

SENATE BILL No. 301

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-3-22-20.

Synopsis: Coercive federal funds in the budget. Requires the office of management and budget to: (1) prepare a coercive federal funds report for each budget bill; and (2) classify the conditions of each source of federal funds in the budget bill. Permits the attorney general to bring a suit in federal court to enjoin spending conditions of federal funds. Provides that the governor or legislative council may hire private counsel to bring a suit if the attorney general declines to bring a suit. Provides that the governor may consult with other governors to develop a coordinated approach to issues concerning coercive federal funding programs.

Effective: July 1, 2017.

Koch

January 9, 2017, read first time and referred to Committee on Appropriations.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 301

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

1 SECTION 1. IC 4-3-22-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]: **Sec. 20. (a) As used in this section, "federal funds" means**
4 **any federal grants in aid or other federal funds that are included**
5 **in a budget bill.**

6 **(b) The OMB shall prepare a report on each budget bill entitled**
7 **the "Coercive Federal Funds Report". The report must include the**
8 **following:**

9 **(1) A detailed description of each source of federal funds in**
10 **the budget bill that exceeds five million dollars (\$5,000,000) in**
11 **the aggregate.**

12 **(2) A detailed description of the conditions that must be met**
13 **for continued eligibility for each source of federal funds,**
14 **based on the relevant federal law, regulation, and guidance.**

15 **(c) The OMB shall classify the conditions of each source of**
16 **federal funds under subsection (b)(2) into one (1) of the following**
17 **categories:**



- 1 **(1) Conditions that describe how the federal funds must be**
2 **spent.**
- 3 **(2) Conditions that describe how any related nonfederal state**
4 **or local funds must be spent.**
- 5 **(3) Conditions that relate to policy matters other than federal**
6 **directives concerning how federal, state, or local funds must**
7 **be spent.**
- 8 **(d) The conditions described in subsection (c) are considered**
9 **"coercive federal conditions", and the related federal funds are**
10 **considered "coercive federal funds".**
- 11 **(e) The attorney general is authorized to bring suit in federal**
12 **court to enjoin the application of the conditions described in**
13 **subsection (c).**
- 14 **(f) If the attorney general declines to bring a suit as described**
15 **in subsection (e), the governor or legislative council, as created by**
16 **IC 2-5-1.1-1, may hire private counsel to bring the suit.**
- 17 **(g) It is the policy of the state of Indiana that federal programs**
18 **that contain coercive federal conditions are unconstitutional and**
19 **incompatible with the federal structure of the United States**
20 **Constitution and with the United States Constitution's guarantee**
21 **of a democratic representative government for the states. It is the**
22 **policy of the state of Indiana to work with other states to end**
23 **federal programs that contain coercive federal funding and to**
24 **replace the programs as necessary with state programs that reflect**
25 **the preferences of the state of Indiana.**
- 26 **(h) The governor may consult with the governors of other states**
27 **and develop a coordinated approach to issues concerning coercive**
28 **federal funding programs.**

