

PROPOSED AMENDMENT

HB 1423 # 14

DIGEST

Indianapolis public education corporation. Allows the Indianapolis public corporation board (board) to file a written request with the county treasurer for an advance of the funds certified for the first semiannual distribution in 2026 of revenue from the operations fund levy. Requires the county auditor to transfer a percentage of the amount of revenue collected from the operations fund levy that would otherwise be distributed to the school city and applicable charter schools to the Indianapolis public education corporation (corporation). Requires the board to determine the percentage and establishes a limit. Establishes the corporation operations fund. Removes residency requirements for the executive director of the corporation. Requires the mayor to appoint the initial members to the board not later than March 31, 2026. Amends the terms of the board members and provides the members may be removed for cause. Provides that the board begins managing school property and implementing the single school performance framework in the 2028-2029 school year. Establishes requirements regarding the unified transportation plan. Requires that the implementation of the transportation plan and management of school facilities by the board begin in the 2028-2029 school year. Requires the board to prepare and submit a report regarding a feasibility study to determine the best approach for managing school property. Requires the board to submit the: (1) report regarding the feasibility study; and (2) unified transportation plan; to the legislative council not later than November 30, 2027. Requires the board to submit the single school performance framework to the legislative council not later than November 30, 2026. Requires the board to submit a progress report regarding the single school performance framework, feasibility study and report, and unified transportation plan. Provides that 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. Includes the corporation in provisions regarding leasing school property from public or private holding companies.

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- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 5-13-6-3, AS AMENDED BY P.L.166-2014,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 3. (a) All taxes collected by the county
6 treasurer shall be deposited as one (1) fund in the several depositories
7 selected for the deposit of county funds and, except as provided in
8 subsection (b), remain in the depositories until distributed at the
9 following semiannual distribution made by the county auditor.
10 (b) Every county treasurer who, by virtue of the treasurer's office, is
11 the collector of any taxes for any political subdivision wholly or partly
12 within the county shall, not later than thirty (30) days after receipt of a
13 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

1 of the individual's status as an elected official of another taxing unit
 2 shall be treated as an official who was not elected to serve on the
 3 governing body.

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

8 (c) If:

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

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

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

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

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

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

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

32 (f) If a taxing unit fails to file the information required in subsection
 33 (c) or (d), whichever applies, with the appropriate fiscal body by the
 34 time prescribed by this section, when calculating the maximum ad
 35 valorem property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit
 36 for the ensuing budget year, instead of multiplying the maximum levy
 37 growth quotient determined under IC 6-1.1-18.5-2(b) or
 38 IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
 39 maximum permissible ad valorem property tax levy for the preceding
 40 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.

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

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

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

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

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

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

23 (1) a school corporation; or

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

26 (c) If:

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

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

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

35 (d) However, in the case of a public library that is subject to this
 36 section and is described in subsection (c), the public library may not
 37 issue bonds or enter into a lease payable in whole or in part from
 38 property taxes unless it obtains the approval of the county fiscal body,
 39 rather than the city or town fiscal body, if more than fifty percent (50%)
 40 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

1 **boundaries of the school city."**

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

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

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

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

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

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

22 **(1) Complete a feasibility study to determine the best**
23 **approach for managing school property.**

24 **(2) Not later than November 30, 2026, submit to the legislative**
25 **council in an electronic format under IC 5-14-6 a report that**
26 **includes information regarding the corporation board's**
27 **progress in completing the feasibility study under subdivision**
28 **(1) and report under subdivision (3).**

29 **(3) Not later than November 30, 2027, prepare and submit a**
30 **report regarding the feasibility study under subdivision (1) to**
31 **the legislative council in an electronic format under IC 5-14-6.**

32 **This subsection expires July 1, 2028."**

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

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

35 **"(c) The corporation board shall submit to the legislative council**
36 **in an electronic format under IC 5-14-6 the following:**

37 **(1) Not later than August 1, 2026, a report that includes**
38 **information regarding the corporation board's progress in**
39 **creating a single school performance framework under this**
40 **section, including information related to the progress on the**

