



Reprinted
January 30, 2026

HOUSE BILL No. 1423

DIGEST OF HB 1423 (Updated January 29, 2026 4:35 pm - DI 110)

Citations Affected: IC 5-13; IC 6-1.1; IC 20-18; IC 20-24; IC 20-25; IC 20-25.3; IC 20-26; IC 20-46; IC 20-47; IC 20-48; IC 36-3.

Synopsis: Indianapolis public education corporation. Establishes the Indianapolis public education corporation (corporation) and board (corporation board). Establishes the duties and powers of the corporation and corporation board. Provides that the Indianapolis public schools school corporation (school city) is not subject to building closure or certain transfer of school building laws. Allows only certain authorizers to grant or renew charters for charter schools located within the geographic boundaries of the school city. Specifies authority and duties of the corporation related to imposition of property taxes. Provides that the corporation is authorized to pursue a controlled project, operating referendum, or school safety referendum (instead of the school city). Requires the county auditor to transfer to the

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Effective: Upon passage; July 1, 2026.

Behning, McGuire

January 8, 2026, read first time and referred to Committee on Education.
January 22, 2026, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.
January 27, 2026, amended, reported — Do Pass.
January 29, 2026, read second time, amended, ordered engrossed.

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Digest Continued

corporation a percentage of the amount of revenue collected from the operations fund property tax levy that would otherwise be distributed to the school city and applicable charter schools. Establishes the corporation operations fund and corporation debt service fund. Provides that the corporation may issue bonds, enter leases, or otherwise incur indebtedness after March 31, 2026, and before July 1, 2027, only if the board of school commissioners of the school city first adopts a resolution approving the issuance of the bonds, entering into the lease, or incurring of indebtedness. Provides, beginning April 1, 2026, and ending June 30, 2027, the reduction of distributions to pay for debt service obligations issued by the Indianapolis public education corporation must be made from reductions of distributions to the school city.

HB 1423—LS 7118/DI 110



Reprinted
January 30, 2026

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1423

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 5-13-6-3, AS AMENDED BY P.L.166-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) All taxes collected by the county
4 treasurer shall be deposited as one (1) fund in the several depositories
5 selected for the deposit of county funds and, except as provided in
6 subsection (b), remain in the depositories until distributed at the
7 following semiannual distribution made by the county auditor.

8 (b) Every county treasurer who, by virtue of the treasurer's office, is
9 the collector of any taxes for any political subdivision wholly or partly
10 within the county shall, not later than thirty (30) days after receipt of a
11 written request for funds filed with the treasurer by a proper officer of
12 any political subdivision within the county, provide to the county
13 auditor the amount available for distribution, as certified for each
14 semiannual distribution under IC 6-1.1-27-2. The county auditor shall
15 advance to that political subdivision a portion of the taxes collected
16 before the semiannual distribution. The amount advanced may not
17 exceed the lesser of:

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- (1) ninety-five percent (95%) of the total amount collected at the time of the advance; or
- (2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(d) At the semiannual distribution all the advances made to any political subdivision under subsection (b) shall be deducted from the total amount due any political subdivision as shown by the distribution.

(e) If a county auditor fails to make a distribution of tax collections by the deadline for distribution under subsection (b), a political subdivision that was to receive a distribution may recover interest on the undistributed tax collections under IC 6-1.1-27-1.

(f) Subject to this section, the Indianapolis public education corporation board established by IC 20-25.3-3-2 may file with the county treasurer a written request under this section for an advance of the funds certified for the first semiannual distribution in 2026 to be distributed to the corporation board under IC 20-46-8-11.2(j). The corporation board shall deposit money advanced by the county auditor in the public education corporation operations fund created by IC 20-25.3-6-1. This subsection expires July 1, 2027.

SECTION 2. IC 6-1.1-1-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. "Public education corporation" refers to the Indianapolis public education corporation established by IC 20-25.3-3-1.

SECTION 3. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section:

(1) applies to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; **and**

(2) does not apply to the public education corporation.

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth



1 in IC 6-1.1-1-21, except that the term does not include a public library
2 or an entity whose tax levies are subject to review and modification by
3 a city-county legislative body under IC 36-3-6-9.

4 (c) If:

5 (1) the assessed valuation of a taxing unit is entirely contained
6 within a city or town; or
7 (2) the assessed valuation of a taxing unit is not entirely contained
8 within a city or town but:

9 (A) the taxing unit was originally established by the city or
10 town; or

11 (B) the majority of the individuals serving on the governing
12 body of the taxing unit are appointed by the city or town;

13 the governing body shall submit its proposed budget and property tax
14 levy to the city or town fiscal body. The proposed budget and levy shall
15 be submitted to the city or town fiscal body in the manner prescribed
16 by the department of local government finance before September 2 of
17 a year.

18 (d) If subsection (c) does not apply, the governing body of the taxing
19 unit shall submit its proposed budget and property tax levy to the
20 county fiscal body in the county where the taxing unit has the most
21 assessed valuation. The proposed budget and levy shall be submitted
22 to the county fiscal body in the manner prescribed by the department
23 of local government finance before September 2 of a year.

24 (e) The fiscal body of the city, town, or county (whichever applies)
25 shall review each budget and proposed tax levy and adopt a final
26 budget and tax levy for the taxing unit. The fiscal body may reduce or
27 modify but not increase the proposed budget or tax levy.

28 (f) If a taxing unit fails to file the information required in subsection
29 (c) or (d), whichever applies, with the appropriate fiscal body by the
30 time prescribed by this section, when calculating the maximum ad
31 valorem property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit
32 for the ensuing budget year, instead of multiplying the maximum levy
33 growth quotient determined under IC 6-1.1-18.5-2(b) or
34 IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
35 maximum permissible ad valorem property tax levy for the preceding
36 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
37 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
38 maximum permissible ad valorem property tax levy for the preceding
39 calendar year must instead be multiplied by the result of the following:

40 STEP ONE: Determine:

41 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
42 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus



(B) one (1).

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

6 However, if the taxing unit files the information as required in
7 subsection (c) or (d), whichever applies, for the budget year
8 immediately following the budget year for which the formula under this
9 subsection is applied, when calculating the maximum ad valorem
10 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
11 subsequent budget year, the taxing unit's maximum permissible ad
12 valorem property tax levy must be calculated as if the formula under
13 this subsection had not been applied for the affected budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the city's, town's, or county's maximum permissible ad valorem property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

(A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP

FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus

(B) one (1).

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

35 However, if the city, town, or county files the information as required
36 in subsection (e) for the budget year immediately following the budget
37 year for which the formula under this subsection is applied, when
38 calculating the maximum ad valorem property tax levy under
39 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
40 budget year, the unit's maximum permissible ad valorem property tax
41 levy must be calculated as if the formula under this subsection had not
42 been applied for the affected budget year.



1 SECTION 4. IC 6-1.1-17-20.5, AS AMENDED BY P.L.113-2010,
2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 20.5. (a) This section:

4 (1) applies to the governing body of a taxing unit unless a
5 majority of the governing body is comprised of officials who are
6 elected to serve on the governing body; **and**

7 (2) **does not apply to the public education corporation.**

8 For purposes of this section, an individual who qualifies to be
9 appointed to a governing body or serves on a governing body because
10 of the individual's status as an elected official of another taxing unit
11 shall be treated as an official who was not elected to serve on the
12 governing body.

13 (b) As used in this section, "taxing unit" has the meaning set forth
14 in IC 6-1.1-1-21, except that the term does not include:

15 (1) a school corporation; or

16 (2) an entity whose tax levies are subject to review and
17 modification by a city-county legislative body under IC 36-3-6-9.

18 (c) If:

19 (1) the assessed valuation of a taxing unit is entirely contained
20 within a city or town; or

21 (2) the assessed valuation of a taxing unit is not entirely contained
22 within a city or town but the taxing unit was originally established
23 by the city or town;

24 the governing body of the taxing unit may not issue bonds or enter into
25 a lease payable in whole or in part from property taxes unless it obtains
26 the approval of the city or town fiscal body.

27 (d) However, in the case of a public library that is subject to this
28 section and is described in subsection (c), the public library may not
29 issue bonds or enter into a lease payable in whole or in part from
30 property taxes unless it obtains the approval of the county fiscal body,
31 rather than the city or town fiscal body, if more than fifty percent (50%)
32 of the parcels of real property within the jurisdiction of the public
33 library are located outside the city or town. The requirement that the
34 public library must obtain the approval of the county fiscal body (rather
35 than the city or town fiscal body) if more than fifty percent (50%) of
36 the parcels of real property within the jurisdiction of the public library
37 are located outside the city or town does not apply to the issuance of
38 bonds or the execution of a lease:

39 (1) for which a decision or preliminary determination was made
40 under IC 6-1.1-20 before December 31, 2010; or

41 (2) that is approved by the city or town fiscal body or the county
42 fiscal body before December 31, 2010.



6 SECTION 5. IC 6-1-17-21.5 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 21.5. After March 31, 2026,
9 the public education corporation has all the powers and shall
10 perform all the duties assigned to the school city (as defined in
11 IC 20-25-2-12) under this chapter related to the fixing and
12 reviewing of budgets, tax rates, and tax levies. However, in
13 exercising its powers and responsibilities under this chapter, the
14 public education corporation shall account for and include any
15 bonds, leases, and other indebtedness incurred or issued under any
16 law by the school city (as defined in IC 20-25-2-12) before April 1,
17 2026.

18 SECTION 6. IC 6-1.1-18.5-2, AS AMENDED BY P.L.68-2025,
19 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana
21 nonfarm personal income" means the estimate of total nonfarm
22 personal income for Indiana in a calendar year as computed by the
23 federal Bureau of Economic Analysis using any actual data for the
24 calendar year and any estimated data determined appropriate by the
25 federal Bureau of Economic Analysis.

(b) Except as provided in subsections (c) and (e), 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 maximum levy growth quotient determined in the last STEP of the following STEPS:

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

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

41 STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.



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

(c) Except as provided in subsection (f), a school corporation, **or, in the case of a school city (as defined in IC 20-25-2-12), the public education corporation**, shall use for its operations fund maximum levy calculation under IC 20-46-8-1 the maximum levy 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:

(A) zero (0); or

(B) the STEP ONE amount minus the sum of:

- (i) the maximum levy 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 maximum levy growth quotient determined under subsection (b).

STEP FIVE: Determine the greater of:

(A) the STEP FOUR amount; or

(B) the maximum levy growth quotient determined under subsection (b).

(d) The budget agency shall provide the maximum levy growth quotient for the ensuing year to civil taxing units, school corporations, **the public education corporation (in the case of a school city (as defined in IC 20-25-2-12))**, and the department of local government finance before July 1 of each year.

(e) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a civil taxing unit's maximum permissible ad valorem property tax levy in calendar years 2024, 2025, and 2026. For purposes of determining the maximum levy growth quotient in calendar years 2024, 2025, and 2026, instead of the result determined in the last STEP in subsection (b), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

STEP ONE: Determine the result of STEP FOUR of subsection (b), calculated as if this subsection was not in effect.



1 STEP TWO: Subtract one (1) from the STEP ONE result.
2 STEP THREE: Multiply the STEP TWO result by eight-tenths
3 (0.8).
4 STEP FOUR: Add one (1) to the STEP THREE result.
5 STEP FIVE: Determine the lesser of:
6 (A) the STEP FOUR result; or
7 (B) one and four-hundredths (1.04).
8 (f) This subsection applies only for purposes of determining the
9 maximum levy growth quotient to be used in determining a school
10 corporation's, **or, in the case of a school city (as defined in**
11 **IC 20-25-2-12), the public education corporation's**, operations fund
12 maximum levy in calendar years 2024, 2025, and 2026. For purposes
13 of determining the maximum levy growth quotient in calendar years
14 2024, 2025, and 2026, instead of the result determined in the last STEP
15 in subsection (c), the maximum levy growth quotient is determined in
16 the last STEP of the following STEPS:
17 STEP ONE: Determine the result of STEP FIVE of subsection (c),
18 calculated as if this subsection was not in effect.
19 STEP TWO: Subtract one (1) from the STEP ONE result.
20 STEP THREE: Multiply the STEP TWO result by eight-tenths
21 (0.8).
22 STEP FOUR: Add one (1) to the STEP THREE result.
23 STEP FIVE: Determine the lesser of:
24 (A) the STEP FOUR result; or
25 (B) one and four-hundredths (1.04).
26 SECTION 7. IC 6-1.1-20-0.3 IS ADDED TO THE INDIANA
27 CODE AS A NEW SECTION TO READ AS FOLLOWS
28 [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. (a) Subject to subsection**
29 **(b), after March 31, 2026, a school city (as defined in**
30 **IC 20-25-2-12) may not exercise the powers and duties under this**
31 **chapter and instead the public education corporation assumes the**
32 **powers and duties of the school city as set forth in IC 20-25.3-5.**
33 **(b) Notwithstanding subsection (a), the county auditor shall**
34 **distribute revenue collected from a levy imposed under this**
35 **chapter to the school city.**
36 SECTION 8. IC 20-18-2-14.5 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Public education**
39 **corporation" refers to the Indianapolis public education**
40 **corporation established by IC 20-25.3-3-1.**
41 SECTION 9. IC 20-24-3-20 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 20. (a) Beginning April 1, 2026, a charter
 2 may not be granted or renewed by an authorizer for a charter
 3 school located within the geographic boundaries of the school city
 4 (as defined in IC 20-25-2-12) except by one (1) of the following:

5 (1) The charter board.
 6 (2) The executive (as defined in IC 36-1-2-5) of a consolidated
 7 city.
 8 (3) The school city.

9 (b) A charter school that was granted a charter before April 1,
 10 2026, by an authorizer other than an authorizer listed in subsection
 11 (a) may continue operating with that authorizer until the term of
 12 the charter expires or is terminated, whichever occurs earlier.
 13 After the termination or expiration of the charter, a charter for a
 14 charter school described in subsection (a) may only be granted or
 15 renewed by an authorizer described in subsection (a).

16 SECTION 10. IC 20-25-3-0.5 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. The board of
 19 commissioners has all of the powers and duties established under
 20 this article except for the powers and duties granted to the
 21 Indianapolis public education corporation under IC 20-25.3.

22 SECTION 11. IC 20-25-4-23 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Notwithstanding any
 25 other law, after March 31, 2026, the school city may not issue
 26 bonds or otherwise incur indebtedness payable in whole or in part
 27 from a pledge of property tax revenue, excise tax revenue, or local
 28 income tax revenue.

29 (b) The public education corporation may issue bonds, enter
 30 into leases, or otherwise incur indebtedness after March 31, 2026,
 31 and before July 1, 2027, only if the board established by
 32 IC 20-25-3-1 first adopts a resolution approving the issuance of the
 33 bonds, entering into the lease, or incurring of indebtedness.

34 SECTION 12. IC 20-25.3 IS ADDED TO THE INDIANA CODE
 35 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]:

37 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION
 38 CORPORATION**

39 **Chapter 1. Scope of Authority**

40 Sec. 1. The Indianapolis public education corporation exists and
 41 shall operate for the public purpose of establishing a unified
 42 student transportation, school property, and school performance



1 **system within the geographic boundaries of the school city that**
 2 **maximizes the efficient use of taxpayer provided resources,**
 3 **respects the decision making of individual public schools and the**
 4 **school city, and creates the best conditions for student learning and**
 5 **success.**

6 **Sec. 2. This article shall be liberally construed to effect the**
 7 **purposes of this article. If any other law or rule is inconsistent with**
 8 **this article, this article is controlling as to the administration and**
 9 **management of school property, transportation, and school**
 10 **performance within the geographic boundaries of the school city**
 11 **undertaken under this article.**

12 **Chapter 2. Definitions**

13 **Sec. 1. The definitions in:**

14 **(1) this chapter; and**

15 **(2) except as provided in section 2 of this chapter, IC 20-25-2;**
 16 **apply throughout this article.**

17 **Sec. 2. "Board of school commissioners" refers to the board of**
 18 **school commissioners established by IC 20-25-3-1.**

19 **Sec. 3. "Corporation" refers to the Indianapolis public**
 20 **education corporation established by IC 20-25.3-3-1.**

21 **Sec. 4. "Corporation board" refers to the Indianapolis public**
 22 **education corporation board established by IC 20-25.3-3-2.**

23 **Sec. 5. "Mayor" refers to the mayor of a consolidated city.**

24 **Sec. 6. "Participating school" means the following schools:**

25 **(1) A school maintained by the school city.**

26 **(2) The following that are located within the geographic**
 27 **boundaries of the school city:**

28 **(A) A participating innovation network school.**

29 **(B) A participating innovation network charter school.**

30 **(C) A charter school.**

31 **Sec. 7. "School property" means a building or real property**
 32 **that is:**

33 **(1) leased or owned by the school city or a participating**
 34 **school; and**

35 **(2) located within the geographic boundaries of the school**
 36 **city.**

37 **Chapter 3. Indianapolis Public Education Corporation**

38 **Sec. 1. There is established in a county containing a consolidated**
 39 **city for the public purposes set forth in this article a distinct**
 40 **municipal corporation to be known as the Indianapolis Public**
 41 **Education Corporation.**

42 **Sec. 2. (a) The corporation is governed by the Indianapolis**



public education corporation board appointed under this section.

(b) The corporation board is comprised of the following nine (9) members:

(1) Three (3) members appointed by the mayor who are leaders of participating innovation network charter schools or charter schools located within the geographic boundaries of the school city.

(2) Three (3) members appointed by the mayor who are members of the board of school commissioners.

(3) Three (3) members appointed by the mayor who have:

(A) expertise in management, capital planning, facilities, transportation, or logistics; or

(B) experience in working with vulnerable student populations and communities.

(c) All members of the corporation board must reside within the geographic boundaries of the school city.

(d) The mayor shall appoint one (1) of the members of the corporation board as chairperson of the corporation board.

Sec. 3. (a) The term of office of an appointed member of the corporation board is six (6) years. The member's term begins on July 1 after the appointment.

(b) Each member holds office for the term of appointment and continues to serve after expiration of the appointment until a successor is appointed and qualified. A member is eligible for reappointment.

(c) If there is a vacancy in the corporation board, the mayor shall fill the vacancy for the unexpired term.

(d) A vacancy occurs if a member dies, resigns, changes residence of the county, or ceases to be a:

(1) leader of a participating innovation network charter school or charter school located within the geographic boundaries of the school city; or

(2) member of the board of commissioners.

(e) A member of the corporation board may be removed for cause by the mayor.

Sec. 4. (a) A majority of the corporation board members constitutes a quorum for a meeting. The corporation board may act by an affirmative vote of a majority of the corporation board.

(b) A vacancy in the membership of the corporation board does not impair the right of a quorum to exercise all rights and perform all duties of the corporation board.

Sec. 5. Meetings of the members of the corporation board shall



1 **be held at the call of the chairperson. The members shall meet at**
2 **least once every three (3) months to attend to the business of the**
3 **corporation.**

4 **Sec. 6. The members of the corporation board are not entitled**
5 **to any salary, per diem, or other reimbursements or compensation**
6 **to serve on the corporation board.**

7 **Sec. 7. The corporation board shall keep the corporation**
8 **board's documents in the office of the corporation or in an**
9 **electronic format. The corporation board shall record the aye and**
10 **nay vote on the final passage of any item of business and on any**
11 **other item if two (2) corporation board members request that the**
12 **votes be recorded by ayes and nays.**

13 **Sec. 8. (a) The corporation board shall adopt rules of procedure**
14 **for corporation board meetings. The corporation board may**
15 **suspend the rules of procedure by unanimous vote of the members**
16 **present at the meeting. The corporation board shall not suspend**
17 **the rules of procedure beyond the duration of the meeting at which**
18 **the suspension of rules occurs.**

19 **(b) The corporation board may exercise the powers to supervise**
20 **internal affairs common to municipal legislative and**
21 **administrative bodies.**

22 **Sec. 9. The corporation board shall exercise the executive and**
23 **legislative powers of the corporation.**

24 **Sec. 10. (a) The corporation board shall appoint an individual**
25 **recommended by the mayor as the executive director of the**
26 **corporation.**

27 **(b) The executive director:**

28 **(1) serves at the pleasure of the corporation board; and**

29 **(2) shall do the following:**

30 **(A) Administer, manage, and direct the affairs and**
31 **activities of the corporation and any employees of the**
32 **corporation in accordance with the policies and under the**
33 **control and direction of the members of the corporation**
34 **board.**

35 **(B) Approve all allowable expenses of the corporation or of**
36 **any employee or consultant, and expenses incidental to the**
37 **operation of the corporation.**

38 **(C) Perform other duties as may be directed by the**
39 **members of the corporation board in carrying out the**
40 **purposes of this article.**

41 **(c) The corporation board shall set the salaries of the executive**
42 **director and any employees of the corporation.**



1 **Sec. 11. (a) Notwithstanding section 3 of this chapter, the**
 2 **following applies to the members initially appointed to the**
 3 **corporation board:**

4 **(1) The mayor shall appoint members to the corporation**
 5 **board not later than March 31, 2026.**

6 **(2) The term of each member begins on the date that the**
 7 **member is appointed under subdivision (1).**

8 **(3) The terms of the members are as follows:**

9 **(A) One (1) member appointed under section 2(b)(1),**
 10 **2(b)(2), and 2(b)(3) of this chapter shall each serve until**
 11 **July 1, 2029.**

12 **(B) One (1) member:**

13 **(i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of**
 14 **this chapter; and**

15 **(ii) who is not a member described in clause (A) or (C);**
 16 **shall each serve until July 1, 2030.**

17 **(C) One (1) member:**

18 **(i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of**
 19 **this chapter; and**

20 **(ii) who is not a member described in clause (A) or (B);**
 21 **shall each serve until July 1, 2031.**

22 **(b) This section expires January 1, 2032.**

23 **Chapter 4. General Duties and Powers**

24 **Sec. 1. The corporation, in its corporate name, may do the**
 25 **following:**

26 **(1) Sue and be sued in a court of competent jurisdiction.**

27 **(2) Enter into contracts.**

28 **(3) Acquire and dispose of real, personal, and mixed property**
 29 **by deed, purchase, gift, grant, devise, lease, condemnation, or**
 30 **otherwise.**

31 **(4) Make and adopt appropriate regulations, orders, rules,**
 32 **and resolutions.**

33 **(5) Do all things reasonable or necessary to carry out the**
 34 **work and perform the corporation's duties under this**
 35 **chapter.**

36 **Sec. 2. (a) In carrying out the purpose of the corporation, the**
 37 **corporation board is granted all powers necessary or appropriate**
 38 **to do the following:**

39 **(1) Beginning with the 2028-2029 school year and subject to**
 40 **section 6(b) of this chapter, control the management and**
 41 **operation of school property.**

42 **(2) Establish, in collaboration with the nonprofit organization**



leading the transportation and centralized school facilities pilot program in Marion County and the school city, a unified transportation plan in accordance with section 5 of this chapter and, beginning with the 2028-2029 school year, lead and oversee the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.

13 (5) Ensure that, to the extent possible, school property is
14 provided and made available to all participating schools that
15 do not opt out under section 6(b) of this chapter on an
16 equitable basis.

