentages determined under  
 35          IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the  
 36          survivors or beneficiaries.
- 37          (f) The fund may not use employer contributions to make the  
 38          payments required under subsection (b) unless, and only to the  
 39          extent that, the amounts necessary to make the payments required  
 40          under subsection (b) exceed the amounts appropriated in the state  
 41          budget for the biennium beginning July 1, 2015, for the purposes  
 42          described in subsection (b).



1 (g) This SECTION expires January 1, 2017.

2 SECTION 3. [EFFECTIVE JULY 1, 2016] (a) As used in this  
3 SECTION, "fund" refers to the public employees' retirement fund  
4 established by IC 5-10.3-2-1.

5 (b) Not later than October 1, 2016, the fund shall pay the amount  
6 determined under subsection (c) to a member of the fund (or to a  
7 survivor or beneficiary of a member) who retired or was disabled  
8 on or before December 1, 2015, and who is entitled to receive a  
9 monthly benefit on July 1, 2016. The amount is not an increase in  
10 the pension portion of the monthly benefit.

11 (c) The amount paid under this SECTION to a member of the  
12 fund (or to a survivor or beneficiary of a member) who meets the  
13 requirements of subsection (b) is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
---	----------------

At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
--	-------

At least 10 years, but less than 20 years	\$275
---	-------

At least 20 years, but less than 30 years	\$375
---	-------

At least 30 years	\$450
-------------------	-------

22 (d) The creditable service used to determine the amount paid to  
23 a member (or to a survivor or beneficiary of a member) under this  
24 SECTION is the creditable service that was used to compute the  
25 member's retirement benefit under IC 5-10.2-4-4, except that  
26 partial years of creditable service may not be used to determine the  
27 amount paid under this SECTION.

28 (e) If two (2) or more survivors or beneficiaries of a member are  
29 entitled to an amount paid under this SECTION, the amount shall  
30 be allocated to the survivors or beneficiaries in shares using the  
31 same percentages as the percentages determined under  
32 IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the  
33 survivors or beneficiaries.

34 (f) The fund may not use employer contributions to make the  
35 payments required under subsection (b) unless, and only to the  
36 extent that, the amounts necessary to make the payments required  
37 under subsection (b) exceed the amounts appropriated in the state  
38 budget for the biennium beginning July 1, 2015, for the purposes  
39 described in subsection (b).

40 (g) This SECTION expires January 1, 2017.

41 SECTION 4. [EFFECTIVE JULY 1, 2016] (a) As used in this  
42 SECTION, "participant" has the meaning set forth in



1 **IC 5-10-5.5-1.**

2 (b) As used in this SECTION, "plan" refers to the state excise  
3 police, gaming agent, gaming control officer, and conservation  
4 enforcement officers' retirement plan created by IC 5-10-5.5-2.

5 (c) Not later than October 1, 2016, the board of trustees of the  
6 Indiana public retirement system established by IC 5-10.5-3-1 shall  
7 pay the amount determined under subsection (d) to a plan  
8 participant (or to a survivor or beneficiary of a plan participant)  
9 who retired or was disabled on or before December 1, 2015, and  
10 who is entitled to receive a monthly benefit on July 1, 2016. The  
11 amount is not an increase in the annual retirement allowance.

12 (d) The amount paid under this SECTION to a plan participant  
13 of the fund (or to a survivor or beneficiary of a plan participant)  
14 who meets the requirements of subsection (c) is determined as  
15 follows:

16 If a Plan Participant's Creditable	The Amount Is:
17 Service Is:	
18 At least 5 years, but less than 10 years	\$125
19 (only in the case of a member receiving	
20 disability retirement benefits)	
21 At least 10 years, but less than 20 years	\$235
22 At least 20 years, but less than 30 years	\$325
23 At least 30 years	\$400

24 (e) The creditable service used to determine the amount paid to  
25 a plan participant (or to a survivor or beneficiary of a plan  
26 participant) under this SECTION is the creditable service that was  
27 used to compute the plan participant's retirement allowance under  
28 IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of  
29 creditable service may not be used to determine the amount paid  
30 under this SECTION.

31 (f) If two (2) or more survivors or beneficiaries of a plan  
32 participant are entitled to an amount paid under this SECTION,  
33 the amount shall be allocated to the survivors or beneficiaries in  
34 shares using the same percentages as the percentages determined  
35 under IC 5-10-5.5-16 to pay the monthly benefit to the survivors or  
36 beneficiaries.

37 (g) The board of trustees of the Indiana public retirement system  
38 established by IC 5-10.5-3-1 may not use employer contributions  
39 to make the payments required under subsection (c) unless, and  
40 only to the extent that, the amounts required to make the payments  
41 under subsection (c) exceed the appropriations in the state budget  
42 for the biennium beginning July 1, 2015, for the purposes described