1 **plan to close inefficient school buildings.**

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

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

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

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

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

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

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

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

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

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

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

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

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

35 **"Chapter 6. Indianapolis Public Education Corporation**
 36 **Operations Fund**

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

40 **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

- 1 receiving not more than fifty percent (50%) virtual instruction.
- 2 STEP FOUR: For each charter school described in STEP ONE,
- 3 determine the result of:
 - 4 (A) the applicable STEP TWO amount; divided by
 - 5 (B) the STEP THREE amount;
- 6 expressed as a percentage.
- 7 STEP FIVE: Determine the sum of all the amounts computed
- 8 under STEP FOUR and subtract the result from one hundred
- 9 percent (100%).
- 10 (e) The department shall provide to the county auditor, immediately
- 11 after calculation under subsection (d):
 - 12 (1) each charter school determined under STEP ONE of
 - 13 subsection (d) and the charter school's corresponding percentage
 - 14 calculated under STEP FOUR of subsection (d); and
 - 15 (2) the percentage calculated under STEP FIVE of subsection (d)
 - 16 for the school corporation.
- 17 (f) **Except as provided in subsection (j), and** subject to subsection
- 18 (i), the county auditor shall distribute to the school corporation and
- 19 each applicable charter school the amount determined, for each
- 20 settlement period described in IC 6-1.1-27-1, in the last STEP of the
- 21 following STEPS:
 - 22 STEP ONE: For each school corporation, determine a base
 - 23 property tax levy amount calculated as:
 - 24 (A) the sum of the school corporation's operations fund
 - 25 property tax levies that are attributable to the territory of the
 - 26 school corporation that is located within the boundaries of a
 - 27 county listed in subsection (a) and collected under this chapter
 - 28 for the applicable settlement period as described in
 - 29 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023; divided
 - 30 by
 - 31 (B) three (3).
 - 32 STEP TWO: For each school corporation, determine an
 - 33 incremental property tax levy amount calculated as:
 - 34 (A) the school corporation's operations fund property tax levy
 - 35 collections that are attributable to the territory of the school
 - 36 corporation that is located within the boundaries of a county
 - 37 listed in subsection (a) for the applicable settlement period as
 - 38 described in IC 6-1.1-27-1 in the current calendar year; minus
 - 39 (B) the school corporation's base property tax levy collections
 - 40 determined for the applicable settlement period as described

1 in IC 6-1.1-27-1 under STEP ONE.

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

4 (A) the sum of:

5 (i) the incremental amount determined under STEP TWO;
6 plus

7 (ii) any distribution amount withheld under subsection (i);
8 multiplied by

9 (B) the following percentage:

10 (i) In the case of an applicable charter school, the charter
11 school's percentage under STEP FOUR of subsection (d).

12 (ii) In the case of the school corporation, the school
13 corporation's percentage under STEP FIVE of subsection
14 (d).

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

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

31 (1) to receive distributions in 2026, November 1, 2025; and

32 (2) to receive distributions in 2027, November 1, 2026.

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

40 (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

1 settlement in a school corporation but attend a charter school,
 2 excluding virtual charter schools and adult high schools, and receive
 3 not more than fifty percent (50%) virtual instruction, is at least the
 4 greater of:

- 5 (1) one hundred (100) students; or
- 6 (2) two percent (2%) of the school corporation's spring ADM
 7 count, excluding students who receive more than fifty percent
 8 (50%) virtual instruction.

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

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

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

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

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

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

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

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

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

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

1 charter school; and
 2 (C) receive not more than fifty percent (50%) virtual
 3 instruction.

4 STEP TWO: Determine the sum of:

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

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

11 (A) the applicable STEP ONE amount; divided by

12 (B) the STEP TWO amount;

13 expressed as a percentage.

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

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

19 (1) each eligible charter school and the eligible charter school's
 20 corresponding percentage calculated under STEP THREE of
 21 subsection (f); and

22 (2) the percentage calculated under STEP FOUR of subsection (f)
 23 for the school corporation.