(7) Track qualitative and quantitative data to monitor outcomes and publicly report data in a manner prescribed by the mayor.

23 (8) Make, execute, and enforce contracts and all other
24 instruments necessary, convenient, or desirable for the
25 purposes of the corporation, including entering into a contract
26 with, as applicable, the school city and each participating
27 school regarding:

34 (9) Acquire, construct, erect, maintain, hold, and contract for
35 construction, erection, or maintenance of real estate, real
36 estate improvements, or an interest in real estate or real estate
37 improvements, as the corporation board considers necessary
38 for school purposes, including buildings, parts of buildings,
39 additions to buildings, rooms, gymnasiums, auditoriums,
40 playgrounds, playing and athletic fields, facilities for physical
41 training, buildings for administrative, office, warehouse,
42 repair activities, or housing school owned buses, landscaping,



1 walks, drives, parking areas, roadways, easements and
2 facilities for power, sewer, water, roadway, access, storm and
3 surface water, drinking water, gas, electricity, other utilities
4 and similar purposes, by purchase, either outright for cash (or
5 under conditional sales or purchase money contracts
6 providing for a retention of a security interest by the seller
7 until payment is made or by notes where the contract, security
8 retention, or note is permitted by applicable law), by
9 exchange, by gift, by devise, by eminent domain, or by lease
10 with or without option to purchase, or by lease under
11 IC 20-47-2 or IC 20-47-3.

12 (10) Repair, remodel, remove, or demolish, or to contract for
13 the repair, remodeling, removal, or demolition of the real
14 estate, real estate improvements, or interest in the real estate
15 or real estate improvements that the corporation owns, as the
16 corporation board considers necessary for school purposes.

17 (11) Acquire personal property or an interest in personal
18 property as the corporation board considers necessary for
19 school purposes, including buses, motor vehicles, equipment,
20 apparatus, and appliances, either by cash purchase or under
21 conditional sales or purchase money contracts providing for
22 a security interest by the seller until payment is made or by
23 notes where the contract, security, retention, or note is
24 permitted by applicable law, by gift, by devise, by loan, or by
25 lease with or without option to purchase and to repair,
26 remodel, remove, relocate, and demolish the personal
27 property. All purchases and contracts specified under the
28 powers authorized under subdivisions (9) and (10) and this
29 subdivision are subject solely to applicable law relating to
30 purchases and contracting by municipal corporations in
31 general and to the supervisory control of state agencies as
32 provided in section 8 of this chapter.

33 (12) To sell or exchange real or personal property or interest
34 in real or personal property that, in the opinion of the
35 corporation board, is not necessary for school purposes to
36 demolish or otherwise dispose of the property if, in the
37 opinion of the corporation board, the property is not
38 necessary for school purposes and is worthless, and to pay the
39 expenses for the demolition or disposition.

40 (13) Contract with or employ staff to execute the
41 corporation's duties.

42 (14) Fix and pay the salaries of the executive director and any



1 **employees of the corporation.**
2 **(15) Maintain an office or offices at a place or places within**
3 **the geographic boundaries of the school city as the**
4 **corporation board may designate.**
5 **(16) To make budgets, to appropriate funds, and to disburse**
6 **the money, as applicable, of the corporation in accordance**
7 **with the formula established under subdivision (6). Subject to**
8 **subsection (c), to borrow money against current tax**
9 **collections and otherwise to borrow money, in accordance**
10 **with IC 20-48-1. Borrowing by the corporation, when**
11 **considered in addition to indebtedness of the school city, may**
12 **not equal an aggregate amount that exceeds the debt**
13 **limitation described by IC 36-1-15-6 for the school city.**
14 **(17) Procure insurance against any loss in connection with its**
15 **property and other assets, including loans and loan notes in**
16 **amounts and from insurers as the corporation board may**
17 **consider advisable.**
18 **(18) To make all applications, to enter into all contracts, and**
19 **to sign all documents necessary for the receipt of aid, money,**
20 **or property from the state, the federal government, or from**
21 **any other source.**
22 **(19) To defend a member of the corporation board or any**
23 **employee of the corporation in any suit arising out of the**
24 **performance of the member's or employee's duties for or**
25 **employment with, the corporation, if the corporation board**
26 **by resolution determined that the action was taken in good**
27 **faith. To save any member or employee harmless from any**
28 **liability, cost, or damage in connection with the performance,**
29 **including the payment of legal fees, except where the liability,**
30 **cost, or damage is predicated on or arises out of the bad faith**
31 **of the member or employee, or is a claim or judgment based**
32 **on the member's or employee's malfeasance as a member or**
33 **in employment.**
34 **(20) To prepare, make, enforce, amend, or repeal rules,**
35 **regulations, orders, and procedures:**
36 **(A) to carry out the purposes of the corporation; and**
37 **(B) that may be designated by an appropriate title such as**
38 **"policy handbook", "bylaws", or "rules and regulations".**
39 **(21) Regularly conduct assessments of school property.**
40 **(22) To exercise any other power and make any expenditure**
41 **in carrying out the general powers and purposes provided in**
42 **this article or in carrying out the powers delineated in this**



section which is reasonable from a business or educational standpoint in carrying out purposes of the corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter.

(b) The corporation board shall determine the percentage of property tax revenue that the county auditor is required to distribute to the corporation under IC 20-46-8-11.2(j) or IC 20-46-8-12(m), as applicable. The amount determined under this subsection may not exceed three percent (3%) of the total amount of revenue to be distributed under IC 20-46-8-11.2(f), IC 20-46-8-12(h), or IC 20-46-8-12(l), as applicable, to the school city and to each charter school described in IC 20-46-8-12(m)(2) for each settlement period described in IC 6-1.1-27-1.

(c) The public education corporation may issue bonds, enter into leases, or otherwise incur indebtedness after March 31, 2026, and before July 1, 2027, only if the local board of school commissioners established by IC 20-25-3-1 first adopts a resolution approving the issuance of the bonds, entering into the lease, or incurring of indebtedness.

(d) The corporation board shall, in collaboration with the school city and the nonprofit organization leading the transportation and centralized school facilities pilot program in Marion County, do the following:

- (1) Complete a feasibility study to determine the best approach for managing school property.
- (2) Not later than November 30, 2026, submit to the legislative council in an electronic format under IC 5-14-6 a report that includes information regarding the corporation board's progress in completing the feasibility study under subdivision (1) and report under subdivision (3).
- (3) Not later than November 30, 2027, prepare and submit a report regarding the feasibility study under subdivision (1) to the legislative council in an electronic format under IC 5-14-6.

This subsection expires July 1, 2028.

Sec. 3. (a) The corporation board shall, in collaboration with the school city and authorizers of charter schools described in IC 20-25.3-2-6, create a single school performance framework that applies beginning with the 2028-2029 school year to all participating schools.

(b) The school performance framework must:

(1) set clear expectation for school performance;



(2) be based on multiple measures and metrics, including:

- (A) academic performance measures, including the performance assessment results under IC 20-31-8;
- (B) student assessment outcomes;
- (C) student discipline practices;
- (D) student enrollment;
- (E) physical condition of school property, including deferred maintenance;
- (F) short and long term financial health measures;
- (G) organizational health and governance measures;
- (H) replication of instructional models that are achieving the best results for students; and
- (I) any additional measures relevant to student success as determined by the corporation board; and

(3) include both of the following:

- (A) A process to close chronically low performing participating schools.
- (B) A process to close inefficient school buildings.

c) Before a participating school may be closed as described in subsection (b)(3), the corporation shall:

- (1) consult with the department; and
- (2) hold a public hearing within the geographic boundaries of the school city;

arding the proposed closure of the participating school.

d) Except as provided under subsection (e), a participating school may not be closed as described in subsection (b)(3)(A) unless the following occurs:

- (1) If the participating school is a charter school, the authorizer of the participating school approves the closure.
- (2) If the participating school is not a charter school, the board of school commissioners approves the closure.

e) If an authorizer or the board of school commissioners, whichever is applicable, does not approve the closure of a participating school under subsection (d), the corporation board may appeal to the state board to request that the participating school be closed. Not later than sixty (60) days after receiving an appeal from the corporation board under this subsection, the state board shall approve or decline the closure of the participating school.

f) The corporation board shall submit to the legislative council in electronic format under IC 5-14-6 the following:

- (1) Not later than August 1, 2026, a report that includes



information regarding the corporation board's progress in creating a single school performance framework under this section, including information related to the progress on the plan to close inefficient school buildings.

(2) Not later than November 30, 2027, the single school performance framework created under this section.

Sec. 4. The corporation board may establish an advisory committee to assist the corporation board in creating and implementing the school performance framework described in section 3 of this chapter.

Sec. 5. (a) The corporation board shall do the following:

(1) Establish a unified transportation plan regarding the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.

(2) Include in the unified transportation plan the amount needed to fully fund the plan.

(3) Not later than November 30, 2026, submit to the legislative council in an electronic format under IC 5-14-6 a report that includes information regarding the corporation board's progress in completing the unified transportation plan.

(4) Not later than November 30, 2027, submit the unified transportation plan to the legislative council in an electronic format under IC 5-14-6.

(b) The corporation board shall implement the unified transportation plan beginning in the 2028-2029 school year.

Sec. 6. (a) The school city and all participating schools:

- (1) are required to provide transportation to the students of the school city or participating schools through the unified transportation plan implemented by the corporation board;
- (2) shall enter into contracts with the corporation board; and
- (3) shall comply with any applicable regulations, orders, rules, and resolutions adopted by the corporation board.

(b) A participating school that is a charter school, including a participating innovation network charter school, may elect to opt out of participation in the management and control of school property by the corporation board. If a participating school elects to opt out under this subsection, the:

- (1) corporation board may not manage or control school property owned or leased by the participating school; and
- (2) participating school may not receive any money that is attributable to the following:



(A) A debt service levy under IC 20-46-7.

(B) A levy imposed under IC 6-1.1-20 for controlled projects.

Sec. 7. The corporation is subject to required audits by the state board of accounts under IC 5-11-1-9.

Sec. 8. All powers delegated to the corporation under this chapter are subject to all applicable laws subjecting a school corporation to regulation by a state agency, including the secretary of education, state board of accounts, state police department, fire prevention and building safety commission, department of local government finance, environmental rules board, state school bus committee, Indiana department of health, and any local governmental agency to which the state has been delegated a specific authority in matters other than educational matters and other than finance, including plan commissions, zoning boards, and boards concerned with health and safety.

Sec. 9. (a) Subject to subsection (b), nothing in this article may be construed to impair a contract that was entered into before the effective date of this article. However, after the effective date of this article, the school city or a participating school may not enter into, renew, or extend a contract that is not in compliance with:

(1) this article;

(2) a contract entered into by the school city or participating school under this article; or

(3) any regulation, order, rule, or resolution adopted by the corporation board.

(b) Notwithstanding subsection (a), the school city may continue to enter into, renew, or extend any contract with respect to the proceeds of bonds, leases, and other obligations issued or entered into by the school city before April 1, 2026, pursuant to IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The corporation may not impair any such contracts with respect to the existing proceeds.

Chapter 5. Financial and Administrative Powers and Duties

Sec. 1. (a) Any indebtedness, liabilities, and obligations incurred before April 1, 2026, by the school city or any participating school, remain the debt, liability, or obligation of the school city or participating school and do not become the debt, liability, or obligation of and may not be assumed by the corporation. The rights of the bondholders remain unchanged.

(b) Any indebtedness, liabilities, and obligations incurred after March 31, 2026, by the corporation are the debt, liability, or



obligation of the corporation.

Sec. 2. After March 31, 2026, the school city may not take any action under the procedures set forth in IC 5-1 and instead the corporation shall assume the powers and duties of the school city under IC 5-1.

Sec. 3. After March 31, 2026, the corporation has all the powers and shall perform all the duties assigned to the school city under IC 6-1.1-17 related to the fixing and reviewing of budgets, tax rates, and tax levies. The school city shall provide records and information as necessary for the corporation to carry out its duties.

Sec. 4. (a) Except as provided in subsections (b) and (c), after March 31, 2026, the school city may not take any action under the procedures set forth in IC 6-1.1-20 and instead the corporation shall assume the powers and duties of the school city under IC 6-1.1-20 in the territory of the school city.

(b) Notwithstanding subsection (a), property tax revenue received from a referendum debt service tax levy that is approved by the voters after March 31, 2026, shall be distributed to the school city in the manner provided under IC 6-1.1-20.

(c) A referendum debt service tax levy that is approved by the voters before April 1, 2026, shall continue to be imposed after March 31, 2026, and the school city shall continue to use the revenue from the referendum debt service levy to pay debt service on the same terms, for the same period of time, and for the same purposes for which it was originally approved by the voters.

Sec. 5. (a) Except as provided in subsections (b) and (c), after March 31, 2026, the school city may not take any action under the procedures set forth in IC 20-46-1 and instead the corporation shall assume the powers and duties of the school city under IC 20-46-1 in the territory of the school city.

(b) Notwithstanding subsection (a), property tax revenue received from an operating referendum tax levy that is approved by the voters after March 31, 2026, shall be distributed to the school city and applicable charter schools in the manner provided under IC 20-46-1.

(c) An operating referendum tax levy that is approved by the voters before April 1, 2026, shall continue to be imposed after March 31, 2026, through the end of the term and the school city shall continue to use the revenue from the operating referendum tax levy for the same purposes for which it was originally approved by the voters through the end of the term of the referendum.

Sec. 6. (a) Subject to subsection (b), beginning July 1, 2026, the



1 **corporation shall assume the powers and duties of the school city**
2 **under IC 20-46-7 with respect to imposition of a debt service levy.**
3 **Beginning with the January 1, 2027, assessment date, and for each**
4 **assessment date thereafter, the corporation shall impose both:**

5 **(1) an annual property tax levy in the territory of the school**
6 **city sufficient to pay all obligations of the school city; and**
7 **(2) an annual property tax levy in the territory of the school**
8 **city sufficient to pay all obligations of the corporation.**

9 **Property tax revenue received from the tax levies shall be used to**
10 **pay outstanding debts and obligations in the manner set forth in**
11 **subsection (b) and IC 20-46-7-0.5.**

12 **(b) Property tax revenue received from the debt service levy**
13 **described in IC 20-46-7-0.5(a)(2)(A) that is imposed for the**
14 **purpose of paying all obligations of the school city must be**
15 **deposited in the school city's debt service fund established under**
16 **IC 20-40-9 and may be used only to pay the obligations of the**
17 **school city. The school city shall use the revenue from the debt**
18 **service levy to pay debt service on the same terms, for the same**
19 **period of time, and for the same purposes for which the obligation**
20 **was initially authorized.**

21 **Sec. 7. (a) Except as provided in subsection (b), beginning July**
22 **1, 2026, the corporation shall assume the powers and duties of the**
23 **school city to impose a levy under IC 20-46-8. Beginning with the**
24 **January 1, 2027, assessment date, and for each assessment date**
25 **thereafter, the corporation shall impose an annual property tax**
26 **levy in the territory of the school city.**

27 **(b) Notwithstanding subsection (a), property tax revenue**
28 **received from a tax levy imposed under IC 20-46-8 for assessment**
29 **dates after December 31, 2026, shall be distributed to the school**
30 **city and applicable charter schools in the manner provided under**
31 **IC 20-46-8.**

32 **Sec. 8. (a) Except as provided in subsection (b), after March 31,**
33 **2026, the school city may not take any action under the procedures**
34 **set forth in IC 20-46-9 and instead the corporation shall assume the**
35 **powers and duties of the school city under IC 20-46-9 in the**
36 **territory of the school city.**

37 **(b) Notwithstanding subsection (a), property tax revenue**
38 **received from a school safety referendum tax levy that is approved**
39 **by the voters after March 31, 2026, shall be distributed to the**
40 **school city and applicable charter schools in the manner provided**
41 **under IC 20-46-9.**

42 **Chapter 6. Indianapolis Public Education Corporation**



1 **Operations Fund**

2 **Sec. 1. The corporation shall create a corporation operations**
 3 **fund to be used by the corporation for the purposes of the**
 4 **corporation.**

5 **Sec. 2. The corporation operations fund shall be used to deposit**
 6 **revenue received under IC 20-46-8-11.2(j) and IC 20-46-8-12(m).**

7 **Sec. 3. Expenditures from the corporation operations fund may**
 8 **be made only after appropriation in the annual budget or by an**
 9 **additional appropriation under IC 6-1.1-18-5.**

10 **Sec. 4. (a) Any balance in the corporation operations fund may**
 11 **be invested in the manner provided for investment of money by a**
 12 **political subdivision. The net proceeds from the investment become**
 13 **a part of the corporation operations fund.**

14 **(b) Any balance, or a part of the balance, remaining in the**
 15 **corporation operations fund at the end of a year may be retained**
 16 **in the corporation operations fund.**

17 **Sec. 5. The corporation may use money in the corporation**
 18 **operations fund to carry out the purposes of the corporation.**

19 **Chapter 7. Indianapolis Public Education Corporation Debt**
 20 **Service Fund**

21 **Sec. 1. As used in this chapter, "debt service" includes bonds**
 22 **and coupons, civil bond obligations, lease rental contracts, and**
 23 **interest cost on emergency and temporary loans.**

24 **Sec. 2. As used in this chapter, "fund" refers to a debt service**
 25 **fund established under section 3 of this chapter.**

26 **Sec. 3. The corporation shall establish a debt service fund for**
 27 **purposes of paying the obligations of the corporation.**

28 **Sec. 4. (a) The debt service fund shall be used to deposit revenue**
 29 **received from the debt service levy imposed under IC 20-46-7 for**
 30 **the purpose of paying all obligations of the corporation.**

31 **(b) Money in the debt service fund may be used for payment of**
 32 **the following:**

33 **(1) All debt and other obligations arising out of funds**
 34 **borrowed or advanced for school buildings when purchased**
 35 **from the proceeds of a bond issue for capital construction.**

36 **(2) A lease to provide capital construction.**

37 **(3) Interest on emergency and temporary loans.**

38 **(4) All debt and other obligations arising out of funds**
 39 **borrowed or advanced for the purchase or lease of school**
 40 **buses when purchased or leased from the proceeds of a bond**
 41 **issue, or from money obtained from a loan made under**
 42 **IC 20-27-4-5, for that purpose.**



(5) All debt and other obligations arising out of funds borrowed to pay judgments against the corporation.

(6) All debt and other obligations arising out of funds borrowed to purchase equipment.

Sec. 5. Money in the fund may not be used for payment of debt service, lease payments, or similar obligations for a controlled project that is approved by the voters in a referendum under IC 6-1.1-20.

Sec. 6. (a) Lease rental obligations on account of leases entered into under IC 20-47-2 or IC 20-47-3 may be paid by a corporation from the debt service fund.

(b) Payments described in subsection (a) must be provided for in the annual budget for the fund from which the payment is made.

SECTION 13. IC 20-26-7-47, AS AMENDED BY P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 47. (a) The following definitions apply throughout this section:

(1) "Covered school building" has the meaning set forth in IC 20-26-7.1-2.1.

(2) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under subsection (c).

(3) "Enrollment" refers to the following:

(A) Except as provided in clause (B), students counted in ADM (as defined in IC 20-43-1-6) in the first count date for a school year fixed under IC 20-43-4-3.

(B) With regard to a school corporation, students counted in a school corporation's fall count of ADM minus all students counted in the fall count of ADM who are enrolled in eligible schools that:

(i) have entered into an agreement with the school corporation to participate as a participating innovation network charter school under IC 20-25.7-5; and

(ii) are included in the school corporation's fall ADM count.

(4) "Intereste"

IC 20-26-7.1-2.2.

This section:

-) applies to a school corporation only if:
 - (+) (A) the total student enrollment for in-person instruction in



precedes the current school year by five (5); and
(2) (B) the school corporation in the current school year has more than one (1) school building serving the same grade level as the school building subject to closure under this section; and

(2) does not apply to a school city (as defined in IC 20-25-2-12).

(c) Each school year, the governing body of a school corporation shall review the usage of school buildings used by the school corporation to determine whether any school building should be closed for the ensuing school year and subsequent school years.

(d) A school corporation shall close a school building for the ensuing school year (and subsequent school years) if:

(1) at any time the school building had been used for classroom instruction;

(2) in the current school year and the two (2) school years immediately preceding the current school year the school building was underutilized for classroom instruction purposes or other allowable uses specified by this section;

(3) as of the end of the school year before the school building is required to be closed under this section, the school corporation was not subject to a transitional plan adopted by the governing body and approved by the department to use the school building for an allowable use not later than the next school year after the school building is otherwise required to be closed under this section;

(4) in the case of a school building that was used in any part in the current school year for instructional purposes, the school corporation has another school building:

(A) with sufficient capacity to take the students using the school building being considered for closure; and

(B) that does not require more than twenty (20) minutes of travel time by car or bus from the school building being considered for closure; and

(5) the school building is not a school building described in IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or IC 20-26-7.1-3(d).

(e) For purposes of this section, a school building is underutilized in a school year if the school building is not used for any of the following allowable uses:

(1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days



1 (as determined under IC 20-30-2) for instructional purposes,
2 averaged over the current school year and the two (2) school years
3 immediately preceding the current school year, is at least fifty
4 percent (50%) of:

5 (A) the known classroom design capacity of the school
6 building; or
7 (B) if the design capacity is not known, the average maximum
8 full-time equivalent enrollment in any of the last twenty-five
9 (25) years, as validated by records created or maintained by
10 the department.

11 (2) The school corporation demonstrates through facts included
12 in a resolution that the school building is being used and that it is
13 financially prudent to continue to use the school building,
14 considering all community resources, for a distinct student
15 population that reasonably cannot be served through integration
16 with the general school population, such as students attending an
17 alternative education program (as defined in IC 20-30-8-1).
18 However, to be an allowable use under this subdivision, the
19 average number of full-time equivalent students using the school
20 building in a school year for instructional purposes must be at
21 least thirty percent (30%) of:

22 (A) the known classroom design capacity of the school
23 building; or
24 (B) if the design capacity is not known, the average maximum
25 full-time equivalent enrollment in any of the last twenty-five
26 (25) years, as validated by records created or maintained by
27 the department; and

28 (if multiple school buildings are used for the same purposes)
29 combining the student populations into fewer school buildings is
30 not reasonably feasible.

31 (3) The school corporation demonstrates through facts included
32 in a resolution that the school building is being used and that it is
33 financially prudent to continue to use the school building,
34 considering all community resources, for administrative or other
35 school offices. However, to be an allowable use under this
36 subdivision, at least fifty percent (50%) of the square footage of
37 the school building must be used for offices, the personnel
38 headquartered in the school building must consistently use the
39 space for office purposes, and the occupancy cost of using the
40 school building cannot be more than comparable office space that
41 is available in the school district.

42 (4) The school corporation demonstrates through facts included



1 in a resolution that the school building is being used and that it is
2 financially prudent to continue to use the school building,
3 considering all community resources, for storage. However, to be
4 an allowable use under this subdivision, at least fifty percent
5 (50%) of the square footage of the school building must be used
6 for storage, on average the storage space must be used to capacity,
7 and the cost of using the school building for storage must be less
8 than comparable storage space that is available in the school
9 district.