- 1 in subsection (c).  
 2 (h) This SECTION expires January 1, 2017.  
 3 SECTION 5. [EFFECTIVE JULY 1, 2016] (a) As used in this  
 4 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.  
 5 (b) As used in this SECTION, "trust fund" has the meaning set  
 6 forth in IC 10-12-1-11.  
 7 (c) Not later than October 1, 2016, the trustee shall pay from the  
 8 trust fund to each employee beneficiary of the state police pre-1987  
 9 benefit system covered by IC 10-12-3 who:  
 10 (1) retired or was disabled before July 2, 2015; and  
 11 (2) is entitled to receive a monthly benefit as of September 1,  
 12 2016;  
 13 an amount equal to one percent (1%) of the maximum basic annual  
 14 pension amount payable to a retired state police employee in the  
 15 grade of trooper who has completed twenty (20) years of service as  
 16 of July 1, 2016, as calculated under IC 10-12-3-7.  
 17 (d) The amounts paid under this SECTION are not an increase  
 18 in the monthly pension amount of an employee beneficiary.  
 19 (e) The trustee may not use employer contributions to make the  
 20 payments required under subsection (c) unless, and only to the  
 21 extent that, the amounts required to make the payments under  
 22 subsection (c) exceed the appropriations in the state budget for the  
 23 biennium beginning July 1, 2015, for the purposes described in  
 24 subsection (c).  
 25 (f) This SECTION expires January 1, 2017.  
 26 SECTION 6. [EFFECTIVE JULY 1, 2016] (a) As used in this  
 27 SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.  
 28 (b) As used in this SECTION, "trust fund" has the meaning set  
 29 forth in IC 10-12-1-11.  
 30 (c) Not later than October 1, 2016, the trustee shall pay from the  
 31 trust fund to each employee beneficiary of the state police 1987  
 32 benefit system covered by IC 10-12-4 who:  
 33 (1) retired or was disabled after June 30, 1987, and before  
 34 July 2, 2015; and  
 35 (2) is entitled to receive a monthly benefit as of September 1,  
 36 2016;  
 37 an amount equal to one percent (1%) of the maximum basic annual  
 38 pension amount payable to a retired state police employee in the  
 39 grade of trooper who has completed twenty-five (25) years of  
 40 service as of July 1, 2016, as calculated under IC 10-12-4-7.  
 41 (d) The amount paid under this SECTION is not an increase in  
 42 the monthly pension amount of an employee beneficiary.



1           **(e) The trustee may not use employer contributions to make the**  
2 **payments required under subsection (c) unless, and only to the**  
3 **extent that, the amounts required to make the payments under**  
4 **subsection (c) exceed the appropriations in the state budget for the**  
5 **biennium beginning July 1, 2015, for the purposes described in**  
6 **subsection (c).**

7           **(f) This SECTION expires January 1, 2017.**

8           SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) There is**  
9 **appropriated from the Indiana regional cities development fund**  
10 **established by IC 5-28-38-2 forty-two million dollars (\$42,000,000)**  
11 **for the purpose of funding a third grant under the regional cities**  
12 **initiative.**

13           **(b) This SECTION expires June 30, 2017.**

14           SECTION 8. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1161, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1161 as introduced.)

GUTWEIN

Committee Vote: Yeas 10, Nays 0

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1161, 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:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

(1) The first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.

(2) After making the deposits required under subdivision (1), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line. However, the total amount transferred under this subdivision to the Indiana department of transportation may not exceed the lesser of:

(A) six million dollars (\$6,000,000); or

(B) the total amount expended by the Indiana department of



transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.

**(3) After making the deposits required under subdivisions (1) and (2), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited in the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the purposes of the pension stabilization fund.**

~~(3)~~ **(4) Any remaining amounts collected must be deposited into the state general fund."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1161 as printed January 12, 2016.)

BROWN T

Committee Vote: yeas 21, nays 0.

---

#### COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1161, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 18, begin a new paragraph and insert: "SECTION 1. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

**(1) County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (repealed January 1, 2017) shall be distributed to counties in the same manner as otherwise provided by the appropriate chapter of the Indiana Code.**

**(2) Eight percent (8%) of inheritance tax collected for resident decedents shall be distributed to counties in the manner provided under IC 6-4.1-9-6.**

**(3) County innkeeper's tax collected shall be deposited as**

EH 1161—LS 6353/DI 113



required by IC 6-9.

**(4) County and municipal food and beverage tax collected shall be deposited as required by IC 6-9.**

**(5) County admissions taxes collected shall be deposited as required by IC 6-9-13 and IC 6-9-28.**

**(6) Aircraft license excise tax collected shall be deposited as required by IC 6-6-6.5-21.**

**(7) Auto rental excise tax collected shall be deposited as required by IC 6-6-9-11.**

**(8) Supplemental auto rental excise tax shall be deposited as otherwise required by the appropriate chapter of the Indiana Code.**

**(9) Financial institutions tax collected shall be deposited as required by IC 6-5.5-8-2.**

**(+) (10) After making the deposits required under subdivisions (1) through (9), the first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.**

**(-) (11) After making the deposits required under ~~subdivision~~ subdivisions (1) through (10), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line. However, the total amount transferred under this subdivision to the Indiana department of transportation may not exceed the lesser of:**

**(A) six million dollars (\$6,000,000); or**

**(B) the total amount expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.**

**(12) After making the deposits required under subdivisions (1) through (11), the next forty-two million dollars (\$42,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.**

**(13) After making the deposits required under subdivisions (1) through (12), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited into the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the**



**purposes of the pension stabilization fund.**

~~(3)~~ **(14)** Any remaining amounts collected must be deposited into the state general fund. **distributed to the department of state revenue to be used to:**

**(A) make upgrades or improvements to; or**

**(B) expand the capabilities of;**

**the department of state revenue's technology resources, including information systems and computer systems."**

Page 2, delete lines 1 through 13.

Page 6, after line 16, begin a new paragraph and insert:

"SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) There is appropriated from the Indiana regional cities development fund established by IC 5-28-38-2 forty-two million dollars (\$42,000,000) for the purpose of funding a third grant under the regional cities initiative.**

**(b) This SECTION expires June 30, 2017.**

**SECTION 8. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1161 as printed January 22, 2016.)

BOOTS, Chairperson

Committee Vote: Yeas 9, Nays 2.