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

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

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

34 (A) the sum of:

35 (i) the STEP ONE result; plus

36 (ii) any amount withheld in the previous year under
 37 subsection (k); multiplied by

38 (B) the following percentage:

39 (i) In the case of an eligible charter school, the charter
 40 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

1 revenue from the school city under this section.
 2 Before making any distribution under subsection (h) or (l), the
 3 county auditor shall first distribute to the public education
 4 corporation for deposit in the public education corporation
 5 operations fund created under IC 20-25.3-6-1 an amount equal to
 6 the percentage determined by the Indianapolis public corporation
 7 board under IC 20-25.3-4-2(b).".

8 Page 24, between lines 21 and 22, begin a new paragraph and insert:
 9 "SECTION 23. IC 20-47-2-2.5 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter,**
 12 **"corporation board" refers to the Indianapolis public education**
 13 **corporation board established by IC 20-25.3-3-2.**

14 SECTION 24. IC 20-47-2-3.5 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
 17 **"public education corporation" refers to the Indianapolis public**
 18 **education corporation established by IC 20-25.3-3-1.**

19 SECTION 25. IC 20-47-2-5, AS AMENDED BY P.L.233-2015,
 20 SECTION 304, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A school corporation **or**
 22 **the public education corporation** may lease a school building or
 23 buildings for the use of:

24 (1) the school corporation **or public education corporation;** or
 25 (2) a joint or consolidated school district of which the school
 26 corporation is a part or to which it contributes;
 27 for a term not to exceed thirty (30) years.

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

35 (c) If two (2) or more school corporations propose to jointly enter
 36 into a lease under this section, joint meetings of the governing bodies
 37 of the school corporations may be held, but action taken at a joint
 38 meeting is not binding on any of those school corporations unless
 39 approved by a majority of the governing body of those school
 40 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,

1 **or public education corporation** to purchase the property
 2 covered by the lease after six (6) years from the execution of the
 3 lease and before the expiration of the term of the lease, on the
 4 date or dates in each year as may be fixed in the lease. The
 5 purchase price:

6 (A) must be equal to the amount required to enable the lessor
 7 corporation owning the property to liquidate by paying all
 8 indebtedness, with accrued and unpaid interest, redeeming and
 9 retiring any stock at par, and paying the expenses and charges
 10 of liquidation; and

11 (B) may not exceed the capital actually invested in the
 12 property by the lessor corporation represented by outstanding
 13 securities or existing indebtedness, plus the cost of transferring
 14 the property and liquidating the lessor corporation.

15 (b) A lease entered into under this chapter may not provide or be
 16 construed to provide that a school corporation **or the public education**
 17 **corporation** is under any obligation to purchase a leased school
 18 building or buildings, or under any obligation in respect to any
 19 creditors, shareholders, or other security holders of the lessor
 20 corporation.

21 SECTION 28. IC 20-47-2-10, AS ADDED BY P.L.2-2006,
 22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, ~~or~~
 24 **school** corporations, **or the public education corporation** may, in
 25 anticipation of the acquisition of a site and the construction and
 26 erection of a school building or buildings, enter into a lease with a
 27 lessor corporation before the actual acquisition of the site and the
 28 construction and erection of the building or buildings. However, a lease
 29 entered into under this section may not provide for the payment of any
 30 lease rental by the lessee or lessees until the building or buildings are
 31 ready for occupancy, at which time the stipulated lease rental may
 32 begin. The contractor must furnish to the lessor corporation a bond
 33 satisfactory to the lessor corporation conditioned upon the final
 34 completion of the building or buildings within the period specified in
 35 the contract.

36 SECTION 29. IC 20-47-2-11, AS ADDED BY P.L.2-2006,
 37 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor
 39 corporation and the school corporation, ~~or school~~ corporations, **or the**
 40 **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

1 later date or dates.

2 (b) Within thirty (30) days following the termination of the hearing,
3 the governing body or bodies of the school corporation or corporations
4 **or the corporation board** may by a majority vote of all members of
5 the governing body or bodies **or corporation board**:

6 (1) authorize the execution of the proposed lease as originally
7 agreed upon; or

8 (2) make modifications to the proposed lease that are agreed upon
9 with the lessor corporation.