10 (5) The school corporation demonstrates through facts included
11 in a resolution that the school building is being used and that it is
12 financially prudent to continue to use the school building,
13 considering all community resources, for a combination of office
14 space and storage. However, to be an allowable use under this
15 subdivision, at least fifty percent (50%) of the square footage of
16 the school building must be used for a combination of office
17 space and storage and:

18 (A) the personnel headquartered in the school building must
19 consistently use the office space for office purposes, and the
20 occupancy cost of using the office space, calculated using the
21 costs of operating the school building, cannot be more than
22 comparable office space that is available in the school district;
23 and

24 (B) on average, the storage space must be used to capacity and
25 the cost of using the school building for storage must be less
26 than comparable storage space that is available in the school
27 district.

28 (f) Closure of a school building that is:

(1) owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body; or

32 (2) jointly owned in the same manner by two (2) or more school
33 corporations;

34 shall be carried out in conformity with IC 20-26-7.1.

35 (g) Before filing a petition under subsection (h), a charter school or
36 state educational institution that is interested in a school corporation's
37 school building must give written notice to the school corporation to
38 determine whether an agreement can be reached regarding the school
39 corporation making the school building available for lease or purchase
40 under IC 20-26-7.1.



1 subsection (g), the charter school or state educational institution may
2 petition the department to initiate or the department on its own may
3 initiate a proceeding for a determination as to whether a school
4 building meets the criteria for closure under this section or a covered
5 school building that is no longer used for classroom instruction by a
6 school corporation should be made available under IC 20-26-7.1. If a
7 charter school or state educational institution petitions the department
8 under this subsection, the charter school or state educational institution
9 must provide a copy of the petition to the applicable school
10 corporation.

11 (i) An interested person that is not otherwise a party to the
12 proceeding may intervene in the proceeding under subsection (h) as a
13 party. The school corporation has the burden of going forward with the
14 evidence and the burden of proof to demonstrate that the school
15 building does not meet the criteria for closure or the covered school
16 building is not required to be made available under IC 20-26-7.1.

17 (j) Not more than sixty (60) days after receiving notice of a petition
18 under subsection (h), the school corporation must:

19 (1) file a response to the petition that notifies the department that
20 the school corporation:

21 (A) is not contesting the petition; or
22 (B) is contesting the petition and states the facts upon which
23 the school corporation relies in contesting the petition; and

24 (2) provide a copy of the response to the petitioner and any
25 intervening party.

26 (k) If the school corporation:

27 (1) files a response that the school corporation is not contesting
28 the petition; or

29 (2) fails to submit a timely response under subsection (j);
30 the department shall issue an order granting the petition. A petition and
31 any response or reply are public documents.

32 (l) If a school corporation contests a petition under subsection (j),
33 a party to the proceeding has not more than sixty (60) days after the
34 date that the school corporation files a response under subsection (j) to
35 submit a reply to the school corporation's response.

36 (m) The department shall make a determination regarding a petition
37 under subsection (h) not more than one hundred twenty (120) days after
38 the date that the:

39 (1) petitioner and any intervening party have submitted a reply
40 under subsection (l); or

41 (2) time period to reply under subsection (l) has expired.

42 (n) A school corporation or another party to the proceeding may file



1 with the state board a petition requesting review of the department's
 2 determination. Upon receipt of a petition under this subsection, the
 3 state board shall review the department's determination. An appeal to
 4 the state board shall be subject to the procedure described in
 5 IC 20-26-11-15(b).

6 (o) Upon the issuance of a final unappealable order granting a
 7 petition, the school corporation shall make the school building
 8 available for lease or purchase in accordance with IC 20-26-7.1.

9 SECTION 14. IC 20-26-7-48, AS ADDED BY P.L.189-2023,
 10 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 48. (a) The following definitions apply
 12 throughout this section:

13 (1) "Current school year" refers to a year in which the governing
 14 body is required to conduct a review of school building usage
 15 under section 47(c) of this chapter.

16 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of
 17 this chapter.

18 (b) This section:

19 (1) applies to a school corporation only if:

20 (1) (A) the total student enrollment for in-person instruction in
 21 the school corporation in the current school year is at least ten
 22 percent (10%) less than the student enrollment for in-person
 23 instruction in the school corporation in a school year that
 24 precedes the current school year by five (5); and

25 (2) (B) the school corporation in the current school year has
 26 more than one (1) school building serving the same grade level
 27 as a school building subject to closure under section 47 of this
 28 chapter; and

29 (2) **does not apply to a school city (as defined in
 30 IC 20-25-2-12).**

31 (c) Each school corporation shall annually report to the department,
 32 in the form and on the schedule specified by the department, the
 33 following information:

34 (1) A listing of all buildings owned or leased by the school
 35 corporation that were originally designed as a school building.

36 (2) The following information for each building listed in
 37 subdivision (1):

38 (A) Designed occupancy, regardless of current use.

39 (B) Current use (and percentage of use) for classroom
 40 instruction, as special use classrooms, as office space, or as
 41 storage or alternatively the building's status as transitioning
 42 from one (1) use or combination of uses to another.



(C) The following information:

(i) Current average full-time equivalent student enrollment for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) in a school year.

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

(D) Self-evaluation of whether the building qualifies for closure under section 47 of this chapter or the school board otherwise intends to close the building and the date closure will occur (if applicable).

SECTION 15. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this section, "charter school" does not include a virtual charter school or an adult high school.

(b) This chapter does not apply to the following:

(1) A school building that since July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

(2) A school corporation to which all of the following apply:

(A) The county auditor distributes revenue after May 10, 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to each eligible charter school.

(B) If the school corporation listed in IC 20-46-9-22 receives revenue from a school safety referendum tax levy under IC 20-46-9, the county auditor distributes revenue after May 10, 2023, as required under IC 20-46-9-22 to each charter school described in IC 20-46-9-22(b).

The above subdivisions are intended to apply retroactively. No referendums or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

(3) A school corporation to which all of the following apply:

(A) The school corporation approves a resolution after May 10, 2023, to impose an operating referendum tax levy under IC 20-46-1 after May 10, 2023, that includes sharing the revenue from the referendum tax levy in the amounts described in clause (B) with each charter school that:

(i) a student who resides within the attendance area of the school corporation attends; and



(ii) elects to participate in the referendum.

The above subdivisions are intended to apply retroactively. No resolutions, referendums, or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

(B) The amount of referendum tax levy revenue that the school corporation is required to share with each charter school under the resolution described in clause (A) is equal to the amount determined applying the applicable formula under IC 20-46-1-21 or IC 20-46-1-22.

(C) The referendum tax levy described in clause (A) is approved by the voters.

(D) The school corporation distributes the amounts described in clause (B) to each charter school described in clause (A).

(E) If the school corporation receives revenue from a school safety referendum tax levy under IC 20-46-9, the school corporation shares the revenue from the school safety referendum tax levy with each charter school that:

(i) a student who resides within the attendance area of the school corporation attends; and

(ii) elects to participate in the referendum;

in an amount equal to the amount determined applying the formula under IC 20-46-9-22(d).

(4) A school city (as defined in IC 20-25-2-12).

(c) In order for any payment to a charter school to qualify as sharing of proceeds from a referendum for purposes of exemption from IC 20-26-7.1, the referendum must have been passed with prior notice to voters of all amounts of referendum proceeds to be paid to charter schools. Any claim of exemption based on payment of proceeds from a referendum passed without such notice is void.

SECTION 16. IC 20-46-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5.** (a) **Subject to subsection (b), after March 31, 2026, a school city (as defined in IC 20-25-2-12) may not exercise the powers and duties under this chapter and instead the public education corporation assumes the powers and duties of the school city as set forth in IC 20-25.3-5.**

(b) Notwithstanding subsection (a), the county auditor shall:

(1) determine the amounts of revenue to be distributed to the school city and any charter schools as provided in section 21 or 22 of this chapter, as applicable; and

(2) distribute revenue collected from a levy imposed under this chapter to the school city and any charter schools as



provided in section 21 or 22 of this chapter, as applicable.

SECTION 17. IC 20-46-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Beginning with property taxes first due and payable after December 31, 2027:**

(1) a school city (as defined in IC 20-25-2-12) may not impose the property tax levy or otherwise exercise the powers and duties under this chapter; and

(2) the public education corporation shall impose both:

(A) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the school city; and

(B) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the corporation.

(b) Property tax revenue received from the:

(1) property tax levy described in subsection (a)(2)(A) shall be deposited in the debt service fund established by the school city under IC 20-40-9 and used to pay debt service on the same terms, for the same period of time, and for the same purposes for which the obligation was initially authorized; and

and
(2) property tax levy described in subsection (a)(2)(B) shall be deposited in the public education corporation's debt service fund established by IC 20-25-7-3 and used for the purposes of the fund.

SECTION 18. IC 20-46-8-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection (b), beginning with property taxes first due and payable after December 31, 2027:**

(1) a school city (as defined in IC 20-25-2-12) may not impose the property tax levy or otherwise exercise the powers and duties under this chapter; and

(2) the public education corporation shall impose the annual property tax levy under this chapter in the territory of the school city and assumes the powers and duties of the school city under this chapter as set forth in IC 20-25.3-5.

(b) Notwithstanding subsection (a), beginning with property taxes first due and payable after December 31, 2025, the county auditor shall:

(1) determine the amounts of revenue to be distributed to the



public education corporation, the school city, and any charter schools as provided in section 11.2 or 12 of this chapter, as applicable; and

(2) distribute revenue collected from a levy imposed under this chapter to the public education corporation, the school city, and any charter schools as provided in section 11.2 or 12 of this chapter, as applicable.

SECTION 19. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025, SECTION 225, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies only to revenue collected after June 30, 2024, and before January 1, 2028, from a tax levy imposed under this chapter by a school corporation located in:

- (1) Lake County;
- (2) Marion County;
- (3) St. Joseph County; or
- (4) Vanderburgh County.

However, this section does not apply to, and distributions are not required for, a school corporation that is designated as a distressed political subdivision under IC 6-1.1-20.3.

(b) For distributions made in:

- (1) calendar year 2025, and subject to subsection (c); and
- (2) calendar years 2026 and 2027, and subject to subsections (c), (h), and (i);

the county auditor shall distribute to each charter school that is eligible for a distribution under subsection (d), and as provided under subsection (f), an amount of revenue received from a tax levy imposed by a school corporation under this chapter that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a).

(c) The following schools are not eligible to receive a distribution under this section:

- (1) A virtual charter school.
- (2) An adult high school

(d) Not later than March 1, 2025, January 1, 2026, and January 1, 2027, the department, in consultation with the department of local government finance, shall determine the corresponding percentages of revenue received from the tax levy that are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a) and must be distributed among the school corporation and each eligible charter school according to the following formula:



1 STEP ONE: Determine each charter school that:
2 (A) is located in the same county as the school corporation;
3 and
4 (B) provides not more than fifty percent (50%) virtual
5 instruction for its students.

6 STEP TWO: Determine, for each charter school described in
7 STEP ONE, the number of students who:
8 (A) have legal settlement within the school corporation;
9 (B) are currently included in the fall ADM for the charter
10 school; and
11 (C) receive not more than fifty percent (50%) virtual
12 instruction.

13 STEP THREE: Determine the sum of:
14 (A) the aggregate of the STEP TWO results for all applicable
15 charter schools; plus
16 (B) the fall ADM count for the school corporation for students
17 receiving not more than fifty percent (50%) virtual instruction.

18 STEP FOUR: For each charter school described in STEP ONE,
19 determine the result of:
20 (A) the applicable STEP TWO amount; divided by
21 (B) the STEP THREE amount;
22 expressed as a percentage.

23 STEP FIVE: Determine the sum of all the amounts computed
24 under STEP FOUR and subtract the result from one hundred
25 percent (100%).

26 (e) The department shall provide to the county auditor, immediately
27 after calculation under subsection (d):
28 (1) each charter school determined under STEP ONE of
29 subsection (d) and the charter school's corresponding percentage
30 calculated under STEP FOUR of subsection (d); and
31 (2) the percentage calculated under STEP FIVE of subsection (d)
32 for the school corporation.

33 (f) **Except as provided in subsection (j), and** subject to subsection
34 (i), the county auditor shall distribute to the school corporation and
35 each applicable charter school the amount determined, for each
36 settlement period described in IC 6-1.1-27-1, in the last STEP of the
37 following STEPS:

38 STEP ONE: For each school corporation, determine a base
39 property tax levy amount calculated as:
40 (A) the sum of the school corporation's operations fund
41 property tax levies that are attributable to the territory of the
42 school corporation that is located within the boundaries of a



1 county listed in subsection (a) and collected under this chapter
2 for the applicable settlement period as described in
3 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023; divided
4 by
5 (B) three (3).

6 STEP TWO: For each school corporation, determine an
7 incremental property tax levy amount calculated as:

8 (A) the school corporation's operations fund property tax levy
9 collections that are attributable to the territory of the school
10 corporation that is located within the boundaries of a county
11 listed in subsection (a) for the applicable settlement period as
12 described in IC 6-1.1-27-1 in the current calendar year; minus
13 (B) the school corporation's base property tax levy collections
14 determined for the applicable settlement period as described
15 in IC 6-1.1-27-1 under STEP ONE.

16 STEP THREE: For the school corporation and each applicable
17 charter school, determine the result of:

18 (A) the sum of:
19 (i) the incremental amount determined under STEP TWO;
20 plus
21 (ii) any distribution amount withheld under subsection (i);
22 multiplied by

23 (B) the following percentage:
24 (i) In the case of an applicable charter school, the charter
25 school's percentage under STEP FOUR of subsection (d).
26 (ii) In the case of the school corporation, the school
27 corporation's percentage under STEP FIVE of subsection
28 (d).

29 (g) Before August 15, 2025, and August 15, 2026, the department
30 shall provide to each school corporation and each eligible charter
31 school an estimate of the amount of property tax levy revenue the
32 school corporation and charter school are expected to receive under
33 this section based on the most recent fall ADM count.

34 (h) This subsection applies to distributions of property tax revenue
35 under this section in 2026 and 2027. In order to receive a distribution
36 under this section in 2026 and 2027, the governing body of an eligible
37 charter school shall, before October 15, 2025, and October 15, 2026,
38 adopt a budget for the current school year. Not later than ten (10) days
39 before its adoption, the budget must be fixed and presented to the
40 charter board in a public meeting in the county in which the charter
41 school is incorporated. A budget that is adopted under this subsection
42 must be submitted to the charter authorizer for review and to the



1 department of local government finance to be posted publicly on the
2 computer gateway under IC 6-1.1-17-3 not later than:

3 (1) to receive distributions in 2026, November 1, 2025; and
4 (2) to receive distributions in 2027, November 1, 2026.

5 In addition to the adopted budget, the governing body of the charter
6 school shall also submit to the charter authorizer, and to the department
7 of local government finance to be posted publicly on the computer
8 gateway under IC 6-1.1-17-3, the dates on which each requirement
9 under this subsection was met and a statement from the governing body
10 of the charter school attesting that those dates are true and accurate and
11 that the budget was properly adopted under this subsection.

12 (i) This subsection applies to distributions of property tax revenue
13 under this section in 2026 and 2027. If an eligible charter school does
14 not satisfy the requirements of subsection (h) to receive distributions
15 under this section during a calendar year, as determined by the
16 department of local government finance, the charter school may not
17 receive a distribution of property tax revenue in that calendar year and
18 the county auditor shall withhold the charter school's distribution
19 amount. The department of local government finance's determination
20 of compliance consists only of a confirmation that the adopted budget
21 and attestation statement are submitted not later than the applicable
22 date under subsection (h). Any distribution amount that must be
23 withheld from distribution to any particular charter school under this
24 subsection in:

25 (1) calendar year 2026 shall be added to the incremental amount
26 as described in STEP TWO of subsection (f) and distributed
27 among the school corporation and remaining charter schools
28 according to subsection (f) in calendar year 2027; and
29 (2) calendar year 2027 shall be added to the incremental amount
30 as described in STEP TWO of subsection (f) and distributed
31 among the school corporation and remaining charter schools
32 according to subsection (f) in calendar year 2027.

33 **(j) This subsection applies only to distributions of property tax
34 revenue in 2026 and to distributions of property tax revenue in
35 2027 to:**

36 (1) a school city (as defined in IC 20-25-2-12); and
37 (2) a charter school that:
38 (A) is located in the territory of a school city (as defined in
39 IC 20-25-2-12); and
40 (B) would otherwise receive a share of property tax
41 revenue from the school city under this section.

42 Before making any distribution under subsection (f), the county



1 **auditor shall first distribute to the public education corporation for**
2 **deposit in the public education corporation operations fund created**
3 **under IC 20-25.3-6-1 an amount equal to the percentage**
4 **determined by the Indianapolis public education corporation**
5 **board under IC 20-25.3-4-2(b).**

6 SECTION 20. IC 20-46-8-12, AS ADDED BY P.L.68-2025,
7 SECTION 226, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to
9 revenue collected after December 31, 2027, from a tax levy imposed
10 under this chapter only if the number of students who have legal
11 settlement in a school corporation but attend a charter school,
12 excluding virtual charter schools and adult high schools, and receive
13 not more than fifty percent (50%) virtual instruction, is at least the
14 greater of:

- 15 (1) one hundred (100) students; or
- 16 (2) two percent (2%) of the school corporation's spring ADM
17 count, excluding students who receive more than fifty percent
18 (50%) virtual instruction.

19 (b) As used in this section, "eligible charter school" means a charter
20 school attended by a student who:

- 21 (1) has legal settlement in a school corporation that imposes a tax
22 levy under this chapter; and
- 23 (2) receives not more than fifty percent (50%) virtual instruction.

24 However, the term does not include a virtual charter school or an adult
25 high school.

26 (c) The following schools are not eligible to receive, and may not be
27 considered in a calculation made for purposes of, a distribution under
28 this section:

- 29 (1) A virtual charter school.
- 30 (2) An adult high school.

31 (d) Beginning in calendar year 2028, and in each calendar year
32 thereafter, and subject to subsection (j), the county auditor shall
33 distribute to each eligible charter school in the manner provided under
34 this section an amount of revenue received from a tax levy imposed by
35 a school corporation under this chapter.

36 (e) For the purposes of the calculations made in this section, each
37 eligible charter school that has entered into an agreement with a school
38 corporation to participate as a participating innovation network charter
39 school under IC 20-25.7-5 is considered to have an ADM that is
40 separate from the school corporation.

41 (f) Not later than January 1, 2028, and not later than January 1 of
42 each year thereafter, the department, in consultation with the



1 department of local government finance, shall determine, for each
2 school corporation, the corresponding percentages of revenue received
3 from the tax levy that must be distributed among the school corporation
4 and each eligible charter school according to the following formula:

5 STEP ONE: Determine, for each eligible charter school, the
6 number of students who:

7 (A) have legal settlement within the school corporation;
8 (B) are currently included in the fall ADM count for the
9 charter school; and
10 (C) receive not more than fifty percent (50%) virtual
11 instruction.

12 STEP TWO: Determine the sum of:

13 (A) the aggregate of the STEP ONE results for all eligible
14 charter schools with respect to the school corporation; plus
15 (B) the fall ADM count for the school corporation for students
16 receiving not more than fifty percent (50%) virtual instruction.

17 STEP THREE: For each eligible charter school, determine the
18 result of:

19 (A) the applicable STEP ONE amount; divided by
20 (B) the STEP TWO amount;

21 expressed as a percentage.

22 STEP FOUR: Determine the sum of all the amounts computed
23 under STEP THREE and subtract the result from one hundred
24 percent (100%).

25 (g) The department shall provide to the county auditor, immediately
26 after calculation under subsection (f):

27 (1) each eligible charter school and the eligible charter school's
28 corresponding percentage calculated under STEP THREE of
29 subsection (f); and
30 (2) the percentage calculated under STEP FOUR of subsection (f)
31 for the school corporation.

32 (h) **Except as provided in subsection (m), and** subject to
33 subsections (j) and (l), the county auditor shall distribute to the school
34 corporation and each eligible charter school the amount determined in
35 the last STEP of the following STEPS:

36 STEP ONE: Determine the amount collected in the most recent
37 installment period by the school corporation from the school
38 corporation's operations fund levy imposed under this chapter.

39 STEP TWO: To determine the distribution for the school
40 corporation and each eligible charter school, determine the result
41 of:

42 (A) the sum of:



- (i) the STEP ONE result; plus
- (ii) any amount withheld in the previous year under subsection (k); multiplied by

(B) the following percentage:

- (i) In the case of an eligible charter school, the charter school's percentage under STEP THREE of subsection (f).
- (ii) In the case of the school corporation, the school corporation's percentage under STEP FOUR of subsection (f).

16 (j) Beginning with distributions of property tax revenue under this
17 section in 2028 and thereafter, in order to receive a distribution under
18 this section, the governing body of an eligible charter school shall, not
19 later than October 15, 2027, and not later than October 15 of each
20 calendar year thereafter, adopt a budget for the current school year. Not
21 later than ten (10) days before its adoption, the budget must be fixed
22 and presented to the charter board in a public meeting in the county in
23 which the eligible charter school is incorporated. Not later than
24 November 1, 2027, and not later than November 1 of each calendar
25 year thereafter, the governing body of the charter school shall submit:

(1) the budget that is adopted under this subsection;

27 (2) the dates on which each requirement under this subsection
28 was met; and

(3) a statement from the governing body of the charter school attesting that the dates provided in subdivision (2) are true and accurate and that the budget was properly adopted under this subsection;

33 to the charter authorizer for review and to the department of local
34 government finance to be posted publicly on the computer gateway
35 under JC 6-1.1-17-3.

(k) If an eligible charter school does not satisfy the requirements of subsection (j) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the eligible charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the eligible charter school's distribution amount. The department of local government finance's determination of compliance



1 consists only of a confirmation that the adopted budget and attestation
2 statement are submitted not later than the applicable date under
3 subsection (j). Any distribution amount withheld under this subsection
4 shall be:

5 (1) added to the property tax revenue collections as described in
6 STEP TWO of subsection (h); and

7 (2) distributed among the school corporation and remaining
8 eligible charter schools according to subsection (h);

9 in the calendar year that immediately follows the calendar year in
10 which the distribution amount was withheld.

11 (l) This subsection applies only to distributions under subsection (h)
12 in calendar years 2028, 2029, and 2030 to an eligible charter school.

13 **Except as provided in subsection (m)**, instead of the amount
14 determined under subsection (h) for a distribution to a particular
15 eligible charter school from the revenue collected from the tax levy
16 imposed under this chapter by a particular school corporation, the
17 county auditor shall make distributions according to the following:

18 (1) For a distribution in 2028, the county auditor shall distribute
19 an amount for a particular eligible charter school equal to:

20 (A) the applicable result of STEP TWO of subsection (h) for
21 the eligible charter school; multiplied by

22 (B) twenty-five hundredths (0.25).

23 (2) For a distribution in 2029, the county auditor shall distribute
24 an amount for a particular eligible charter school equal to:

25 (A) the applicable result of STEP TWO of subsection (h) for
26 the eligible charter school; multiplied by

27 (B) five-tenths (0.5).

28 (3) For a distribution in 2030, the county auditor shall distribute
29 an amount for a particular eligible charter school equal to:

30 (A) the applicable result of STEP TWO of subsection (h) for
31 the eligible charter school; multiplied by

32 (B) seventy-five hundredths (0.75).

33 Any amount of property tax revenue collected from the tax levy
34 imposed under this chapter by a particular school corporation that
35 remains after making the distributions according to this subsection
36 shall be distributed to the school corporation and are in addition to the
37 amount distributed to the school corporation under subsection (h) for
38 the applicable year. This subsection expires July 1, 2032.

39 **(m) This subsection applies only to distributions of revenue to:**

40 (1) a school city (as defined in IC 20-25-2-12); and

41 (2) a charter school that:

42 (A) is located in the territory of a school city (as defined in



1 **IC 20-25-2-12); and**

2 **(B) would otherwise receive a share of property tax**

3 **revenue from the school city under this section.**

4 **Before making any distribution under subsection (h) or (l), the**

5 **county auditor shall first distribute to the public education**

6 **corporation for deposit in the public education corporation**

7 **operations fund created under IC 20-25.3-6-1 an amount equal to**

8 **the percentage determined by the Indianapolis public corporation**

9 **board under IC 20-25.3-4-2(b).**

10 SECTION 21. IC 20-46-9-0.5 IS ADDED TO THE INDIANA

11 CODE AS A NEW SECTION TO READ AS FOLLOWS

12 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection**

13 **(b), after March 31, 2026, a school city (as defined in**

14 **IC 20-25-2-12) may not exercise the powers and duties under this**

15 **chapter and instead, the public education corporation assumes the**

16 **powers and duties of the school city as set forth in IC 20-25.3-5.**

17 **(b) Notwithstanding subsection (a), the county auditor shall:**

18 **(1) determine the amounts of revenue to be distributed to the**

19 **school city and any charter schools as provided in this**

20 **chapter; and**

21 **(2) distribute revenue collected from a levy imposed under**

22 **this chapter to the school city and any charter schools as**

23 **provided in this chapter.**

24 SECTION 22. IC 20-47-2-2.5 IS ADDED TO THE INDIANA

25 CODE AS A NEW SECTION TO READ AS FOLLOWS

26 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter,**

27 **"corporation board" refers to the Indianapolis public education**

28 **corporation board established by IC 20-25.3-3-2.**

29 SECTION 23. IC 20-47-2-3.5 IS ADDED TO THE INDIANA

30 CODE AS A NEW SECTION TO READ AS FOLLOWS

31 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**

32 **"public education corporation" refers to the Indianapolis public**

33 **education corporation established by IC 20-25.3-3-1.**

34 SECTION 24. IC 20-47-2-5, AS AMENDED BY P.L.233-2015,

35 SECTION 304, IS AMENDED TO READ AS FOLLOWS

36 [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) A school corporation or**

37 **the public education corporation may lease a school building or**

38 **buildings for the use of:**

39 **(1) the school corporation or public education corporation; or**

40 **(2) a joint or consolidated school district of which the school**

41 **corporation is a part or to which it contributes;**

42 **for a term not to exceed thirty (30) years.**



(b) A school corporation **or the public education corporation** may not enter into a lease under this section unless the governing body **or the corporation board**, after investigation, determines that a need exists for the school building and that the school corporation **or public education corporation** cannot provide the necessary funds to pay the cost or its proportionate share of the cost of the school building or buildings required to meet the present needs.

15 (1) set out the amount of the total lease rental to be paid by each
16 lessee, which may be as agreed upon; and
17 (2) provide that:
18 (A) there is no right of occupancy by any lessee unless the
19 total rental is paid as stipulated in the lease; and
20 (B) all rights of joint lessees under the lease are in proportion
21 to the amount of lease rental paid by each lessee.

22 SECTION 25. IC 20-47-2-6, AS ADDED BY P.L.2-2006,
23 SECTION 170, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, **or**
25 **school** corporations, **or the public education corporation** may enter
26 into a lease under this chapter only with a corporation organized under
27 Indiana law solely for the purpose of acquiring a site, erecting a
28 suitable school building or buildings on that site, leasing the building
29 or buildings to the school corporation, **or school** corporations, **or**
30 **public education corporation** collecting the rentals under the lease,
31 and applying the proceeds of the lease in the manner provided in this
32 chapter.

33 (b) A lessor corporation described in subsection (a):

34 (1) must, except as provided in subdivision (2), act entirely
35 without profit to the lessor corporation or its officers, directors,
36 and stockholders;
37 (2) is entitled to the return of capital actually invested, plus
38 interest or dividends on outstanding securities or loans, not to
39 exceed five percent (5%) per annum and the cost of maintaining
40 the lessor corporation's corporate existence and keeping its
41 property free of encumbrance; and
42 (3) upon receipt of any amount of lease rentals exceeding the



1 amount described in subdivision (2), apply the excess funds to the
 2 redemption and cancellation of the lessor corporation's
 3 outstanding securities or loans as soon as may be done.

4 SECTION 26. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
 5 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
 7 under this chapter must include the following provisions:

8 (1) An option for the school corporation, **or school** corporations,
 9 **or the public education corporation** to renew the lease for a
 10 further term on similar conditions.

11 (2) An option for the school corporation, **or school** corporations,
 12 **or public education corporation** to purchase the property
 13 covered by the lease after six (6) years from the execution of the
 14 lease and before the expiration of the term of the lease, on the
 15 date or dates in each year as may be fixed in the lease. The
 16 purchase price:

17 (A) must be equal to the amount required to enable the lessor
 18 corporation owning the property to liquidate by paying all
 19 indebtedness, with accrued and unpaid interest, redeeming and
 20 retiring any stock at par, and paying the expenses and charges
 21 of liquidation; and

22 (B) may not exceed the capital actually invested in the
 23 property by the lessor corporation represented by outstanding
 24 securities or existing indebtedness, plus the cost of transferring
 25 the property and liquidating the lessor corporation.

26 (b) A lease entered into under this chapter may not provide or be
 27 construed to provide that a school corporation **or the public education**
 28 **corporation** is under any obligation to purchase a leased school
 29 building or buildings, or under any obligation in respect to any
 30 creditors, shareholders, or other security holders of the lessor
 31 corporation.

32 SECTION 27. IC 20-47-2-10, AS ADDED BY P.L.2-2006,
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, **or**
 35 **school** corporations, **or the public education corporation** may, in
 36 anticipation of the acquisition of a site and the construction and
 37 erection of a school building or buildings, enter into a lease with a
 38 lessor corporation before the actual acquisition of the site and the
 39 construction and erection of the building or buildings. However, a lease
 40 entered into under this section may not provide for the payment of any
 41 lease rental by the lessee or lessees until the building or buildings are
 42 ready for occupancy, at which time the stipulated lease rental may



1 begin. The contractor must furnish to the lessor corporation a bond
2 satisfactory to the lessor corporation conditioned upon the final
3 completion of the building or buildings within the period specified in
4 the contract.

5 SECTION 28. IC 20-47-2-11, AS ADDED BY P.L.2-2006,
6 SECTION 170, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor
8 corporation and the school corporation, **or school** corporations, **or the**
9 **public education corporation** have agreed upon the terms and
10 conditions of a lease proposed to be entered into under this chapter, and
11 before the final execution of the lease, a notice shall be given by
12 publication to all persons interested of a hearing or joint hearing to be
13 held before the governing body or governing bodies of the school
14 corporation or corporations **or the corporation board** authorized to
15 approve the lease. The hearing must be not earlier than:

16 (1) ten (10) days after publication of the notice, if new
17 construction is proposed; or
18 (2) thirty (30) days after publication of the notice, if improvement
19 or expansion is proposed.

20 (b) The notice required by subsection (a) must:

21 (1) be published one (1) time in:
22 (A) a newspaper of general circulation printed in the English
23 language in the school corporation;
24 (B) a newspaper described in clause (A) in each school
25 corporation if the proposed lease is a joint lease; or
26 (C) if no such paper is published in the school corporation, in
27 any newspaper of general circulation published in the county;
28 (2) name the date, time, and place of the hearing; and
29 (3) set forth a brief summary of the principal terms of the lease
30 agreed upon, including the:
31 (A) location of the property to be leased;
32 (B) name of the proposed lessor corporation;
33 (C) character of the property to be leased;
34 (D) rental to be paid; and
35 (E) number of years the lease is to be in effect.

36 The cost of publishing the notice shall be borne by the lessor
37 corporation.

38 (c) The proposed lease, drawings, plans, specifications, and
39 estimates for the school building or buildings must be available for
40 inspection by the public during the ten (10) day or thirty (30) day
41 period described in subsection (a) and at the hearing under section 12
42 of this chapter.



1 SECTION 29. IC 20-47-2-12, AS ADDED BY P.L.2-2006,
 2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) At the hearing, all
 4 interested persons have a right to be heard upon the necessity for the
 5 execution of the proposed lease and whether the rental to be paid to the
 6 lessor corporation under the proposed lease is a fair and reasonable
 7 rental for the proposed building. The hearing may be adjourned to a
 8 later date or dates.

9 (b) Within thirty (30) days following the termination of the hearing,
 10 the governing body or bodies of the school corporation or corporations
 11 **or the corporation board** may by a majority vote of all members of
 12 the governing body or bodies **or corporation board**:

- 13 (1) authorize the execution of the proposed lease as originally
 14 agreed upon; or
- 15 (2) make modifications to the proposed lease that are agreed upon
 16 with the lessor corporation.

17 However, the lease rentals as set out in the published notice may not be
 18 increased in any modifications approved under subdivision (2).

19 SECTION 30. IC 20-47-2-13, AS AMENDED BY P.L.38-2021,
 20 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as
 22 originally agreed upon or as modified by agreement is authorized by
 23 the governing body or bodies of the school corporation or corporations
 24 **or the corporation board**, the governing body **or corporation board**
 25 shall give notice of the signing of the lease by publication one (1) time
 26 in:

- 27 (1) a newspaper of general circulation printed in the English
 28 language in the school corporation;
- 29 (2) a newspaper described in subdivision (1) in each school
 30 corporation if the proposed lease is a joint lease; or
- 31 (3) if no such newspaper is published in the school corporation,
 32 in any newspaper of general circulation published in the county.

33 (b) This subsection does not apply to a lease for which a school
 34 corporation **or the public education corporation** after June 30, 2008,
 35 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
 36 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
 37 case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
 38 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
 39 after June 30, 2008. Within thirty (30) days after the publication of
 40 notice under subsection (a), fifty (50) or more taxpayers in the school
 41 corporation or corporations who:

- 42 (1) will be affected by the proposed lease; and



1 (2) are of the opinion that:

- (A) necessity does not exist for the execution of the lease; or
- (B) the proposed rental provided for in the lease is not a fair and reasonable rental;

5 may file a petition in the office of the county auditor of the county in
6 which the school corporation or corporations are located. The petition
7 must set forth the taxpayers' objections to the lease and facts showing
8 that the execution of the lease is unnecessary or unwise or that the lease
9 rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition under subsection (b), the county auditor shall immediately certify a copy of the petition, together with any other data that is necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and data, if any, the department of local government finance shall fix a time, date, and place for the hearing of the matter, which may not be less than five (5) nor more than thirty (30) days thereafter. The department of local government finance shall:

18 (1) conduct the hearing in the school corporation or corporations,
19 in the county where the school corporation or corporations are
20 located, or through electronic means; and

21 (2) give notice of the hearing to the members of the governing
22 body or bodies of the school corporation or corporations **or the**
23 **corporation board** and to the first fifty (50) taxpayers who
24 signed the petition under subsection (b) by a letter signed by the
25 commissioner or deputy commissioner of the department of local
26 government finance and enclosed with full prepaid postage
27 addressed to the taxpayer petitioners at their usual place of
28 residence, at least five (5) days before the hearing.

29 The decision of the department of local government finance on the
30 appeal upon the necessity for the execution of the lease and as to
31 whether the rental is fair and reasonable, is final.

32 SECTION 31. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,
33 SECTION 516, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the
35 validity of the lease or to enjoin the performance of any of the terms
36 and conditions of the lease may not be instituted at any time later than:

37 (1) thirty (30) days after publication of notice of the execution of
38 the lease by the governing body or bodies of the school
39 corporation or corporations **or the corporation board**; or
40 (2) if an appeal is allowed under section 13 of this chapter and has
41 been taken to the department of local government finance, thirty
42 (30) days after the decision of the department of local government



finance.

SECTION 32. IC 20-47-2-15, AS ADDED BY P.L.113-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. **(a) Except as provided in subsection (b),** the lessor corporation shall acquire, own, and hold in fee simple the land on which a school building or buildings are to be erected under this chapter.

(b) The lessor corporation may acquire, own, and hold in fee simple the land by agreement and conveyance with a school corporation or with the public education corporation subject to the conditions of this section. The lessor corporation may lease such a school building directly to the public education corporation or to a school corporation. If the lessor corporation leases such a school building to a school corporation, the school corporation may assign or sublet its lease to the public education corporation.

(c) A school corporation or the public education corporation that proposes to lease such a school building, either alone or jointly with another school corporation, and owns the land on which it desires that the building or buildings be erected may sell and transfer that land to the lessor corporation in fee simple, subject to the following conditions:

(1) Before the sale may take place, the governing body of the school corporation **or the corporation board** must file a petition with the circuit court of the county in which the school corporation is located, requesting the appointment of:

(A) one (1) disinterested freeholder of the school corporation as an appraiser; and

(B) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana to determine the fair market value of the land. One (1) of the appraisers described in clause (B) must reside not more than fifty (50) miles from the land.

(2) Upon their appointment, the three (3) appraisers shall proceed to fix the fair market value of the land and shall report the amount fixed to the circuit court within two (2) weeks after their appointment.

(3) The school corporation **or public education corporation** may sell the land to the lessor corporation for an amount not less than the amount fixed as the fair market value by the three (3) appraisers, which shall be paid in cash upon delivery of the deed by the school corporation **or public education corporation** to the lessor corporation. However, if the land was acquired by the school corporation **or public education corporation** within three (3) years immediately preceding the date of the filing of the



1 petition with the circuit court, the land may not be sold for an
2 amount less than the amount paid by the school corporation **or**
3 **public education corporation** for the land.

4 SECTION 33. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
5 SECTION 170, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,
7 "bonds" includes bonds, debentures, or other evidences of
8 indebtedness.

9 (b) A lessor corporation having outstanding bonds that by their
10 terms are redeemable before their maturities may issue bonds in the
11 manner provided by section 16 of this chapter to refund the outstanding
12 bonds. The refunding bonds may be issued in an amount not exceeding
13 the sum of:

14 (1) the principal amount of the outstanding bonds;
15 (2) any premium required to be paid upon redemption of the
16 outstanding bonds; and
17 (3) the estimated expenses to be incurred in connection with the
18 issuance of the refunding bonds.

19 (c) The sum of the net interest cost to the lessor corporation of the
20 refunding bonds plus the premium required to be paid in connection
21 with the redemption of the outstanding bonds and the estimated
22 expenses to be incurred in connection with the issuance of the
23 refunding bonds may not exceed the total interest that would have been
24 payable by the lessor corporation on the bonds being refunded from the
25 date of redemption to the maturity of the bonds being refunded. Net
26 interest cost on the refunding bonds is the amount determined by
27 computing the total interest on all the refunding bonds to their
28 maturities and deducting from that amount the premium bid, if any.

29 (d) Refunding bonds issued under this section:

30 (1) are legal and proper investments;
31 (2) are exempt from taxation; and
32 (3) may be sold without registration with or approval of the
33 securities division of the office of the secretary of state or
34 securities commissioner;

35 in the same manner, under the same conditions, and subject to the same
36 limitations as any other bonds issued by lessor corporations under
37 section 16 of this chapter. However, no proceedings or actions by the
38 lessee nor approval by any board, commission, or agency are required
39 in connection with the refunding, and the refunding authorized in this
40 section does not affect the obligation of the lessee to pay the lease
41 rental under the lease of the building or buildings.

42 (e) An action to contest the validity of refunding bonds issued under



1 this section may not be brought after the fifteenth day following the
 2 receipt of bids for the bonds.

3 (f) In connection with the issuance of refunding bonds, the lessee
 4 school corporation, **or** school corporations, **or public education**
 5 **corporation** may enter into an amendment to the lease with the lessor
 6 corporation providing for an extension of the time set forth in the lease
 7 before the option of the lessee or lessees to purchase may be exercised
 8 to a time agreed upon between the lessee school corporation, **or** school
 9 corporations, **or public education corporation** and the lessor
 10 corporation.

11 SECTION 34. IC 20-47-2-18, AS ADDED BY P.L.2-2006,
 12 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section,
 14 "bonds" means bonds, debentures, or other evidences of indebtedness.

15 (b) As used in this section, "improvement" or "improvements"
 16 means one (1) or more of the following:

17 (1) Construction of a school building.
 18 (2) An addition to a school building owned by a lessor
 19 corporation or owned by the school corporation **or public**
 20 **education corporation** to which a lessor corporation has leased
 21 property under this chapter, and any remodeling incidental to that
 22 addition.
 23 (3) Remodeling of or construction of appurtenances to a school
 24 building owned by a lessor corporation.

25 (c) A lessor corporation having outstanding bonds that by their
 26 terms are redeemable before their maturities may issue bonds in the
 27 manner provided under section 16 of this chapter to refund the
 28 outstanding bonds and construction of improvements.

29 (d) Refunding and improvement bonds issued under this section:

30 (1) are legal and proper investments;
 31 (2) are exempt from taxation; and
 32 (3) may be sold without registration with or approval of the
 33 securities division of the office of the secretary of state or the
 34 securities commissioner;

35 in the same manner, under the same conditions, and subject to the same
 36 limitations as any other bonds issued by lessor corporations under
 37 section 16 of this chapter.

38 (e) In connection with the issuance of refunding and improvement
 39 bonds, the lessee school corporation, **or** school corporations, **or public**
 40 **education corporation** may enter into an amendment to the lease with
 41 the lessor corporation providing for:

42 (1) an extension of the time set forth in the lease before the option



1 of the lessee or lessees to purchase may be exercised to a time
2 agreed upon between the lessee school corporation, ~~or~~ school
3 corporations, **or public education corporation** and the lessor
4 corporation;

5 (2) an extension of the term of the lease, not to exceed ten (10)
6 years, to include the improvements in the description of the leased
7 property; and

8 (3) increased lease rental payments after the completion of the
9 improvements.

10 (f) No proceedings or actions by the lessee nor approval by any
11 board, commission, or agency are required in connection with a
12 refunding under this section, and the refunding does not affect the
13 obligation of the lessee to pay the lease rental under the lease of the
14 building or buildings. However, all provisions, restrictions, and
15 limitations of this chapter that are not inconsistent with this section,
16 including the petition of school patrons, notice of hearing, hearing,
17 notice of execution, and right to file an objecting petition, apply to an
18 amendment of the lease increasing the lease rental payments as if the
19 amendment were an original lease.

20 (g) An action to contest the validity of refunding and improvement
21 bonds issued under this section may not be brought after the fifteenth
22 day following the receipt of bids for the bonds.

23 SECTION 35. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
24 SECTION 170, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
26 **public education corporation** that decides to exercise an option to
27 purchase a school building under this chapter may issue general
28 obligation bonds to procure funds to pay the cost of acquisition.
29 General obligation bonds issued under this section must be authorized,
30 issued, and sold in the manner provided for the authorization, issuance,
31 and sale of bonds by school corporations **or the public education**
32 **corporation** for school building purposes.

33 SECTION 36. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,
34 SECTION 108, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**
36 **public education corporation** that executes a lease under this chapter
37 shall annually appropriate from its debt service fund **or general fund**
38 **(before January 1, 2019) or operations fund (after December 31, 2018)**
39 an amount sufficient to pay the lease rental required under the lease.
40 The appropriation is reviewable by other bodies vested by law with
41 such authority to ascertain that the specified amount is sufficient to
42 meet the lease rental required under the lease. The first specific



1 appropriation shall be made at the first budget period following the
 2 date of the execution of the lease, and the first annual appropriation
 3 must be sufficient to pay the estimated amount of the first annual lease
 4 rental payment to be made under the lease. Thereafter, the annual
 5 appropriations provided for in this section shall be made, and payments
 6 shall be made from the debt service fund.

7 SECTION 37. IC 20-47-2-21, AS AMENDED BY P.L.79-2017,
 8 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 21. Property owned by a lessor corporation
 10 entering into a lease with a school corporation, **or school** corporations,
 11 **or the public education school corporation** under this chapter, and
 12 all stock and other securities (including the interest or dividends)
 13 issued by a lessor corporation, are exempt from all state, county, and
 14 other taxes, except the financial institutions tax (IC 6-5.5).

15 SECTION 38. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
 16 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
 18 construed as being supplemental to all other laws covering the
 19 acquisition, use, and maintenance of school buildings by school
 20 corporations **or the public education corporation**. However, as to
 21 school buildings constructed, acquired, leased, or purchased under this
 22 chapter, it is not necessary to comply with other laws concerning the
 23 acquisition, use, and maintenance of school buildings by school
 24 corporations **or the public education corporation** except as
 25 specifically required in this chapter.

26 SECTION 39. IC 20-47-2-23, AS AMENDED BY P.L.244-2017,
 27 SECTION 109, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the termination of
 29 a lease entered into under this chapter, the lessor corporation shall
 30 return to the school corporation **or the public education corporation**
 31 any money held by the lessor corporation that exceeds the amount
 32 needed to retire bonds issued under this chapter and to dissolve the
 33 lessor corporation.

34 (b) A school corporation **or the public education corporation** shall
 35 deposit the money received under subsection (a) in its debt service fund
 36 or operations fund.

37 SECTION 40. IC 20-47-3-1.3 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: Sec. 1.3. As used in this chapter,
 40 "corporation board" refers to the Indianapolis public education
 41 corporation board established by IC 20-25.3-3-2.

42 SECTION 41. IC 20-47-3-1.5 IS ADDED TO THE INDIANA



1 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 1.5. As used in this chapter,
 3 **"public education corporation"** refers to the Indianapolis public
 4 **education corporation established by IC 20-25.3-3-1.**

5 SECTION 42. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,
 6 SECTION 305, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**
 8 **the public education corporation** may lease a school building or
 9 buildings for the use of:

10 (1) the school corporation **or public education corporation**; or
 11 (2) a joint or consolidated school district of which the school
 12 corporation is a part or to which it contributes;
 13 for a term not to exceed fifty (50) years.

14 (b) A school corporation **or the public education corporation** may
 15 not enter into a lease under this section unless the governing body **or**
 16 **corporation board**, after investigation, determines that a need exists
 17 for the school building.

18 (c) If two (2) or more school corporations propose to jointly enter
 19 into a lease under this section, joint meetings of the governing bodies
 20 of the school corporations may be held, but action taken at a joint
 21 meeting is not binding on any of those school corporations unless
 22 approved by a majority of the governing body of each of those school
 23 corporations. A lease executed by two (2) or more school corporations
 24 as joint lessees must:

25 (1) set out the amount of the total lease rental to be paid by each
 26 lessee, which may be as agreed upon; and

27 (2) provide that:

28 (A) there is no right of occupancy by any lessee unless the
 29 total rental is paid as stipulated in the lease; and
 30 (B) all rights of joint lessees under the lease are in proportion
 31 to the amount of lease rental paid by each lessee.