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

12 SECTION 31. IC 20-47-2-13, AS AMENDED BY P.L.38-2021,
13 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as
15 originally agreed upon or as modified by agreement is authorized by
16 the governing body or bodies of the school corporation or corporations
17 **or the corporation board**, the governing body **or corporation board**
18 shall give notice of the signing of the lease by publication one (1) time
19 in:

20 (1) a newspaper of general circulation printed in the English
21 language in the school corporation;

22 (2) a newspaper described in subdivision (1) in each school
23 corporation if the proposed lease is a joint lease; or

24 (3) if no such newspaper is published in the school corporation,
25 in any newspaper of general circulation published in the county.

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

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

36 (2) are of the opinion that:

37 (A) necessity does not exist for the execution of the lease; or

38 (B) the proposed rental provided for in the lease is not a fair
39 and reasonable rental;

40 may file a petition in the office of the county auditor of the county in

1 which the school corporation or corporations are located. The petition
 2 must set forth the taxpayers' objections to the lease and facts showing
 3 that the execution of the lease is unnecessary or unwise or that the lease
 4 rental is not fair and reasonable, as the case may be.

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

13 (1) conduct the hearing in the school corporation or corporations,
 14 in the county where the school corporation or corporations are
 15 located, or through electronic means; and

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

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

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

32 (1) thirty (30) days after publication of notice of the execution of
 33 the lease by the governing body or bodies of the school
 34 corporation or corporations **or the corporation board;** or

35 (2) if an appeal is allowed under section 13 of this chapter and has
 36 been taken to the department of local government finance, thirty
 37 (30) days after the decision of the department of local government
 38 finance.

39 SECTION 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006,
 40 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

1 corporations, **or public education corporation** and the lessor
2 corporation.

3 SECTION 35. IC 20-47-2-18, AS ADDED BY P.L.2-2006,
4 SECTION 170, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section,
6 "bonds" means bonds, debentures, or other evidences of indebtedness.

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

9 (1) Construction of a school building.

10 (2) An addition to a school building owned by a lessor
11 corporation or owned by the school corporation **or public**
12 **education corporation** to which a lessor corporation has leased
13 property under this chapter, and any remodeling incidental to that
14 addition.

15 (3) Remodeling of or construction of appurtenances to a school
16 building owned by a lessor corporation.

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

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

22 (1) are legal and proper investments;

23 (2) are exempt from taxation; and

24 (3) may be sold without registration with or approval of the
25 securities division of the office of the secretary of state or the
26 securities commissioner;

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

30 (e) In connection with the issuance of refunding and improvement
31 bonds, the lessee school corporation, ~~or~~ school corporations, **or public**
32 **education corporation** may enter into an amendment to the lease with
33 the lessor corporation providing for:

34 (1) an extension of the time set forth in the lease before the option
35 of the lessee or lessees to purchase may be exercised to a time
36 agreed upon between the lessee school corporation, ~~or~~ school
37 corporations, **or public education corporation** and the lessor
38 corporation;

39 (2) an extension of the term of the lease, not to exceed ten (10)
40 years, to include the improvements in the description of the leased

1 property; and

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

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

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

17 SECTION 36. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
18 SECTION 170, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
20 **public education corporation** that decides to exercise an option to
21 purchase a school building under this chapter may issue general
22 obligation bonds to procure funds to pay the cost of acquisition.
23 General obligation bonds issued under this section must be authorized,
24 issued, and sold in the manner provided for the authorization, issuance,
25 and sale of bonds by school corporations **or the public education**
26 **corporation** for school building purposes.

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

1 appropriations provided for in this section shall be made, and payments
2 shall be made from the debt service fund.

3 SECTION 38. IC 20-47-2-21, AS AMENDED BY P.L.79-2017,
4 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 21. Property owned by a lessor corporation
6 entering into a lease with a school corporation, **or school** corporations,
7 **or the public education school corporation** under this chapter, and
8 all stock and other securities (including the interest or dividends)
9 issued by a lessor corporation, are exempt from all state, county, and
10 other taxes, except the financial institutions tax (IC 6-5.5).