32 SECTION 43. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or**
 35 **school corporations, or the public education corporation** may enter
 36 into a lease or lease with option to purchase under this chapter only
 37 with:

38 (1) a corporation organized under Indiana law or admitted to do
 39 business in Indiana; or

40 (2) a religious organization (or the organization's agent) that is
 41 exempt from federal income taxation under Section 501 of the
 42 Internal Revenue Code.



1 SECTION 44. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,
 2 SECTION 517, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
 4 subsections (d) and (e), a lease must provide that the school
 5 corporation, **or school** corporations, **or the public education**
 6 **corporation** have an option to:

7 (1) renew the lease for a further term on like conditions; and
 8 (2) purchase the property covered by the lease;
 9 with the terms and conditions of the purchase to be specified in the
 10 lease, subject to the approval of the department of local government
 11 finance.

12 (b) If the option to purchase the property covered by the lease is
 13 exercised, the school corporation, **or school** corporations, **or public**
 14 **education corporation** to procure funds to pay the purchase price, may
 15 issue and sell bonds under the provisions of the general statute
 16 governing the issue and sale of bonds of the school corporation, **or**
 17 **school** corporations, **or public education corporation**. The purchase
 18 price may not be more than the purchase price set forth in the lease
 19 plus:

20 (1) two percent (2%) of the purchase price as prepayment penalty
 21 for purchase within the first five (5) years of the lease term; or
 22 (2) one percent (1%) of the purchase price as prepayment penalty
 23 for purchase in the second five (5) years of the lease term;
 24 and thereafter the purchase shall be without prepayment penalty.

25 (c) However:

26 (1) if the school corporation, **or school** corporations, **or the**
 27 **public education corporation** have not exercised an option to
 28 purchase the property covered by the lease at the expiration of the
 29 lease; and
 30 (2) upon the full discharge and performance by the school
 31 corporation, **or school** corporations, **or public education**
 32 **corporation** of their obligations under the lease;

33 the property covered by the lease becomes the absolute property of the
 34 school corporation, **or school** corporations, **or public education**
 35 **corporation**, and the lessor corporation shall execute proper
 36 instruments conveying to the school corporation, **or school**
 37 corporations, **or public education corporation** good and merchantable
 38 title to that property.

39 (d) The following provisions apply to a school corporation that is
 40 located in Dubois County and enters into a lease with a religious
 41 organization or the organization's agent as authorized under section 4
 42 of this chapter:



1 (1) The lease is not required to include on behalf of the school
2 corporation an option to purchase the property covered by the
3 lease.
4 (2) The lease must include an option to renew the lease.
5 (3) The property covered by the lease is not required to become
6 the absolute property of the school corporation as provided in
7 subsection (c).
8 (e) In the case of a lease for which a school corporation **or the**
9 **public education corporation:**
10 (1) after June 30, 2008, makes a preliminary determination as
11 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
12 described in IC 6-1.1-20-5; or
13 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
14 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance
15 authorizing the lease after June 30, 2008;
16 the terms and conditions of the purchase that are specified in the lease
17 are not subject to the approval of the department of local government
18 finance.
19 SECTION 45. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,
20 SECTION 518, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
22 subsection (b), a school corporation, **or school** corporations, **or the**
23 **public education corporation** may, in anticipation of the acquisition
24 of a site and the construction and erection of a school building or
25 buildings, and, subject to the approval of the department of local
26 government finance, enter into a lease with a lessor corporation before
27 the actual acquisition of the site and the construction and erection of
28 the building or buildings. However, the lease entered into by the school
29 corporation, **or school** corporations, **or public education corporation**
30 may not provide for the payment of any lease rental by the lessee or
31 lessees until the building or buildings are ready for occupancy, at
32 which time the stipulated lease rental may begin. The lessor
33 corporation shall furnish a bond to the approval of the lessee or lessees
34 conditioned on the final completion of the building or buildings within
35 a period not to exceed one (1) year from the date of the execution of the
36 lease, unavoidable delays excepted.
37 (b) In the case of a lease for which a school corporation **or the**
38 **public education corporation:**
39 (1) after June 30, 2008, makes a preliminary determination as
40 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
41 described in IC 6-1.1-20-5; or
42 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,



1 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance
2 authorizing the lease after June 30, 2008;
3 the approval of the department of local government finance is not
4 required.

5 SECTION 46. IC 20-47-3-9, AS ADDED BY P.L.2-2006,
6 SECTION 170, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor
8 corporation and the school corporation, **or school** corporations, **or**
9 **public education corporation** have agreed upon the terms and
10 conditions of a lease proposed to be entered into under this chapter, and
11 before the final execution of the lease, a notice shall be given by
12 publication to all persons interested of a hearing or joint hearing to be
13 held before the governing body or governing bodies of the school
14 corporations **or the corporation board** authorized to approve the
15 lease. The hearing must be not earlier than:

16 (1) ten (10) days after publication of the notice, if new
17 construction is proposed; or
18 (2) thirty (30) days after publication of the notice, if improvement
19 or expansion is proposed.

20 (b) The notice required by subsection (a) must:

21 (1) be published one (1) time in:
22 (A) a newspaper of general circulation printed in the English
23 language in the school corporation;
24 (B) a newspaper described in clause (A) in each school
25 corporation if the proposed lease is a joint lease; or
26 (C) if no such paper is published in the school corporation, in
27 any newspaper of general circulation published in the county;
28 (2) name the date, time, and place of the hearing; and
29 (3) set forth a brief summary of the principal terms of the lease
30 agreed upon, including the:

31 (A) location of the property to be leased;
32 (B) name of the proposed lessor corporation;
33 (C) character of the property to be leased;
34 (D) rental to be paid; and
35 (E) number of years the lease is to be in effect.

36 The cost of publication of the notice shall be paid by the lessor
37 corporation.

38 (c) The proposed lease, drawings, plans, specifications, and
39 estimates for the school building or buildings must be available for
40 inspection by the public during the ten (10) day or thirty (30) day
41 period described in subsection (a) and at the hearing under section 10
42 of this chapter.



1 SECTION 47. IC 20-47-3-10, AS ADDED BY P.L.2-2006,
2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all
4 interested persons have a right to be heard upon the necessity for the
5 execution of the proposed lease and whether the rental to be paid to the
6 lessor corporation under the proposed lease is a fair and reasonable
7 rental for the proposed building. The hearing may be adjourned to a
8 later date or dates.

9 (b) Not later than thirty (30) days following the termination of the
10 hearing, the governing body or bodies of the school corporation or
11 corporations **or the corporation board** may by a majority vote of all
12 members of the governing body or bodies **or the corporation board**:
13 (1) authorize the execution of the lease as originally agreed upon;
14 or
15 (2) make modifications to the proposed lease as agreed upon with
16 the lessor corporation.

17 However, the lease rentals as set out in the published notice may not be
18 increased.

19 SECTION 48. IC 20-47-3-11, AS AMENDED BY P.L.38-2021,
20 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as
22 originally agreed upon or as modified by agreement is authorized by
23 the governing body or bodies of the school corporation or corporations
24 **or the corporation board**, the governing body **or corporation board**
25 shall give notice of the signing of the lease by publication one (1) time
26 in:

27 (1) a newspaper of general circulation printed in the English
28 language in the school corporation;
29 (2) a newspaper described in subdivision (1) in each school
30 corporation if the proposed lease is a joint lease; or
31 (3) if no such newspaper is published in the school corporation,
32 in any newspaper of general circulation published in the county.

33 (b) This subsection does not apply to leases for which a school
34 corporation **or the public education corporation** after June 30, 2008,
35 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
36 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
37 case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
38 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
39 after June 30, 2008. Within thirty (30) days after the publication of
40 notice under subsection (a), ten (10) or more taxpayers in the school
41 corporation or corporations who:

42 (1) will be affected by the proposed lease; and





(30) days after the decision of the department of local government finance.

3 SECTION 50. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,
4 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 13. **(a) Except as provided in subsection (b),**
6 the lessor corporation shall acquire, own, and hold in fee simple the
7 land on which a school building or buildings are to be erected under
8 this chapter.

1 (1) Before the sale may take place, the governing body of the
2 school corporation **or the corporation board** must file a petition
3 with the circuit court of the county in which the school
4 corporation is located, requesting the appointment of:

26 (A) one (1) disinterested freeholder of the school corporation
27 as an appraiser; and

28 (B) two (2) disinterested appraisers licensed under IC 25-34.1;
29 who are residents of Indiana to determine the fair market value of
30 the land. One (1) of the appraisers described in clause (B) must
31 reside not more than fifty (50) miles from the land.

32 (2) Upon appointment, the three (3) appraisers shall proceed to fix
33 the fair market value of the land and shall report the amount fixed
34 to the circuit court within two (2) weeks after the appointment.

35 (3) The school corporation **or the public education corporation**
36 may sell the land to the lessor corporation for an amount not less
37 than the amount fixed by the three (3) appraisers as the fair
38 market value, which shall be paid in cash upon delivery of the
39 deed by the school corporation **or the public education**
40 **corporation** to the lessor corporation. However, if the land was
41 acquired by the school corporation **or public education**
42 **corporation** within three (3) years immediately preceding the



1 date of the filing of the petition with the circuit court, the land
2 may not be sold for an amount less than the amount paid by the
3 school corporation **or public education corporation** for the land.

4 SECTION 51. IC 20-47-3-14, AS ADDED BY P.L.2-2006,
5 SECTION 170, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation **or the**
7 **public education corporation** that executes a lease under this chapter
8 shall annually appropriate and pay out of the debt service fund an
9 amount sufficient to pay the lease rental required under the lease. The
10 appropriation and rate are reviewable by other bodies vested by law
11 with the authority to determine that the levy is sufficient to raise the
12 amount required to meet the rental required under the lease.

13 SECTION 52. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
14 SECTION 170, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
16 a lessor corporation entering into a lease with a school corporation, **or**
17 **school corporations, or the public education corporation** under this
18 chapter are exempt from all state, county, and other taxes. However,
19 the rental payments to a lessor corporation under the terms of such a
20 lease are subject to all applicable taxes under Indiana law.

21 SECTION 53. IC 20-47-3-16, AS ADDED BY P.L.2-2006,
22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
24 construed as being supplemental to all other laws covering the
25 acquisition, use, and maintenance of school buildings by school
26 corporations **or the public education corporation**. However, as to
27 school buildings constructed or leased under this chapter, it is not
28 necessary to comply with the provisions of other laws concerning the
29 acquisition, use, and maintenance of school buildings by school
30 corporations **or the public education corporation** except as
31 specifically required in this chapter.

32 SECTION 54. IC 20-47-3-18, AS AMENDED BY P.L.244-2017,
33 SECTION 110, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the termination of
35 a lease entered into under this chapter, the lessor corporation shall
36 return to the school corporation **or public education corporation** any
37 money held by the lessor corporation that exceeds the amount needed
38 to retire bonds issued under this chapter and to dissolve the lessor
39 corporation.

(b) A school corporation **or the public education corporation** shall deposit the money received under subsection (a) in its debt service fund or its operations fund.



1 SECTION 55. IC 20-47-4-1, AS ADDED BY P.L.2-2006,
2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the
4 lease by a school corporation **or the public education corporation** of
5 an existing school building or improved school building under
6 IC 20-47-2 or IC 20-47-3.

7 SECTION 56. IC 20-47-4-3.5 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
10 **"public education corporation"** refers to the Indianapolis public
11 **education corporation established by IC 20-25.3-3-1.**

12 SECTION 57. IC 20-47-4-5, AS ADDED BY P.L.2-2006,
13 SECTION 170, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation
15 qualified or formed to acquire a site, erect a school building on the site,
16 and lease the school building to a school corporation **or the public**
17 **education corporation** under IC 20-47-2 or IC 20-47-3 may:

- 18 (1) be qualified or formed to acquire, improve, or expand an
19 existing school building;
- 20 (2) acquire, improve, or expand an existing school building;
- 21 (3) finance an existing school building or improved school
22 building; and
- 23 (4) lease an existing school building or improved school building
24 to a school corporation **or the public education corporation**
25 under applicable law.

26 SECTION 58. IC 20-47-4-6, AS AMENDED BY P.L.146-2008,
27 SECTION 521, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may
29 acquire and finance an existing school building, other than as provided
30 in section 5 of this chapter, and lease the existing school building to a
31 school corporation **or the public education corporation**. A school
32 corporation **or the public education corporation** shall comply with:

- 33 (1) IC 20-47-2 or IC 20-47-3;
- 34 (2) the petition and remonstrance provisions under IC 6-1.1-20 (if
35 required); and
- 36 (3) the local public question provisions under IC 6-1.1-20 (if
37 required).

38 (b) A lease made under this section may provide for the payment of
39 lease rentals by the school corporation **or public education**
40 **corporation** for the use of the existing school building.

41 (c) Lease rental payments made under the lease do not constitute a
42 debt of the school corporation **or public education corporation** for



1 purposes of the Constitution of the State of Indiana.

2 (d) A new school building may be substituted for the existing school
3 building under the lease if the substitution was included in the notices
4 given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new school
5 building must be substituted for the existing school building upon
6 completion of the new school building.

7 SECTION 59. IC 20-47-4-7, AS ADDED BY P.L.2-2006,
8 SECTION 170, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the**
10 **public education corporation** may not pay a legal or other
11 professional fee as the result of an exchange or a substitution under
12 section 5 or 6 of this chapter.

13 SECTION 60. IC 20-47-4-8, AS ADDED BY P.L.2-2006,
14 SECTION 170, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
16 subsection (b), the lease or contract of lease of an existing school
17 building or improved school building to a school corporation **or the**
18 **public education corporation** as authorized by this chapter must
19 comply with all applicable terms of IC 20-47-2 or IC 20-47-3,
20 including:

- 21 (1) the notice of hearing on the lease;
- 22 (2) public hearing;
- 23 (3) notice of execution of lease; and
- 24 (4) the submission of plans and specifications for the
25 improvement or expansion of the existing school building for
26 approval by the state agencies designated in IC 20-47-2 or
27 IC 20-47-3 or otherwise required by law or rule.

28 (b) If a school corporation **or the public education corporation** is
29 occupying and using an existing school building during the renovation,
30 remodeling, or expansion of the building, the lease or contract of lease
31 may provide for the payment of lease rental by the school corporation
32 **or public education corporation** for the use of the building during
33 renovation, remodeling, or expansion.

34 SECTION 61. IC 20-47-4-9, AS ADDED BY P.L.2-2006,
35 SECTION 170, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE UPON PASSAGE]: Sec. 9. The sale price of an existing
37 school building must be determined under the provisions of IC 20-47-2
38 or IC 20-47-3 relating to the sale of land to a lessor corporation. Except
39 as provided in this section, IC 20-26-7 and any other law relating to the
40 sale of the property of school corporations **or the public education**
41 **corporation** or other public property do not apply to the sale of an
42 existing school building to a lessor corporation under this chapter.



1 SECTION 62. IC 20-47-4-10, AS AMENDED BY P.L.244-2017,
 2 SECTION 111, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation **or the**
 4 **public education corporation** that sells an existing school building
 5 under section 6 of this chapter shall deposit the proceeds of the sale in
 6 the school corporation's **or the public education corporation's**
 7 operations fund and use the proceeds only for:

8 (1) new construction of school buildings;
 9 (2) related site acquisition; and
 10 (3) related site development.

11 However, any amount of the proceeds of the sale that are not used for
 12 a purpose described in subdivisions (1) through (3) within one (1) year
 13 after the school corporation **or public education corporation** receives
 14 the proceeds must be transferred to the school corporation's **or public**
 15 **education corporation's** debt service fund.

16 SECTION 63. IC 20-48-1-11, AS AMENDED BY P.L.9-2024,
 17 SECTION 403, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) **As used in this section,**
 19 **The following definitions apply throughout this section:**

20 (1) "Debt service obligations" refers to the principal and interest
 21 payable:

22 (1) **(A)** on a school corporation's general obligation bonds and
 23 lease rentals under IC 20-47-2 and IC 20-47-3; or
 24 (2) **(B)** to a school corporation's designated paying agent under
 25 a written agreement entered into in connection with the
 26 issuance of the school corporation's general obligation bonds.

27 (2) **Beginning April 1, 2026, and ending June 30, 2027, and**
 28 **subject to subsection (f), "school corporation" means the**
 29 **following:**

30 (A) **A school corporation (as defined in IC 20-18-2-16(a)).**
 31 (B) **The Indianapolis public education corporation**
 32 **established by IC 20-25.3-3-1.**

33 **This subdivision expires July 1, 2027.**

34 (b) Before the end of each calendar year, the department of local
 35 government finance shall review the bond and lease rental levies, or
 36 any levies that replace bond and lease rental levies, of each school
 37 corporation that are payable in the next succeeding calendar year and
 38 the appropriations from the levies from which the school corporation
 39 is to pay the amount, if any, of the school corporation's debt service
 40 obligations for that next succeeding calendar year. If the levies and
 41 appropriations of the school corporation are not sufficient to pay the
 42 debt service obligations for the next succeeding calendar year, the



1 department of local government finance shall establish for each school
2 corporation:

3 (1) bond or lease rental levies, or any levies that replace the bond
4 and lease rental levies; and
5 (2) appropriations;

6 that are sufficient to pay the debt service obligations for that next
7 succeeding calendar year.

8 (c) Upon the failure of a school corporation to pay any of the school
9 corporation's debt service obligations when due, the treasurer of state,
10 upon being notified of the failure by a claimant, shall within five (5)
11 days, excluding Saturdays, Sundays, and legal holidays, pay the unpaid
12 debt service obligations that are due from the funds of the state in an
13 amount equal to the amount of the unpaid debt service obligations that
14 are due to the claimant, but only to the extent that amounts described
15 in subsection (d) are available to the treasurer of state to fulfill the
16 requirements of this subsection. Notwithstanding IC 4-13-2-18,
17 IC 20-43-2-1, or any other law, administrative rule, policy, or schedule
18 to the contrary, upon the treasurer of state receiving a request from a
19 claimant as described in this subsection the treasurer of state shall
20 immediately contact the school corporation and the claimant to confirm
21 whether the school corporation is unable to make the required payment
22 on the date on which it is due, and, if confirmed, the treasurer of state
23 shall provide notice of the request to the budget director, the state
24 comptroller, and any department or agency of the state responsible for
25 distributing funds appropriated by the general assembly for distribution
26 to the school corporation from state funds. A department or agency of
27 the state shall, not later than three (3) days after receiving the treasurer
28 of state's notice, excluding Saturdays, Sundays, or legal holidays,
29 transfer the funds and make the funds available to the treasurer of state
30 in order for the treasurer of state to fulfill the obligations of this
31 subsection.

32 (d) Notwithstanding any other law to the contrary, amounts made
33 available to the treasurer of state for purposes of subsection (c) shall be
34 made from the following sources, in the following amounts, and in the
35 following order of priority:

36 (1) First, from amounts appropriated by the general assembly for
37 the state fiscal year for distribution to the school corporation from
38 state funds.

39 (2) Second, and to the extent that the amounts described in
40 subdivision (1) are insufficient, from any remaining amounts
41 appropriated by the general assembly for distribution for tuition
42 support in each state fiscal year in excess of the aggregate amount



1 of tuition support needed for distribution to school corporations
 2 in accordance with the schedule set and approved in accordance
 3 with IC 20-43-2-1.

4 (3) Third, and to the extent that the amounts described in
 5 subdivisions (1) and (2) are insufficient and the general assembly
 6 has adopted a biennial budget appropriating amounts in the
 7 immediately succeeding state fiscal year for distribution to the
 8 school corporation from state funds, then from such fund or
 9 account, as determined by the state budget director, from which
 10 fund or account there is appropriated to the treasurer of state in
 11 the current state fiscal year an amount equal to the lesser of:

12 (A) the unpaid debt service obligations not paid from sources
 13 described in subdivisions (1) and (2); or

14 (B) the amount appropriated by the general assembly for the
 15 immediately succeeding state fiscal year for distribution to the
 16 school corporation from state funds, subject to IC 4-13-2-18(i).

17 (e) Notwithstanding any other law to the contrary, if any amounts
 18 are transferred to the treasurer of state under subsection (c), the
 19 applicable department or agency shall recover those amounts by:

20 (1) deducting an amount equal to the transfer from any future
 21 amounts to be distributed to the school corporation from state
 22 funds appropriated by the general assembly; and

23 (2) transferring any amount deducted under subdivision (1) to the
 24 treasurer of state for the purpose of allowing the treasurer of state
 25 to reimburse the fund or account from which the transfer was
 26 made.

27 (f) A reduction of distributions to a school corporation under
 28 subsection (e) must be made:

29 (1) first, from all funds except state tuition support; and

30 (2) second, from state tuition support.

31 (g) This section shall be interpreted liberally so that the state shall
 32 to the extent legally valid ensure that the debt service obligations of
 33 each school corporation are paid. However, this section does not create
 34 a debt of the state.

35 (h) **Notwithstanding subsections (e) and (f), beginning April 1,
 36 2026, and ending June 30, 2027, the reduction of distributions
 37 under subsections (e) and (f) to pay for debt service obligations
 38 issued by the Indianapolis public education corporation must be
 39 made from the reduction of distributions to the school city (as
 40 defined in IC 20-25-2-12). This subsection expires July 1, 2027.**

41 SECTION 64. IC 20-48-3-0.5 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**
 2 **public education corporation may exercise the same powers, duties,**
 3 **and responsibilities granted to the school city under this chapter as**
 4 **set forth in IC 20-25.3.**

5 SECTION 65. IC 36-3-6-9, AS AMENDED BY P.L.137-2012,
 6 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **This section does not**
 8 **apply to the Indianapolis public education corporation established**
 9 **by IC 20-25.3-3-1.**

10 (b) Except as provided in subsection (d), (e), the city-county
 11 legislative body shall review the proposed operating and maintenance
 12 budgets and tax levies and adopt final operating and maintenance
 13 budgets and tax levies for each of the following entities in the county:

- 14 (1) An airport authority operating under IC 8-22-3.
- 15 (2) A public library operating under IC 36-12.
- 16 (3) A capital improvement board of managers operating under
 17 IC 36-10.
- 18 (4) A public transportation corporation operating under IC 36-9-4.
- 19 (5) A health and hospital corporation established under
 20 IC 16-22-8.
- 21 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
 22 located in the county and has a governing body that is not
 23 comprised of a majority of officials who are elected to serve on
 24 the governing body.

25 Except as provided in subsection (e), (d), the city-county legislative
 26 body may reduce or modify but not increase a proposed operating and
 27 maintenance budget or tax levy under this section.

28 (b) (c) The board of each entity listed in subsection (a) (b) shall,
 29 after adoption of its proposed budget and tax levies, submit them, along
 30 with detailed accounts, to the city clerk before September 2.