11 SECTION 39. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
12 SECTION 170, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
14 construed as being supplemental to all other laws covering the
15 acquisition, use, and maintenance of school buildings by school
16 corporations **or the public education corporation**. However, as to
17 school buildings constructed, acquired, leased, or purchased under this
18 chapter, it is not necessary to comply with other laws concerning the
19 acquisition, use, and maintenance of school buildings by school
20 corporations **or the public education corporation** except as
21 specifically required in this chapter.

22 SECTION 40. IC 20-47-2-23, AS AMENDED BY P.L.244-2017,
23 SECTION 109, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the termination of
25 a lease entered into under this chapter, the lessor corporation shall
26 return to the school corporation **or the public education corporation**
27 any money held by the lessor corporation that exceeds the amount
28 needed to retire bonds issued under this chapter and to dissolve the
29 lessor corporation.

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

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

38 SECTION 42. IC 20-47-3-1.5 IS ADDED TO THE INDIANA
39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
40 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**

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

3 SECTION 43. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,
 4 SECTION 305, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**
 6 **the public education corporation** may lease a school building or
 7 buildings for the use of:

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

9 (2) a joint or consolidated school district of which the school
 10 corporation is a part or to which it contributes;

11 for a term not to exceed fifty (50) years.

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

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

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

25 (2) provide that:

26 (A) there is no right of occupancy by any lessee unless the
 27 total rental is paid as stipulated in the lease; and

28 (B) all rights of joint lessees under the lease are in proportion
 29 to the amount of lease rental paid by each lessee.

30 SECTION 44. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
 31 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or**
 33 **school corporations, or the public education corporation** may enter
 34 into a lease or lease with option to purchase under this chapter only
 35 with:

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

38 (2) a religious organization (or the organization's agent) that is
 39 exempt from federal income taxation under Section 501 of the
 40 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.

1 The cost of publication of the notice shall be paid by the lessor
2 corporation.

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

8 SECTION 48. IC 20-47-3-10, AS ADDED BY P.L.2-2006,
9 SECTION 170, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all
11 interested persons have a right to be heard upon the necessity for the
12 execution of the proposed lease and whether the rental to be paid to the
13 lessor corporation under the proposed lease is a fair and reasonable
14 rental for the proposed building. The hearing may be adjourned to a
15 later date or dates.

16 (b) Not later than thirty (30) days following the termination of the
17 hearing, the governing body or bodies of the school corporation or
18 corporations **or the corporation board** may by a majority vote of all
19 members of the governing body or bodies **or the corporation board**:

- 20 (1) authorize the execution of the lease as originally agreed upon;
21 or
22 (2) make modifications to the proposed lease as agreed upon with
23 the lessor corporation.

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

26 SECTION 49. IC 20-47-3-11, AS AMENDED BY P.L.38-2021,
27 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as
29 originally agreed upon or as modified by agreement is authorized by
30 the governing body or bodies of the school corporation or corporations
31 **or the corporation board**, the governing body **or corporation board**
32 shall give notice of the signing of the lease by publication one (1) time
33 in:

- 34 (1) a newspaper of general circulation printed in the English
35 language in the school corporation;
36 (2) a newspaper described in subdivision (1) in each school
37 corporation if the proposed lease is a joint lease; or
38 (3) if no such newspaper is published in the school corporation,
39 in any newspaper of general circulation published in the county.
40 (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

1 whether the rental is fair and reasonable, is final.

2 SECTION 50. IC 20-47-3-12, AS AMENDED BY P.L.146-2008,
3 SECTION 520, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to contest the
5 validity of the lease or to enjoin the performance of any of the terms
6 and conditions of the lease may not be instituted at any time later than:

7 (1) thirty (30) days after publication of notice of the execution of
8 the lease by the governing body or bodies of the school
9 corporation or corporations **or the corporation board**; or

10 (2) if an appeal is allowed under section 11 of this chapter and has
11 been taken to the department of local government finance, thirty
12 (30) days after the decision of the department of local government
13 finance.