31 (e) (d) The city-county legislative body or, when subsection (d) (e)
 32 applies, the fiscal body of an excluded city or town shall review the
 33 issuance of bonds of an entity listed in subsection (a) (b). Approval of
 34 the city-county legislative body or, when subsection (d) (e) applies, the
 35 fiscal body of an excluded city or town is required for the issuance of
 36 bonds. The city-county legislative body or the fiscal body of an
 37 excluded city or town may not reduce or modify a budget or tax levy of
 38 an entity listed in subsection (a) (b) in a manner that would:

- 39 (1) limit or restrict the rights vested in the entity to fulfill the
 40 terms of any agreement made with the holders of the entity's
 41 bonds; or
- 42 (2) in any way impair the rights or remedies of the holders of the



1 entity's bonds.

2 **(d) (e)** If the assessed valuation of a taxing unit is entirely contained
3 within an excluded city or town (as described in IC 36-3-1-7) that is
4 located in a county having a consolidated city, the governing body of
5 the taxing unit shall submit its proposed operating and maintenance
6 budget and tax levies to the city or town fiscal body for approval and
7 not the city-county legislative body. Except as provided in subsection
8 **(e), (d)**, the fiscal body of the excluded city or town may reduce or
9 modify but not increase a proposed operating and maintenance budget
10 or tax levy under this section.

11 SECTION 66. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1423, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-13-6-3, AS AMENDED BY P.L.166-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, provide to the county auditor the amount available for distribution, as certified for each semiannual distribution under IC 6-1.1-27-2. The county auditor shall advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

- (1) ninety-five percent (95%) of the total amount collected at the time of the advance; or
- (2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(d) At the semiannual distribution all the advances made to any political subdivision under subsection (b) shall be deducted from the total amount due any political subdivision as shown by the distribution.

(e) If a county auditor fails to make a distribution of tax collections by the deadline for distribution under subsection (b), a political subdivision that was to receive a distribution may recover interest on the undistributed tax collections under IC 6-1.1-27-1.

(f) Subject to this section, the Indianapolis public education corporation board established by IC 20-25.3-3-2 may file with the



county treasurer a written request under this section for an advance of the funds certified for the first semiannual distribution in 2026 to be distributed to the corporation board under IC 20-46-8-11.2(j). The corporation board shall deposit money advanced by the county auditor in the public education corporation operations fund created by IC 20-25.3-6-1. This subsection expires July 1, 2027."

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section:

(1) applies to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; **and**

(2) does not apply to the public education corporation.

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a public library or an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but:

(A) the taxing unit was originally established by the city or town; or

(B) the majority of the individuals serving on the governing body of the taxing unit are appointed by the city or town; the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted



to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

- (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
- (B) one (1).

STEP TWO: Multiply:

- (A) the STEP ONE result; by
- (B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

However, if the taxing unit files the information as required in subsection (c) or (d), whichever applies, for the budget year immediately following the budget year for which the formula under this subsection is applied, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the subsequent budget year, the taxing unit's maximum permissible ad valorem property tax levy must be calculated as if the formula under this subsection had not been applied for the affected budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the city's, town's, or county's maximum permissible ad valorem



property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

- (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
- (B) one (1).

STEP TWO: Multiply:

- (A) the STEP ONE result; by
- (B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

However, if the city, town, or county files the information as required in subsection (e) for the budget year immediately following the budget year for which the formula under this subsection is applied, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent budget year, the unit's maximum permissible ad valorem property tax levy must be calculated as if the formula under this subsection had not been applied for the affected budget year.

SECTION 4. IC 6-1.1-17-20.5, AS AMENDED BY P.L.113-2010, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20.5. (a) This section:

(1) applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body; **and**

(2) does not apply to the public education corporation.

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

- (1) a school corporation; or
- (2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

- (1) the assessed valuation of a taxing unit is entirely contained within a city or town; or
- (2) the assessed valuation of a taxing unit is not entirely contained



within a city or town but the taxing unit was originally established by the city or town; the governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body.

(d) However, in the case of a public library that is subject to this section and is described in subsection (c), the public library may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body, rather than the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town. The requirement that the public library must obtain the approval of the county fiscal body (rather than the city or town fiscal body) if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town does not apply to the issuance of bonds or the execution of a lease:

(1) for which a decision or preliminary determination was made under IC 6-1.1-20 before December 31, 2010; or

(2) that is approved by the city or town fiscal body or the county fiscal body before December 31, 2010.

(e) This subsection applies to a taxing unit not described in subsection (c) or (d). The governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body in the county where the taxing unit has the most net assessed valuation.".

Page 6, line 35, delete "four (4)" and insert "**six (6)**".

Page 7, delete lines 7 through 8, begin a new paragraph and insert:

"(e) A member of the corporation board may be removed for cause by the mayor."

Page 8, delete lines 1 through 2.

Page 8, line 3, delete "(2)" and insert "**(1)**".

Page 8, line 4, delete "(3)" and insert "**(2)**".

Page 8, line 22, delete "June 1," and insert "**March 31**,".

Page 8, line 28, delete "2028." and insert "**2029**.".

Page 8, line 33, delete "2029." and insert "**2030**.".

Page 8, line 38, delete "2030." and insert "**2031**.".

Page 8, line 39, delete "3031." and insert "**2032**.".

Page 9, line 11, after "2." insert "**(a)**".

Page 9, line 14, delete "Control" and insert "**Beginning with the 2028-2029 school year, control**".



Page 9, delete lines 15 through 18, begin a new line block indented and insert:

"(2) Establish, in collaboration with the nonprofit organization leading the transportation and centralized school facilities pilot program in Marion County, a unified transportation plan in accordance with section 5 of this chapter and, beginning with the 2028-2029 school year, lead and oversee the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.".

Page 9, line 20, delete "described in" and insert "**in accordance with**".

Page 9, line 22, delete "Establish and manage" and insert "**Manage**".

Page 10, line 20, delete "purchase." and insert "**purchase, or by lease under IC 20-47-2 or IC 20-47-3.**"

Page 12, between lines 10 and 11, begin a new paragraph and insert:

"(b) The corporation board shall determine the percentage of property tax revenue that the county auditor is required to distribute to the corporation under IC 20-46-8-11.2(j) or IC 20-46-8-12(m), as applicable. The amount determined under this subsection may not exceed three percent (3%) of the total amount of revenue to be distributed under IC 20-46-8-11.2(f), IC 20-46-8-12(h), or IC 20-46-8-12(l), as applicable, to the school city and to each charter school described in IC 20-46-8-12(m)(2) for each settlement period described in IC 6-1.1-27-1.

(c) The corporation board shall, in collaboration with the school city and the nonprofit organization leading the transportation and centralized school facilities pilot program in Marion County, do the following:

- (1) Complete a feasibility study to determine the best approach for managing school property.**
- (2) Not later than November 30, 2026, submit to the legislative council in an electronic format under IC 5-14-6 a report that includes information regarding the corporation board's progress in completing the feasibility study under subdivision (1) and report under subdivision (3).**
- (3) Not later than November 30, 2027, prepare and submit a report regarding the feasibility study under subdivision (1) to the legislative council in an electronic format under IC 5-14-6.**

This subsection expires July 1, 2028."

Page 12, line 14, delete "2027-2028" and insert "**2028-2029**".



Page 12, between lines 31 and 32, begin a new paragraph and insert:

"(c) Before a participating school may be closed as described in subsection (b)(3), the corporation shall:

(1) consult with the department; and

(2) hold a public hearing within the geographic boundaries of the school city;

regarding the proposed closure of the participating school.

(d) The corporation board shall submit to the legislative council in an electronic format under IC 5-14-6 the following:

(1) Not later than August 1, 2026, a report that includes information regarding the corporation board's progress in creating a single school performance framework under this section, including information related to the progress on the plan to close inefficient school buildings.

(2) Not later than November 30, 2026, the single school performance framework created under this section."

Page 12, delete lines 36 through 40, begin a new paragraph and insert:

"Sec. 5. (a) The corporation board shall do the following:

(1) Establish a unified transportation plan regarding the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.

(2) Include in the unified transportation plan the amount needed to fully fund the plan.

(3) Not later than November 30, 2026, submit to the legislative council in an electronic format under IC 5-14-6 a report that includes information regarding the corporation board's progress in completing the unified transportation plan.

(4) Not later than November 30, 2027, submit the unified transportation plan to the legislative council in an electronic format under IC 5-14-6.

(b) The corporation board shall implement the unified transportation plan beginning in the 2028-2029 school year."

Page 13, line 2, delete "established" and insert "implemented".

Page 13, delete lines 30 through 36, begin a new paragraph and insert:

"Sec. 1. (a) Any indebtedness, liabilities, and obligations incurred before April 1, 2026, by the school city or any participating school, remain the debt, liability, or obligation of the school city or participating school and do not become the debt, liability, or obligation of and may not be assumed by the



corporation. The rights of the bondholders remain unchanged.

(b) Any indebtedness, liabilities, and obligations incurred after March 31, 2026, by the corporation are the debt, liability, or obligation of the corporation."

Page 15, between lines 21 and 22, begin a new paragraph and insert:

"Chapter 6. Indianapolis Public Education Corporation Operations Fund

Sec. 1. The corporation shall create a corporation operations fund to be used by the corporation for the purposes of the corporation.

Sec. 2. The corporation operations fund shall be used to deposit revenue received under IC 20-46-8-11.2(j) and IC 20-46-8-12(m).

Sec. 3. Expenditures from the corporation operations fund may be made only after appropriation in the annual budget or by an additional appropriation under IC 6-1.1-18-5.

Sec. 4. (a) Any balance in the corporation operations fund may be invested in the manner provided for investment of money by a political subdivision. The net proceeds from the investment become a part of the corporation operations fund.

(b) Any balance, or a part of the balance, remaining in the corporation operations fund at the end of a year may be retained in the corporation operations fund.

Sec. 5. The corporation may use money in the corporation operations fund to carry out the purposes of the corporation."

Page 23, between lines 4 and 5, begin a new paragraph and insert:

"(c) After June 30, 2026, the public education corporation shall use money in the fund:

- (1) first, subject to IC 20-25.3-5-1, for payment of any obligation described under section 6 of this chapter and incurred by the school city (as defined in IC 20-25-2-12); and**
- (2) next, for payment of any obligation described under section 6 of this chapter and incurred by the public education corporation."**

Page 24, line 1, after "(a)," insert "beginning with property taxes first due and payable after December 31, 2025,"

Page 24, line 3, delete "school city" and insert "public education corporation, the school city,"

Page 24, line 6, delete "school city" and insert "public education corporation, the school city,"

Page 24, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 20. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025, SECTION 225, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies only to revenue collected after June 30, 2024, and before January 1, 2028, from a tax levy imposed under this chapter by a school corporation located in:

- (1) Lake County;
- (2) Marion County;
- (3) St. Joseph County; or
- (4) Vanderburgh County.

However, this section does not apply to, and distributions are not required for, a school corporation that is designated as a distressed political subdivision under IC 6-1.1-20.3.

(b) For distributions made in:

- (1) calendar year 2025, and subject to subsection (c); and
- (2) calendar years 2026 and 2027, and subject to subsections (c), (h), and (i);

the county auditor shall distribute to each charter school that is eligible for a distribution under subsection (d), and as provided under subsection (f), an amount of revenue received from a tax levy imposed by a school corporation under this chapter that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a).

(c) The following schools are not eligible to receive a distribution under this section:

- (1) A virtual charter school.
- (2) An adult high school.

(d) Not later than March 1, 2025, January 1, 2026, and January 1, 2027, the department, in consultation with the department of local government finance, shall determine the corresponding percentages of revenue received from the tax levy that are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a) and must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine each charter school that:

- (A) is located in the same county as the school corporation; and
- (B) provides not more than fifty percent (50%) virtual instruction for its students.

STEP TWO: Determine, for each charter school described in STEP ONE, the number of students who:

- (A) have legal settlement within the school corporation;
- (B) are currently included in the fall ADM for the charter



school; and

(C) receive not more than fifty percent (50%) virtual instruction.

STEP THREE: Determine the sum of:

(A) the aggregate of the STEP TWO results for all applicable charter schools; plus

(B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP FOUR: For each charter school described in STEP ONE, determine the result of:

(A) the applicable STEP TWO amount; divided by

(B) the STEP THREE amount;

expressed as a percentage.

STEP FIVE: Determine the sum of all the amounts computed under STEP FOUR and subtract the result from one hundred percent (100%).

(e) The department shall provide to the county auditor, immediately after calculation under subsection (d):

(1) each charter school determined under STEP ONE of subsection (d) and the charter school's corresponding percentage calculated under STEP FOUR of subsection (d); and

(2) the percentage calculated under STEP FIVE of subsection (d) for the school corporation.

(f) **Except as provided in subsection (j), and** subject to subsection (i), the county auditor shall distribute to the school corporation and each applicable charter school the amount determined, for each settlement period described in IC 6-1.1-27-1, in the last STEP of the following STEPS:

STEP ONE: For each school corporation, determine a base property tax levy amount calculated as:

(A) the sum of the school corporation's operations fund property tax levies that are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a) and collected under this chapter for the applicable settlement period as described in IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023; divided by

(B) three (3).

STEP TWO: For each school corporation, determine an incremental property tax levy amount calculated as:

(A) the school corporation's operations fund property tax levy collections that are attributable to the territory of the school



corporation that is located within the boundaries of a county listed in subsection (a) for the applicable settlement period as described in IC 6-1.1-27-1 in the current calendar year; minus (B) the school corporation's base property tax levy collections determined for the applicable settlement period as described in IC 6-1.1-27-1 under STEP ONE.

STEP THREE: For the school corporation and each applicable charter school, determine the result of:

(A) the sum of:

- (i) the incremental amount determined under STEP TWO; plus
- (ii) any distribution amount withheld under subsection (i); multiplied by

(B) the following percentage:

- (i) In the case of an applicable charter school, the charter school's percentage under STEP FOUR of subsection (d).
- (ii) In the case of the school corporation, the school corporation's percentage under STEP FIVE of subsection (d).

(g) Before August 15, 2025, and August 15, 2026, the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and charter school are expected to receive under this section based on the most recent fall ADM count.

(h) This subsection applies to distributions of property tax revenue under this section in 2026 and 2027. In order to receive a distribution under this section in 2026 and 2027, the governing body of an eligible charter school shall, before October 15, 2025, and October 15, 2026, adopt a budget for the current school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the charter school is incorporated. A budget that is adopted under this subsection must be submitted to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3 not later than:

- (1) to receive distributions in 2026, November 1, 2025; and
- (2) to receive distributions in 2027, November 1, 2026.

In addition to the adopted budget, the governing body of the charter school shall also submit to the charter authorizer, and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3, the dates on which each requirement under this subsection was met and a statement from the governing body



of the charter school attesting that those dates are true and accurate and that the budget was properly adopted under this subsection.

(i) This subsection applies to distributions of property tax revenue under this section in 2026 and 2027. If an eligible charter school does not satisfy the requirements of subsection (h) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (h). Any distribution amount that must be withheld from distribution to any particular charter school under this subsection in:

- (1) calendar year 2026 shall be added to the incremental amount as described in STEP TWO of subsection (f) and distributed among the school corporation and remaining charter schools according to subsection (f) in calendar year 2027; and
- (2) calendar year 2027 shall be added to the incremental amount as described in STEP TWO of subsection (f) and distributed among the school corporation and remaining charter schools according to subsection (f) in calendar year 2027.

(j) This subsection applies only to distributions of property tax revenue in 2026 and to distributions of property tax revenue in 2027 to:

- (1) a school city (as defined in IC 20-25-2-12); and**
- (2) a charter school that:**
 - (A) is located in the territory of a school city (as defined in IC 20-25-2-12); and**
 - (B) would otherwise receive a share of property tax revenue from the school city under this section.**

Before making any distribution under subsection (f), the county auditor shall first distribute to the public education corporation for deposit in the public education corporation operations fund created under IC 20-25.3-6-1 an amount equal to the percentage determined by the Indianapolis public education corporation board under IC 20-25.3-4-2(b).

SECTION 21. IC 20-46-8-12, AS ADDED BY P.L.68-2025, SECTION 226, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to revenue collected after December 31, 2027, from a tax levy imposed



under this chapter only if the number of students who have legal settlement in a school corporation but attend a charter school, excluding virtual charter schools and adult high schools, and receive not more than fifty percent (50%) virtual instruction, is at least the greater of:

- (1) one hundred (100) students; or
- (2) two percent (2%) of the school corporation's spring ADM count, excluding students who receive more than fifty percent (50%) virtual instruction.

(b) As used in this section, "eligible charter school" means a charter school attended by a student who:

- (1) has legal settlement in a school corporation that imposes a tax levy under this chapter; and
- (2) receives not more than fifty percent (50%) virtual instruction.

However, the term does not include a virtual charter school or an adult high school.

(c) The following schools are not eligible to receive, and may not be considered in a calculation made for purposes of, a distribution under this section:

- (1) A virtual charter school.
- (2) An adult high school.

(d) Beginning in calendar year 2028, and in each calendar year thereafter, and subject to subsection (j), the county auditor shall distribute to each eligible charter school in the manner provided under this section an amount of revenue received from a tax levy imposed by a school corporation under this chapter.

(e) For the purposes of the calculations made in this section, each eligible charter school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation.

(f) Not later than January 1, 2028, and not later than January 1 of each year thereafter, the department, in consultation with the department of local government finance, shall determine, for each school corporation, the corresponding percentages of revenue received from the tax levy that must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine, for each eligible charter school, the number of students who:

- (A) have legal settlement within the school corporation;
- (B) are currently included in the fall ADM count for the charter school; and



(C) receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

- (A) the aggregate of the STEP ONE results for all eligible charter schools with respect to the school corporation; plus
- (B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP THREE: For each eligible charter school, determine the result of:

- (A) the applicable STEP ONE amount; divided by
- (B) the STEP TWO amount;

expressed as a percentage.

STEP FOUR: Determine the sum of all the amounts computed under STEP THREE and subtract the result from one hundred percent (100%).

(g) The department shall provide to the county auditor, immediately after calculation under subsection (f):

- (1) each eligible charter school and the eligible charter school's corresponding percentage calculated under STEP THREE of subsection (f); and
- (2) the percentage calculated under STEP FOUR of subsection (f) for the school corporation.

(h) **Except as provided in subsection (m), and** subject to subsections (j) and (l), the county auditor shall distribute to the school corporation and each eligible charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the amount collected in the most recent installment period by the school corporation from the school corporation's operations fund levy imposed under this chapter.

STEP TWO: To determine the distribution for the school corporation and each eligible charter school, determine the result of:

- (A) the sum of:
 - (i) the STEP ONE result; plus
 - (ii) any amount withheld in the previous year under subsection (k); multiplied by

- (B) the following percentage:
 - (i) In the case of an eligible charter school, the charter school's percentage under STEP THREE of subsection (f).
 - (ii) In the case of the school corporation, the school corporation's percentage under STEP FOUR of subsection (f).



(i) Not later than August 15, 2027, and not later than August 15 of each calendar year thereafter, the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and eligible charter school are expected to receive under this section in the subsequent calendar year based on the most recent fall ADM count.

(j) Beginning with distributions of property tax revenue under this section in 2028 and thereafter, in order to receive a distribution under this section, the governing body of an eligible charter school shall, not later than October 15, 2027, and not later than October 15 of each calendar year thereafter, adopt a budget for the current school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the eligible charter school is incorporated. Not later than November 1, 2027, and not later than November 1 of each calendar year thereafter, the governing body of the charter school shall submit:

- (1) the budget that is adopted under this subsection;
- (2) the dates on which each requirement under this subsection was met; and
- (3) a statement from the governing body of the charter school attesting that the dates provided in subdivision (2) are true and accurate and that the budget was properly adopted under this subsection;

to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(k) If an eligible charter school does not satisfy the requirements of subsection (j) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the eligible charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the eligible charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (j). Any distribution amount withheld under this subsection shall be:

- (1) added to the property tax revenue collections as described in STEP TWO of subsection (h); and
- (2) distributed among the school corporation and remaining eligible charter schools according to subsection (h);

in the calendar year that immediately follows the calendar year in



which the distribution amount was withheld.

(l) This subsection applies only to distributions under subsection (h) in calendar years 2028, 2029, and 2030 to an eligible charter school. **Except as provided in subsection (m)**, instead of the amount determined under subsection (h) for a distribution to a particular eligible charter school from the revenue collected from the tax levy imposed under this chapter by a particular school corporation, the county auditor shall make distributions according to the following:

- (1) For a distribution in 2028, the county auditor shall distribute an amount for a particular eligible charter school equal to:
 - (A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by
 - (B) twenty-five hundredths (0.25).
- (2) For a distribution in 2029, the county auditor shall distribute an amount for a particular eligible charter school equal to:
 - (A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by
 - (B) five-tenths (0.5).
- (3) For a distribution in 2030, the county auditor shall distribute an amount for a particular eligible charter school equal to:
 - (A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by
 - (B) seventy-five hundredths (0.75).

Any amount of property tax revenue collected from the tax levy imposed under this chapter by a particular school corporation that remains after making the distributions according to this subsection shall be distributed to the school corporation and are in addition to the amount distributed to the school corporation under subsection (h) for the applicable year. This subsection expires July 1, 2032.

(m) This subsection applies only to distributions of revenue to:

- (1) a school city (as defined in IC 20-25-2-12); and**
- (2) a charter school that:**
 - (A) is located in the territory of a school city (as defined in IC 20-25-2-12); and**
 - (B) would otherwise receive a share of property tax revenue from the school city under this section.**

Before making any distribution under subsection (h) or (l), the county auditor shall first distribute to the public education corporation for deposit in the public education corporation operations fund created under IC 20-25.3-6-1 an amount equal to the percentage determined by the Indianapolis public corporation board under IC 20-25.3-4-2(b).".



Page 24, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 23. IC 20-47-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. As used in this chapter, "corporation board" refers to the Indianapolis public education corporation board established by IC 20-25.3-3-2.

SECTION 24. IC 20-47-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. As used in this chapter, "public education corporation" refers to the Indianapolis public education corporation established by IC 20-25.3-3-1.

SECTION 25. IC 20-47-2-5, AS AMENDED BY P.L.233-2015, SECTION 304, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A school corporation **or the public education corporation may lease a school building or buildings for the use of:**

(1) the school corporation **or public education corporation**; or
 (2) a joint or consolidated school district of which the school corporation is a part or to which it contributes;
 for a term not to exceed thirty (30) years.

(b) A school corporation **or the public education corporation** may not enter into a lease under this section unless the governing body **or the corporation board**, after investigation, determines that a need exists for the school building and that the school corporation **or public education corporation** cannot provide the necessary funds to pay the cost or its proportionate share of the cost of the school building or buildings required to meet the present needs.

(c) If two (2) or more school corporations propose to jointly enter into a lease under this section, joint meetings of the governing bodies of the school corporations may be held, but action taken at a joint meeting is not binding on any of those school corporations unless approved by a majority of the governing body of those school corporations. A lease executed by two (2) or more school corporations as joint lessees must:

(1) set out the amount of the total lease rental to be paid by each lessee, which may be as agreed upon; and
 (2) provide that:
 (A) there is no right of occupancy by any lessee unless the total rental is paid as stipulated in the lease; and
 (B) all rights of joint lessees under the lease are in proportion to the amount of lease rental paid by each lessee.

SECTION 26. IC 20-47-2-6, AS ADDED BY P.L.2-2006,



SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, ~~or~~ **school** corporations, **or the public education corporation** may enter into a lease under this chapter only with a corporation organized under Indiana law solely for the purpose of acquiring a site, erecting a suitable school building or buildings on that site, leasing the building or buildings to the school corporation, ~~or~~ **school** corporations, **or public education corporation** collecting the rentals under the lease, and applying the proceeds of the lease in the manner provided in this chapter.

(b) A lessor corporation described in subsection (a):

- (1) must, except as provided in subdivision (2), act entirely without profit to the lessor corporation or its officers, directors, and stockholders;
- (2) is entitled to the return of capital actually invested, plus interest or dividends on outstanding securities or loans, not to exceed five percent (5%) per annum and the cost of maintaining the lessor corporation's corporate existence and keeping its property free of encumbrance; and
- (3) upon receipt of any amount of lease rentals exceeding the amount described in subdivision (2), apply the excess funds to the redemption and cancellation of the lessor corporation's outstanding securities or loans as soon as may be done.

SECTION 27. IC 20-47-2-7, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into under this chapter must include the following provisions:

- (1) An option for the school corporation, ~~or~~ **school** corporations, **or the public education corporation** to renew the lease for a further term on similar conditions.
- (2) An option for the school corporation, ~~or~~ **school** corporations, **or public education corporation** to purchase the property covered by the lease after six (6) years from the execution of the lease and before the expiration of the term of the lease, on the date or dates in each year as may be fixed in the lease. The purchase price:
 - (A) must be equal to the amount required to enable the lessor corporation owning the property to liquidate by paying all indebtedness, with accrued and unpaid interest, redeeming and retiring any stock at par, and paying the expenses and charges of liquidation; and
 - (B) may not exceed the capital actually invested in the



property by the lessor corporation represented by outstanding securities or existing indebtedness, plus the cost of transferring the property and liquidating the lessor corporation.

(b) A lease entered into under this chapter may not provide or be construed to provide that a school corporation **or the public education corporation** is under any obligation to purchase a leased school building or buildings, or under any obligation in respect to any creditors, shareholders, or other security holders of the lessor corporation.

SECTION 28. IC 20-47-2-10, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, **or school** corporations, **or the public education corporation** may, in anticipation of the acquisition of a site and the construction and erection of a school building or buildings, enter into a lease with a lessor corporation before the actual acquisition of the site and the construction and erection of the building or buildings. However, a lease entered into under this section may not provide for the payment of any lease rental by the lessee or lessees until the building or buildings are ready for occupancy, at which time the stipulated lease rental may begin. The contractor must furnish to the lessor corporation a bond satisfactory to the lessor corporation conditioned upon the final completion of the building or buildings within the period specified in the contract.

SECTION 29. IC 20-47-2-11, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor corporation and the school corporation, **or school** corporations, **or the public education corporation** have agreed upon the terms and conditions of a lease proposed to be entered into under this chapter, and before the final execution of the lease, a notice shall be given by publication to all persons interested of a hearing or joint hearing to be held before the governing body or governing bodies of the school corporation or corporations **or the corporation board** authorized to approve the lease. The hearing must be not earlier than:

- (1) ten (10) days after publication of the notice, if new construction is proposed; or
- (2) thirty (30) days after publication of the notice, if improvement or expansion is proposed.

(b) The notice required by subsection (a) must:

- (1) be published one (1) time in:
 - (A) a newspaper of general circulation printed in the English



language in the school corporation;

(B) a newspaper described in clause (A) in each school corporation if the proposed lease is a joint lease; or

(C) if no such paper is published in the school corporation, in any newspaper of general circulation published in the county;

(2) name the date, time, and place of the hearing; and

(3) set forth a brief summary of the principal terms of the lease agreed upon, including the:

(A) location of the property to be leased;

(B) name of the proposed lessor corporation;

(C) character of the property to be leased;

(D) rental to be paid; and

(E) number of years the lease is to be in effect.

The cost of publishing the notice shall be borne by the lessor corporation.

(c) The proposed lease, drawings, plans, specifications, and estimates for the school building or buildings must be available for inspection by the public during the ten (10) day or thirty (30) day period described in subsection (a) and at the hearing under section 12 of this chapter.

SECTION 30. IC 20-47-2-12, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) At the hearing, all interested persons have a right to be heard upon the necessity for the execution of the proposed lease and whether the rental to be paid to the lessor corporation under the proposed lease is a fair and reasonable rental for the proposed building. The hearing may be adjourned to a later date or dates.

(b) Within thirty (30) days following the termination of the hearing, the governing body or bodies of the school corporation or corporations **or the corporation board** may by a majority vote of all members of the governing body or bodies **or corporation board**:

(1) authorize the execution of the proposed lease as originally agreed upon; or

(2) make modifications to the proposed lease that are agreed upon with the lessor corporation.

However, the lease rentals as set out in the published notice may not be increased in any modifications approved under subdivision (2).

SECTION 31. IC 20-47-2-13, AS AMENDED BY P.L.38-2021, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as originally agreed upon or as modified by agreement is authorized by



the governing body or bodies of the school corporation or corporations **or the corporation board**, the governing body **or corporation board** shall give notice of the signing of the lease by publication one (1) time in:

- (1) a newspaper of general circulation printed in the English language in the school corporation;
- (2) a newspaper described in subdivision (1) in each school corporation if the proposed lease is a joint lease; or
- (3) if no such newspaper is published in the school corporation, in any newspaper of general circulation published in the county.

(b) This subsection does not apply to a lease for which a school corporation **or the public education corporation** after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008. Within thirty (30) days after the publication of notice under subsection (a), fifty (50) or more taxpayers in the school corporation or corporations who:

- (1) will be affected by the proposed lease; and
- (2) are of the opinion that:
 - (A) necessity does not exist for the execution of the lease; or
 - (B) the proposed rental provided for in the lease is not a fair and reasonable rental;

may file a petition in the office of the county auditor of the county in which the school corporation or corporations are located. The petition must set forth the taxpayers' objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition under subsection (b), the county auditor shall immediately certify a copy of the petition, together with any other data that is necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and data, if any, the department of local government finance shall fix a time, date, and place for the hearing of the matter, which may not be less than five (5) nor more than thirty (30) days thereafter. The department of local government finance shall:

- (1) conduct the hearing in the school corporation or corporations, in the county where the school corporation or corporations are located, or through electronic means; and
- (2) give notice of the hearing to the members of the governing body or bodies of the school corporation or corporations **or the**



corporation board and to the first fifty (50) taxpayers who signed the petition under subsection (b) by a letter signed by the commissioner or deputy commissioner of the department of local government finance and enclosed with full prepaid postage addressed to the taxpayer petitioners at their usual place of residence, at least five (5) days before the hearing.

The decision of the department of local government finance on the appeal upon the necessity for the execution of the lease and as to whether the rental is fair and reasonable, is final.

SECTION 32. IC 20-47-2-14, AS AMENDED BY P.L.146-2008, SECTION 516, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be instituted at any time later than:

- (1) thirty (30) days after publication of notice of the execution of the lease by the governing body or bodies of the school corporation or corporations **or the corporation board**; or
- (2) if an appeal is allowed under section 13 of this chapter and has been taken to the department of local government finance, thirty (30) days after the decision of the department of local government finance.

SECTION 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The lessor corporation shall acquire, own, and hold in fee simple the land on which a school building or buildings are to be erected under this chapter. A school corporation **or the public education corporation** that proposes to lease such a school building, either alone or jointly with another school corporation, and owns the land on which it desires that the building or buildings be erected may sell and transfer that land to the lessor corporation in fee simple, subject to the following conditions:

- (1) Before the sale may take place, the governing body of the school corporation **or the corporation board** must file a petition with the circuit court of the county in which the school corporation is located, requesting the appointment of:
 - (A) one (1) disinterested freeholder of the school corporation as an appraiser; and
 - (B) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana to determine the fair market value of the land. One (1) of the appraisers described in clause (B) must reside not more than fifty (50) miles from the land.
- (2) Upon their appointment, the three (3) appraisers shall proceed



to fix the fair market value of the land and shall report the amount fixed to the circuit court within two (2) weeks after their appointment.

(3) The school corporation **or public education corporation** may sell the land to the lessor corporation for an amount not less than the amount fixed as the fair market value by the three (3) appraisers, which shall be paid in cash upon delivery of the deed by the school corporation **or public education corporation** to the lessor corporation. However, if the land was acquired by the school corporation **or public education corporation** within three (3) years immediately preceding the date of the filing of the petition with the circuit court, the land may not be sold for an amount less than the amount paid by the school corporation **or public education corporation** for the land.

SECTION 34. IC 20-47-2-17, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section, "bonds" includes bonds, debentures, or other evidences of indebtedness.

(b) A lessor corporation having outstanding bonds that by their terms are redeemable before their maturities may issue bonds in the manner provided by section 16 of this chapter to refund the outstanding bonds. The refunding bonds may be issued in an amount not exceeding the sum of:

- (1) the principal amount of the outstanding bonds;
- (2) any premium required to be paid upon redemption of the outstanding bonds; and
- (3) the estimated expenses to be incurred in connection with the issuance of the refunding bonds.

(c) The sum of the net interest cost to the lessor corporation of the refunding bonds plus the premium required to be paid in connection with the redemption of the outstanding bonds and the estimated expenses to be incurred in connection with the issuance of the refunding bonds may not exceed the total interest that would have been payable by the lessor corporation on the bonds being refunded from the date of redemption to the maturity of the bonds being refunded. Net interest cost on the refunding bonds is the amount determined by computing the total interest on all the refunding bonds to their maturities and deducting from that amount the premium bid, if any.

(d) Refunding bonds issued under this section:

- (1) are legal and proper investments;
- (2) are exempt from taxation; and



(3) may be sold without registration with or approval of the securities division of the office of the secretary of state or securities commissioner;

in the same manner, under the same conditions, and subject to the same limitations as any other bonds issued by lessor corporations under section 16 of this chapter. However, no proceedings or actions by the lessee nor approval by any board, commission, or agency are required in connection with the refunding, and the refunding authorized in this section does not affect the obligation of the lessee to pay the lease rental under the lease of the building or buildings.

(e) An action to contest the validity of refunding bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(f) In connection with the issuance of refunding bonds, the lessee school corporation, **or** school corporations, **or** **public education corporation** may enter into an amendment to the lease with the lessor corporation providing for an extension of the time set forth in the lease before the option of the lessee or lessees to purchase may be exercised to a time agreed upon between the lessee school corporation, **or** school corporations, **or** **public education corporation** and the lessor corporation.

SECTION 35. IC 20-47-2-18, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section, "bonds" means bonds, debentures, or other evidences of indebtedness.

(b) As used in this section, "improvement" or "improvements" means one (1) or more of the following:

(1) Construction of a school building.

(2) An addition to a school building owned by a lessor corporation or owned by the school corporation **or** **public education corporation** to which a lessor corporation has leased property under this chapter, and any remodeling incidental to that addition.

(3) Remodeling of or construction of appurtenances to a school building owned by a lessor corporation.

(c) A lessor corporation having outstanding bonds that by their terms are redeemable before their maturities may issue bonds in the manner provided under section 16 of this chapter to refund the outstanding bonds and construction of improvements.

(d) Refunding and improvement bonds issued under this section:

(1) are legal and proper investments;
 (2) are exempt from taxation; and



(3) may be sold without registration with or approval of the securities division of the office of the secretary of state or the securities commissioner;

in the same manner, under the same conditions, and subject to the same limitations as any other bonds issued by lessor corporations under section 16 of this chapter.

(e) In connection with the issuance of refunding and improvement bonds, the lessee school corporation, **or** school corporations, **or** **public education corporation** may enter into an amendment to the lease with the lessor corporation providing for:

(1) an extension of the time set forth in the lease before the option of the lessee or lessees to purchase may be exercised to a time agreed upon between the lessee school corporation, **or** school corporations, **or** **public education corporation** and the lessor corporation;

(2) an extension of the term of the lease, not to exceed ten (10) years, to include the improvements in the description of the leased property; and

(3) increased lease rental payments after the completion of the improvements.

(f) No proceedings or actions by the lessee nor approval by any board, commission, or agency are required in connection with a refunding under this section, and the refunding does not affect the obligation of the lessee to pay the lease rental under the lease of the building or buildings. However, all provisions, restrictions, and limitations of this chapter that are not inconsistent with this section, including the petition of school patrons, notice of hearing, hearing, notice of execution, and right to file an objecting petition, apply to an amendment of the lease increasing the lease rental payments as if the amendment were an original lease.

(g) An action to contest the validity of refunding and improvement bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

SECTION 36. IC 20-47-2-19, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or** **the public education corporation** that decides to exercise an option to purchase a school building under this chapter may issue general obligation bonds to procure funds to pay the cost of acquisition. General obligation bonds issued under this section must be authorized, issued, and sold in the manner provided for the authorization, issuance, and sale of bonds by school corporations **or** **the public education**



corporation for school building purposes.

SECTION 37. IC 20-47-2-20, AS AMENDED BY P.L.244-2017, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the public education corporation** that executes a lease under this chapter shall annually appropriate from its debt service fund or **general fund** (before January 1, 2019) **or** operations fund (after December 31, 2018) an amount sufficient to pay the lease rental required under the lease. The appropriation is reviewable by other bodies vested by law with such authority to ascertain that the specified amount is sufficient to meet the lease rental required under the lease. The first specific appropriation shall be made at the first budget period following the date of the execution of the lease, and the first annual appropriation must be sufficient to pay the estimated amount of the first annual lease rental payment to be made under the lease. Thereafter, the annual appropriations provided for in this section shall be made, and payments shall be made from the debt service fund.

SECTION 38. IC 20-47-2-21, AS AMENDED BY P.L.79-2017, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. Property owned by a lessor corporation entering into a lease with a school corporation, **or school** corporations, **or the public education school corporation** under this chapter, and all stock and other securities (including the interest or dividends) issued by a lessor corporation, are exempt from all state, county, and other taxes, except the financial institutions tax (IC 6-5.5).

SECTION 39. IC 20-47-2-22, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be construed as being supplemental to all other laws covering the acquisition, use, and maintenance of school buildings by school corporations **or the public education corporation**. However, as to school buildings constructed, acquired, leased, or purchased under this chapter, it is not necessary to comply with other laws concerning the acquisition, use, and maintenance of school buildings by school corporations **or the public education corporation** except as specifically required in this chapter.

SECTION 40. IC 20-47-2-23, AS AMENDED BY P.L.244-2017, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the termination of a lease entered into under this chapter, the lessor corporation shall return to the school corporation **or the public education corporation** any money held by the lessor corporation that exceeds the amount



needed to retire bonds issued under this chapter and to dissolve the lessor corporation.

(b) A school corporation **or the public education corporation** shall deposit the money received under subsection (a) in its debt service fund or operations fund.

SECTION 41. IC 20-47-3-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter, "corporation board" refers to the Indianapolis public education corporation board established by IC 20-25.3-3-2.**

SECTION 42. IC 20-47-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter, "public education corporation" refers to the Indianapolis public education corporation established by IC 20-25.3-3-1.**

SECTION 43. IC 20-47-3-3, AS AMENDED BY P.L.233-2015, SECTION 305, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or the public education corporation** may lease a school building or buildings for the use of:

(1) the school corporation **or public education corporation**; or
 (2) a joint or consolidated school district of which the school corporation is a part or to which it contributes;
 for a term not to exceed fifty (50) years.

(b) A school corporation **or the public education corporation** may not enter into a lease under this section unless the governing body **or corporation board**, after investigation, determines that a need exists for the school building.

(c) If two (2) or more school corporations propose to jointly enter into a lease under this section, joint meetings of the governing bodies of the school corporations may be held, but action taken at a joint meeting is not binding on any of those school corporations unless approved by a majority of the governing body of each of those school corporations. A lease executed by two (2) or more school corporations as joint lessees must:

(1) set out the amount of the total lease rental to be paid by each lessee, which may be as agreed upon; and
 (2) provide that:
 (A) there is no right of occupancy by any lessee unless the total rental is paid as stipulated in the lease; and
 (B) all rights of joint lessees under the lease are in proportion to the amount of lease rental paid by each lessee.



SECTION 44. IC 20-47-3-4, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or school** corporations, **or the public education corporation** may enter into a lease or lease with option to purchase under this chapter only with:

- (1) a corporation organized under Indiana law or admitted to do business in Indiana; or
- (2) a religious organization (or the organization's agent) that is exempt from federal income taxation under Section 501 of the Internal Revenue Code.

SECTION 45. IC 20-47-3-5, AS AMENDED BY P.L.146-2008, SECTION 517, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsections (d) and (e), a lease must provide that the school corporation, **or school** corporations, **or the public education corporation** have an option to:

- (1) renew the lease for a further term on like conditions; and
- (2) purchase the property covered by the lease;

with the terms and conditions of the purchase to be specified in the lease, subject to the approval of the department of local government finance.

(b) If the option to purchase the property covered by the lease is exercised, the school corporation, **or school** corporations, **or public education corporation** to procure funds to pay the purchase price, may issue and sell bonds under the provisions of the general statute governing the issue and sale of bonds of the school corporation, **or school** corporations, **or public education corporation**. The purchase price may not be more than the purchase price set forth in the lease plus:

- (1) two percent (2%) of the purchase price as prepayment penalty for purchase within the first five (5) years of the lease term; or
- (2) one percent (1%) of the purchase price as prepayment penalty for purchase in the second five (5) years of the lease term; and thereafter the purchase shall be without prepayment penalty.

(c) However:

- (1) if the school corporation, **or school** corporations, **or the public education corporation** have not exercised an option to purchase the property covered by the lease at the expiration of the lease; and
- (2) upon the full discharge and performance by the school corporation, **or school** corporations, **or public education**



corporation of their obligations under the lease; the property covered by the lease becomes the absolute property of the school corporation, **or school** corporations, **or public education corporation**, and the lessor corporation shall execute proper instruments conveying to the school corporation, **or school** corporations, **or public education corporation** good and merchantable title to that property.

(d) The following provisions apply to a school corporation that is located in Dubois County and enters into a lease with a religious organization or the organization's agent as authorized under section 4 of this chapter:

(1) The lease is not required to include on behalf of the school corporation an option to purchase the property covered by the lease.

(2) The lease must include an option to renew the lease.

(3) The property covered by the lease is not required to become the absolute property of the school corporation as provided in subsection (c).

(e) In the case of a lease for which a school corporation **or the public education corporation**:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008;

the terms and conditions of the purchase that are specified in the lease are not subject to the approval of the department of local government finance.

SECTION 46. IC 20-47-3-8, AS AMENDED BY P.L.146-2008, SECTION 518, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in subsection (b), a school corporation, **or school** corporations, **or the public education corporation** may, in anticipation of the acquisition of a site and the construction and erection of a school building or buildings, and, subject to the approval of the department of local government finance, enter into a lease with a lessor corporation before the actual acquisition of the site and the construction and erection of the building or buildings. However, the lease entered into by the school corporation, **or school** corporations, **or public education corporation** may not provide for the payment of any lease rental by the lessee or lessees until the building or buildings are ready for occupancy, at



which time the stipulated lease rental may begin. The lessor corporation shall furnish a bond to the approval of the lessee or lessees conditioned on the final completion of the building or buildings within a period not to exceed one (1) year from the date of the execution of the lease, unavoidable delays excepted.

(b) In the case of a lease for which a school corporation **or the public education corporation**:

- (1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or
- (2) in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008;

the approval of the department of local government finance is not required.

SECTION 47. IC 20-47-3-9, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor corporation and the school corporation, **or school corporations, or public education corporation** have agreed upon the terms and conditions of a lease proposed to be entered into under this chapter, and before the final execution of the lease, a notice shall be given by publication to all persons interested of a hearing or joint hearing to be held before the governing body or governing bodies of the school corporations **or the corporation board** authorized to approve the lease. The hearing must be not earlier than:

- (1) ten (10) days after publication of the notice, if new construction is proposed; or
- (2) thirty (30) days after publication of the notice, if improvement or expansion is proposed.

(b) The notice required by subsection (a) must:

- (1) be published one (1) time in:
 - (A) a newspaper of general circulation printed in the English language in the school corporation;
 - (B) a newspaper described in clause (A) in each school corporation if the proposed lease is a joint lease; or
 - (C) if no such paper is published in the school corporation, in any newspaper of general circulation published in the county;
- (2) name the date, time, and place of the hearing; and
- (3) set forth a brief summary of the principal terms of the lease agreed upon, including the:
 - (A) location of the property to be leased;



- (B) name of the proposed lessor corporation;
- (C) character of the property to be leased;
- (D) rental to be paid; and
- (E) number of years the lease is to be in effect.

The cost of publication of the notice shall be paid by the lessor corporation.

(c) The proposed lease, drawings, plans, specifications, and estimates for the school building or buildings must be available for inspection by the public during the ten (10) day or thirty (30) day period described in subsection (a) and at the hearing under section 10 of this chapter.

SECTION 48. IC 20-47-3-10, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all interested persons have a right to be heard upon the necessity for the execution of the proposed lease and whether the rental to be paid to the lessor corporation under the proposed lease is a fair and reasonable rental for the proposed building. The hearing may be adjourned to a later date or dates.

(b) Not later than thirty (30) days following the termination of the hearing, the governing body or bodies of the school corporation or corporations **or the corporation board** may by a majority vote of all members of the governing body or bodies **or the corporation board**:

- (1) authorize the execution of the lease as originally agreed upon; or
- (2) make modifications to the proposed lease as agreed upon with the lessor corporation.

However, the lease rentals as set out in the published notice may not be increased.

SECTION 49. IC 20-47-3-11, AS AMENDED BY P.L.38-2021, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as originally agreed upon or as modified by agreement is authorized by the governing body or bodies of the school corporation or corporations **or the corporation board**, the governing body **or corporation board** shall give notice of the signing of the lease by publication one (1) time in:

- (1) a newspaper of general circulation printed in the English language in the school corporation;
- (2) a newspaper described in subdivision (1) in each school corporation if the proposed lease is a joint lease; or
- (3) if no such newspaper is published in the school corporation,



in any newspaper of general circulation published in the county.

(b) This subsection does not apply to leases for which a school corporation **or the public education corporation** after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008. Within thirty (30) days after the publication of notice under subsection (a), ten (10) or more taxpayers in the school corporation or corporations who:

- (1) will be affected by the proposed lease; and
- (2) are of the opinion that:

- (A) no necessity exists for the execution of the lease; or
- (B) the proposed rental provided for in the lease is not a fair and reasonable rental;

may file a petition in the office of the county auditor of the county in which the school corporation or corporations are located. The petition must set forth the taxpayers' objections to the lease and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition under subsection (b), the county auditor shall immediately certify a copy of the petition and any other data that is necessary to present the questions involved to the department of local government finance. Upon receipt of the certified petition and data, if any, the department of local government finance shall fix a date, time, and place for the hearing of the matter, which may not be less than five (5) nor more than thirty (30) days after receipt of the petition and data, if any. The department of local government finance shall:

- (1) conduct the hearing in the school corporation or corporations, in the county where the school corporation or corporations are located, or through electronic means; and
- (2) give notice of the hearing to the members of the governing body or bodies of the school corporation or corporations **or the corporation board** and to the first ten (10) taxpayer petitioners upon the petition by a letter signed by the commissioner or deputy commissioner of the department of local government finance, and enclosed with full prepaid postage addressed to the taxpayer petitioners at their usual place of residence, at least five (5) days before the hearing.

The decision of the department of local government finance on the appeal upon the necessity for the execution of the lease, and as to



whether the rental is fair and reasonable, is final.

SECTION 50. IC 20-47-3-12, AS AMENDED BY P.L.146-2008, SECTION 520, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be instituted at any time later than:

- (1) thirty (30) days after publication of notice of the execution of the lease by the governing body or bodies of the school corporation or corporations **or the corporation board**; or
- (2) if an appeal is allowed under section 11 of this chapter and has been taken to the department of local government finance, thirty (30) days after the decision of the department of local government finance.

SECTION 51. IC 20-47-3-13, AS AMENDED BY P.L.113-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The lessor corporation shall acquire, own, and hold in fee simple the land on which a school building or buildings are to be erected under this chapter. A school corporation **or the public education corporation** that proposes to lease a school building, either alone or jointly with another school corporation, and owns the land on which it desires to be erected the building or buildings may sell and transfer that land to the lessor corporation in fee simple, subject to the following conditions:

- (1) Before the sale may take place, the governing body of the school corporation **or the corporation board** must file a petition with the circuit court of the county in which the school corporation is located, requesting the appointment of:
 - (A) one (1) disinterested freeholder of the school corporation as an appraiser; and
 - (B) two (2) disinterested appraisers licensed under IC 25-34.1; who are residents of Indiana to determine the fair market value of the land. One (1) of the appraisers described in clause (B) must reside not more than fifty (50) miles from the land.
- (2) Upon appointment, the three (3) appraisers shall proceed to fix the fair market value of the land and shall report the amount fixed to the circuit court within two (2) weeks after the appointment.
- (3) The school corporation **or the public education corporation** may sell the land to the lessor corporation for an amount not less than the amount fixed by the three (3) appraisers as the fair market value, which shall be paid in cash upon delivery of the deed by the school corporation **or the public education corporation** to the lessor corporation. However, if the land was



acquired by the school corporation **or public education corporation** within three (3) years immediately preceding the date of the filing of the petition with the circuit court, the land may not be sold for an amount less than the amount paid by the school corporation **or public education corporation** for the land.

SECTION 52. IC 20-47-3-14, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation **or the public education corporation** that executes a lease under this chapter shall annually appropriate and pay out of the debt service fund an amount sufficient to pay the lease rental required under the lease. The appropriation and rate are reviewable by other bodies vested by law with the authority to determine that the levy is sufficient to raise the amount required to meet the rental required under the lease.

SECTION 53. IC 20-47-3-15, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by a lessor corporation entering into a lease with a school corporation, **or school corporations, or the public education corporation** under this chapter are exempt from all state, county, and other taxes. However, the rental payments to a lessor corporation under the terms of such a lease are subject to all applicable taxes under Indiana law.

SECTION 54. IC 20-47-3-16, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be construed as being supplemental to all other laws covering the acquisition, use, and maintenance of school buildings by school corporations **or the public education corporation**. However, as to school buildings constructed or leased under this chapter, it is not necessary to comply with the provisions of other laws concerning the acquisition, use, and maintenance of school buildings by school corporations **or the public education corporation** except as specifically required in this chapter.

SECTION 55. IC 20-47-3-18, AS AMENDED BY P.L.244-2017, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the termination of a lease entered into under this chapter, the lessor corporation shall return to the school corporation **or public education corporation** any money held by the lessor corporation that exceeds the amount needed to retire bonds issued under this chapter and to dissolve the lessor corporation.

(b) A school corporation **or the public education corporation** shall



deposit the money received under subsection (a) in its debt service fund or its operations fund.

SECTION 56. IC 20-47-4-1, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the lease by a school corporation **or the public education corporation** of an existing school building or improved school building under IC 20-47-2 or IC 20-47-3.

SECTION 57. IC 20-47-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter, "public education corporation" refers to the Indianapolis public education corporation established by IC 20-25.3-3-1.**

SECTION 58. IC 20-47-4-5, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation qualified or formed to acquire a site, erect a school building on the site, and lease the school building to a school corporation **or the public education corporation** under IC 20-47-2 or IC 20-47-3 may:

- (1) be qualified or formed to acquire, improve, or expand an existing school building;
- (2) acquire, improve, or expand an existing school building;
- (3) finance an existing school building or improved school building; and
- (4) lease an existing school building or improved school building to a school corporation **or the public education corporation** under applicable law.

SECTION 59. IC 20-47-4-6, AS AMENDED BY P.L.146-2008, SECTION 521, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may acquire and finance an existing school building, other than as provided in section 5 of this chapter, and lease the existing school building to a school corporation **or the public education corporation**. A school corporation **or the public education corporation** shall comply with:

- (1) IC 20-47-2 or IC 20-47-3;
- (2) the petition and remonstrance provisions under IC 6-1.1-20 (if required); and
- (3) the local public question provisions under IC 6-1.1-20 (if required).

(b) A lease made under this section may provide for the payment of lease rentals by the school corporation **or public education corporation** for the use of the existing school building.



(c) Lease rental payments made under the lease do not constitute a debt of the school corporation **or public education corporation** for purposes of the Constitution of the State of Indiana.

(d) A new school building may be substituted for the existing school building under the lease if the substitution was included in the notices given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new school building must be substituted for the existing school building upon completion of the new school building.

SECTION 60. IC 20-47-4-7, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the public education corporation** may not pay a legal or other professional fee as the result of an exchange or a substitution under section 5 or 6 of this chapter.

SECTION 61. IC 20-47-4-8, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in subsection (b), the lease or contract of lease of an existing school building or improved school building to a school corporation **or the public education corporation** as authorized by this chapter must comply with all applicable terms of IC 20-47-2 or IC 20-47-3, including:

- (1) the notice of hearing on the lease;
- (2) public hearing;
- (3) notice of execution of lease; and
- (4) the submission of plans and specifications for the improvement or expansion of the existing school building for approval by the state agencies designated in IC 20-47-2 or IC 20-47-3 or otherwise required by law or rule.

(b) If a school corporation **or the public education corporation** is occupying and using an existing school building during the renovation, remodeling, or expansion of the building, the lease or contract of lease may provide for the payment of lease rental by the school corporation **or the public education corporation** for the use of the building during renovation, remodeling, or expansion.

SECTION 62. IC 20-47-4-9, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The sale price of an existing school building must be determined under the provisions of IC 20-47-2 or IC 20-47-3 relating to the sale of land to a lessor corporation. Except as provided in this section, IC 20-26-7 and any other law relating to the sale of the property of school corporations **or the public education**



corporation or other public property do not apply to the sale of an existing school building to a lessor corporation under this chapter.

SECTION 63. IC 20-47-4-10, AS AMENDED BY P.L.244-2017, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation **or the public education corporation** that sells an existing school building under section 6 of this chapter shall deposit the proceeds of the sale in the school corporation's **or the public education corporation's** operations fund and use the proceeds only for:

- (1) new construction of school buildings;
- (2) related site acquisition; and
- (3) related site development.

However, any amount of the proceeds of the sale that are not used for a purpose described in subdivisions (1) through (3) within one (1) year after the school corporation **or public education corporation** receives the proceeds must be transferred to the school corporation's **or public education corporation's** debt service fund.".

Page 24, line 24, delete "a" and insert "**the public education corporation may exercise the same**".

Page 24, delete lines 25 through 26.

Page 24, line 27, delete "of" and insert "**granted to**".

Page 24, line 28, delete "article" and insert "**chapter**".

Page 24, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 65. IC 36-3-6-9, AS AMENDED BY P.L.137-2012, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **This section does not apply to the Indianapolis public education corporation established by IC 20-25.3-3-1.**

(b) Except as provided in subsection **(d), (e)**, the city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A public library operating under IC 36-12.
- (3) A capital improvement board of managers operating under IC 36-10.
- (4) A public transportation corporation operating under IC 36-9-4.
- (5) A health and hospital corporation established under IC 16-22-8.
- (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on



the governing body.

Except as provided in subsection ~~(e)~~ **(d)**, the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(f) **(c)** The board of each entity listed in subsection ~~(a)~~ **(b)** shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before September 2.

(f) **(d)** The city-county legislative body or, when subsection ~~(d)~~ **(e)** applies, the fiscal body of an excluded city or town shall review the issuance of bonds of an entity listed in subsection ~~(a)~~ **(b)**. Approval of the city-county legislative body or, when subsection ~~(d)~~ **(e)** applies, the fiscal body of an excluded city or town is required for the issuance of bonds. The city-county legislative body or the fiscal body of an excluded city or town may not reduce or modify a budget or tax levy of an entity listed in subsection ~~(a)~~ **(b)** in a manner that would:

- (1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or
- (2) in any way impair the rights or remedies of the holders of the entity's bonds.

(f) **(e)** If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval and not the city-county legislative body. Except as provided in subsection ~~(e)~~ **(d)**, the fiscal body of the excluded city or town may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1423 as introduced.)

BEHNING

Committee Vote: yeas 9, nays 4.

HB 1423—LS 7118/DI 110



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1423, 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 6, line 12, after "levies." insert "**However, in exercising its powers and responsibilities under this chapter, the public education corporation shall account for and include any bonds, leases, and other indebtedness incurred or issued under any law by the school city (as defined in IC 20-25-2-12) before April 1, 2026.**".

Page 9, line 19, after "23." insert "(a)".

Page 9, between lines 23 and 24, begin a new paragraph and insert:

"(b) The public education corporation may issue bonds, enter into leases, or otherwise incur indebtedness after March 31, 2026, and before July 1, 2027, only if the board established by IC 20-25-3-1 first adopts a resolution approving the issuance of the bonds, entering into the lease, or incurring of indebtedness."

Page 15, line 37, delete "To" and insert "**Subject to subsection (c), to**".

Page 15, line 39, after "IC 20-48-1." insert "**Borrowing by the corporation, when considered in addition to indebtedness of the school city, may not equal an aggregate amount that exceeds the debt limitation described by IC 36-1-15-6 for the school city.**".

Page 16, between lines 40 and 41, begin a new paragraph and insert:

"(c) The public education corporation may issue bonds, enter into leases, or otherwise incur indebtedness after March 31, 2026, and before July 1, 2027, only if the local board of school commissioners established by IC 20-25-3-1 first adopts a resolution approving the issuance of the bonds, entering into the lease, or incurring of indebtedness."

Page 16, line 41, delete "(c)" and insert "(d)".

Page 19, line 6, delete "Nothing" and insert "**(a) Subject to subsection (b), nothing**".

Page 19, between lines 15 and 16, begin a new paragraph and insert:

"(b) Notwithstanding subsection (a), the school city may continue to enter into, renew, or extend any contract with respect to the proceeds of bonds, leases, and other obligations issued or entered into by the school city before April 1, 2026, pursuant to IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The corporation may not impair any such contracts with respect to the existing proceeds."



Page 20, line 24, delete "Beginning" and insert "**(a) Subject to subsection (b), beginning**".

Page 20, line 25, delete ", including" and insert "**with respect to imposition of a debt service levy.**".

Page 20, delete line 26.

Page 20, line 27, delete "IC 20-40-9.".

Page 20, line 28, delete "shall" and insert "**shall impose both:**

- (1) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the school city; and**
- (2) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the corporation.**

Property tax revenue received from the tax levies shall be used to pay outstanding debts and obligations in the manner set forth in subsection (b) and IC 20-46-7-0.5.

(b) Property tax revenue received from the debt service levy described in IC 20-47-7-0.5(a)(2)(A) that is imposed for the purpose of paying all obligations of the school city must be deposited in the school city's debt service fund established under IC 20-40-9 and may be used only to pay the obligations of the school city. The school city shall use the revenue from the debt service levy to pay debt service on the same terms, for the same period of time, and for the same purposes for which the obligation was initially authorized.

Page 20, delete lines 29 through 31.

Page 21, between lines 29 and 30, begin a new paragraph and insert:

"Chapter 7. Indianapolis Public Education Corporation Debt Service Fund

Sec. 1. As used in this chapter, "debt service" includes bonds and coupons, civil bond obligations, lease rental contracts, and interest cost on emergency and temporary loans.

Sec. 2. As used in this chapter, "fund" refers to a debt service fund established under section 3 of this chapter.

Sec. 3. The corporation shall establish a debt service fund for purposes of paying the obligations of the corporation.

Sec. 4. (a) The debt service fund shall be used to deposit revenue received from the debt service levy imposed under IC 20-46-7 for the purpose of paying all obligations of the corporation.

(b) Money in the debt service fund may be used for payment of the following:

- (1) All debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction.**



- (2) A lease to provide capital construction.**
- (3) Interest on emergency and temporary loans.**
- (4) All debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-27-4-5, for that purpose.**
- (5) All debt and other obligations arising out of funds borrowed to pay judgments against the corporation.**
- (6) All debt and other obligations arising out of funds borrowed to purchase equipment.**

Sec. 5. Money in the fund may not be used for payment of debt service, lease payments, or similar obligations for a controlled project that is approved by the voters in a referendum under IC 6-1.1-20.

Sec. 6. (a) Lease rental obligations on account of leases entered into under IC 20-47-2 or IC 20-47-3 may be paid by a corporation from the debt service fund.

(b) Payments described in subsection (a) must be provided for in the annual budget for the fund from which the payment is made.".

Page 29, delete lines 4 through 20.

Page 29, line 37, after "0.5." insert "(a)".

Page 29, line 42, delete "impose the annual" and insert "impose both:

- (A) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the school city; and**
- (B) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the corporation.**

(b) Property tax revenue received from the:

- (1) property tax levy described in subsection (a)(2)(A) shall be deposited in the debt service fund established by the school city under IC 20-40-9 and used to pay debt service on the same terms, for the same period of time, and for the same purposes for which the obligation was initially authorized; and**
- (2) property tax levy described in subsection (a)(2)(B) shall be deposited in the public education corporation's debt service fund established by IC 20-25-7-3 and used for the purposes of the fund.".**



Page 30, delete lines 1 through 4.

Page 44, line 24, after "15." delete "The" and insert "**(a) Except as provided in subsection (b), the**".

Page 44, line 26, after "chapter." begin a new paragraph and insert:

"(b) The lessor corporation may acquire, own, and hold in fee simple the land by agreement and conveyance with a school corporation or with the public education corporation subject to the conditions of this section. The lessor corporation may lease such a school building directly to the public education corporation or to a school corporation. If the lessor corporation leases such a school building to a school corporation, the school corporation may assign or sublet its lease to the public education corporation.

(c)".

Page 55, line 16, after "13." delete "The" and insert "**(a) Except as provided in subsection (b), the**".

Page 55, line 18, after "chapter." begin a new paragraph and insert:

"(b) The lessor corporation may acquire, own, and hold in fee simple the land by agreement and conveyance with a school corporation or with the public education corporation subject to the conditions of this section. The lessor corporation may lease such a school building directly to the public education corporation or to a school corporation. If the lessor corporation leases such a school building to a school corporation, the school corporation may assign or sublet its lease to the public education corporation.

(c)".

Page 59, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 64. IC 20-48-1-11, AS AMENDED BY P.L.9-2024, SECTION 403, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) As used in this section, The following definitions apply throughout this section:

(1) "Debt service obligations" refers to the principal and interest payable:

(1) (A) on a school corporation's general obligation bonds and lease rentals under IC 20-47-2 and IC 20-47-3; or

(2) (B) to a school corporation's designated paying agent under a written agreement entered into in connection with the issuance of the school corporation's general obligation bonds.

(2) Beginning April 1, 2026, and ending June 30, 2027, and subject to subsection (f), "school corporation" means:

(A) a school corporation (as defined in IC 20-18-2-16;

(B) the Indianapolis public education corporation established by IC 20-25.3-3-1.



This subdivision expires July 1, 2027.

(b) Before the end of each calendar year, the department of local government finance shall review the bond and lease rental levies, or any levies that replace bond and lease rental levies, of each school corporation that are payable in the next succeeding calendar year and the appropriations from the levies from which the school corporation is to pay the amount, if any, of the school corporation's debt service obligations for that next succeeding calendar year. If the levies and appropriations of the school corporation are not sufficient to pay the debt service obligations for the next succeeding calendar year, the department of local government finance shall establish for each school corporation:

(1) bond or lease rental levies, or any levies that replace the bond and lease rental levies; and

(2) appropriations;

that are sufficient to pay the debt service obligations for that next succeeding calendar year.

(c) Upon the failure of a school corporation to pay any of the school corporation's debt service obligations when due, the treasurer of state, upon being notified of the failure by a claimant, shall within five (5) days, excluding Saturdays, Sundays, and legal holidays, pay the unpaid debt service obligations that are due from the funds of the state in an amount equal to the amount of the unpaid debt service obligations that are due to the claimant, but only to the extent that amounts described in subsection (d) are available to the treasurer of state to fulfill the requirements of this subsection. Notwithstanding IC 4-13-2-18, IC 20-43-2-1, or any other law, administrative rule, policy, or schedule to the contrary, upon the treasurer of state receiving a request from a claimant as described in this subsection the treasurer of state shall immediately contact the school corporation and the claimant to confirm whether the school corporation is unable to make the required payment on the date on which it is due, and, if confirmed, the treasurer of state shall provide notice of the request to the budget director, the state comptroller, and any department or agency of the state responsible for distributing funds appropriated by the general assembly for distribution to the school corporation from state funds. A department or agency of the state shall, not later than three (3) days after receiving the treasurer of state's notice, excluding Saturdays, Sundays, or legal holidays, transfer the funds and make the funds available to the treasurer of state in order for the treasurer of state to fulfill the obligations of this subsection.

(d) Notwithstanding any other law to the contrary, amounts made



available to the treasurer of state for purposes of subsection (c) shall be made from the following sources, in the following amounts, and in the following order of priority:

(1) First, from amounts appropriated by the general assembly for the state fiscal year for distribution to the school corporation from state funds.

(2) Second, and to the extent that the amounts described in subdivision (1) are insufficient, from any remaining amounts appropriated by the general assembly for distribution for tuition support in each state fiscal year in excess of the aggregate amount of tuition support needed for distribution to school corporations in accordance with the schedule set and approved in accordance with IC 20-43-2-1.

(3) Third, and to the extent that the amounts described in subdivisions (1) and (2) are insufficient and the general assembly has adopted a biennial budget appropriating amounts in the immediately succeeding state fiscal year for distribution to the school corporation from state funds, then from such fund or account, as determined by the state budget director, from which fund or account there is appropriated to the treasurer of state in the current state fiscal year an amount equal to the lesser of:

(A) the unpaid debt service obligations not paid from sources described in subdivisions (1) and (2); or

(B) the amount appropriated by the general assembly for the immediately succeeding state fiscal year for distribution to the school corporation from state funds, subject to IC 4-13-2-18(i).

(e) Notwithstanding any other law to the contrary, if any amounts are transferred to the treasurer of state under subsection (c), the applicable department or agency shall recover those amounts by:

(1) deducting an amount equal to the transfer from any future amounts to be distributed to the school corporation from state funds appropriated by the general assembly; and

(2) transferring any amount deducted under subdivision (1) to the treasurer of state for the purpose of allowing the treasurer of state to reimburse the fund or account from which the transfer was made.

(f) A reduction of distributions to a school corporation under subsection (e) must be made:

(1) first, from all funds except state tuition support; and

(2) second, from state tuition support.

(g) This section shall be interpreted liberally so that the state shall to the extent legally valid ensure that the debt service obligations of



each school corporation are paid. However, this section does not create a debt of the state.

(h) Notwithstanding subsections (e) and (f), beginning April 1, 2026, and ending June 30, 2027, the reduction of distributions under subsections (e) and (f) to pay for debt service obligations issued by the Indianapolis public education corporation must be made from the reduction of distributions to the school city (as defined in IC 20-25-2-12). This subsection expires July 1, 2027.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1423 as printed January 22, 2026.)

THOMPSON

Committee Vote: yeas 14, nays 8.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1423 be amended to read as follows:

Page 13, line 39, delete "year," and insert "**year and subject to section 6(b) of this chapter,".**

Page 14, line 1, delete "County," and insert "**County and the school city,".**

Page 14, line 7, delete "and implement".

Page 14, line 13, after "schools" insert "**that do not opt out under section 6(b) of this chapter".**

Page 17, delete lines 34 through 38, begin a new paragraph and insert:

"Sec. 3. (a) The corporation board shall, in collaboration with the school city and authorizers of charter schools described in IC 20-25.3-2-6, create a single school performance framework that applies beginning with the 2028-2029 school year to all participating schools."

Page 18, line 8, after "measures;" delete "and".

Page 18, between lines 8 and 9, begin a new line double block indented and insert:

"(H) replication of instructional models that are achieving the best results for students; and".



Page 18, line 9, delete "(H)" and insert "(I)".

Page 18, delete lines 11 through 12, begin a new line block indented and insert:

"(3) include both of the following:

(A) A process to close chronically low performing participating schools.

(B) A process to close inefficient school buildings."

Page 18, between lines 18 and 19, begin a new paragraph and insert:

"(d) Except as provided under subsection (e), a participating school may not be closed as described in subsection (b)(3)(A) unless the following occurs:

(1) If the participating school is a charter school, the authorizer of the participating school approves the closure.

(2) If the participating school is not a charter school, the board of school commissioners approves the closure.

(e) If an authorizer or the board of school commissioners, whichever is applicable, does not approve the closure of a participating school under subsection (d), the corporation board may appeal to the state board to request that the participating school be closed. Not later than sixty (60) days after receiving an appeal from the corporation board under this subsection, the state board shall approve or decline the closure of the participating school."

Page 18, line 19, delete "(d)" and insert "(f)".

Page 18, line 26, delete "2026," and insert "2027,".

Page 19, line 6, after "6." insert "(a)".

Page 19, between lines 12 and 13, begin a new paragraph and insert:

"(b) A participating school that is a charter school, including a participating innovation network charter school, may elect to opt out of participation in the management and control of school property by the corporation board. If a participating school elects to opt out under this subsection, the:

(1) corporation board may not manage or control school property owned or leased by the participating school; and

(2) participating school may not receive any money that is attributable to the following:

(A) A debt service levy under IC 20-46-7.

(B) A levy imposed under IC 6-1.1-20 for controlled projects."

Page 21, line 22, delete "IC 20-47-7-0.5(a)(2)(A)" and insert "IC 20-46-7-0.5(a)(2)(A)".

Page 61, line 37, delete "means:" and insert "means the



following:".

Page 61, line 38, delete "a school" and insert "**A school**".

Page 61, line 38, delete "IC 20-18-2-16;" and insert "**IC
20-18-2-16(a))**".

Page 61, line 39, delete "the" and insert "**The**".

(Reference is to HB 1423 as printed January 27, 2026.)

BEHNING