14 SECTION 51. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,
15 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 13. The lessor corporation shall acquire, own,
17 and hold in fee simple the land on which a school building or buildings
18 are to be erected under this chapter. A school corporation **or the public**
19 **education corporation** that proposes to lease a school building, either
20 alone or jointly with another school corporation, and owns the land on
21 which it desires to be erected the building or buildings may sell and
22 transfer that land to the lessor corporation in fee simple, subject to the
23 following conditions:

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

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

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

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

37 (3) The school corporation **or the public education corporation**
38 may sell the land to the lessor corporation for an amount not less
39 than the amount fixed by the three (3) appraisers as the fair
40 market value, which shall be paid in cash upon delivery of the

1 deed by the school corporation **or the public education**
 2 **corporation** to the lessor corporation. However, if the land was
 3 acquired by the school corporation **or public education**
 4 **corporation** within three (3) years immediately preceding the
 5 date of the filing of the petition with the circuit court, the land
 6 may not be sold for an amount less than the amount paid by the
 7 school corporation **or public education corporation** for the land.

8 SECTION 52. IC 20-47-3-14, AS ADDED BY P.L.2-2006,
 9 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation **or the**
 11 **public education corporation** that executes a lease under this chapter
 12 shall annually appropriate and pay out of the debt service fund an
 13 amount sufficient to pay the lease rental required under the lease. The
 14 appropriation and rate are reviewable by other bodies vested by law
 15 with the authority to determine that the levy is sufficient to raise the
 16 amount required to meet the rental required under the lease.

17 SECTION 53. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
 18 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
 20 a lessor corporation entering into a lease with a school corporation, ~~or~~
 21 **school corporations, or the public education corporation** under this
 22 chapter are exempt from all state, county, and other taxes. However,
 23 the rental payments to a lessor corporation under the terms of such a
 24 lease are subject to all applicable taxes under Indiana law.

25 SECTION 54. IC 20-47-3-16, AS ADDED BY P.L.2-2006,
 26 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
 28 construed as being supplemental to all other laws covering the
 29 acquisition, use, and maintenance of school buildings by school
 30 corporations **or the public education corporation**. However, as to
 31 school buildings constructed or leased under this chapter, it is not
 32 necessary to comply with the provisions of other laws concerning the
 33 acquisition, use, and maintenance of school buildings by school
 34 corporations **or the public education corporation** except as
 35 specifically required in this chapter.

36 SECTION 55. IC 20-47-3-18, AS AMENDED BY P.L.244-2017,
 37 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the termination of
 39 a lease entered into under this chapter, the lessor corporation shall

1 return to the school corporation **or public education corporation** any
 2 money held by the lessor corporation that exceeds the amount needed
 3 to retire bonds issued under this chapter and to dissolve the lessor
 4 corporation.

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

8 SECTION 56. IC 20-47-4-1, AS ADDED BY P.L.2-2006,
 9 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the
 11 lease by a school corporation **or the public education corporation** of
 12 an existing school building or improved school building under
 13 IC 20-47-2 or IC 20-47-3.

14 SECTION 57. IC 20-47-4-3.5 IS ADDED TO THE INDIANA
 15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
 17 **"public education corporation" refers to the Indianapolis public**
 18 **education corporation established by IC 20-25.3-3-1.**

19 SECTION 58. IC 20-47-4-5, AS ADDED BY P.L.2-2006,
 20 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation
 22 qualified or formed to acquire a site, erect a school building on the site,
 23 and lease the school building to a school corporation **or the public**
 24 **education corporation** under IC 20-47-2 or IC 20-47-3 may:

- 25 (1) be qualified or formed to acquire, improve, or expand an
 26 existing school building;
- 27 (2) acquire, improve, or expand an existing school building;
- 28 (3) finance an existing school building or improved school
 29 building; and
- 30 (4) lease an existing school building or improved school building
 31 to a school corporation **or the public education corporation**
 32 under applicable law.

33 SECTION 59. IC 20-47-4-6, AS AMENDED BY P.L.146-2008,
 34 SECTION 521, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may
 36 acquire and finance an existing school building, other than as provided
 37 in section 5 of this chapter, and lease the existing school building to a
 38 school corporation **or the public education corporation**. A school
 39 corporation **or the public education corporation** shall comply with:

- 40 (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

1 **or public education corporation** for the use of the building during
2 renovation, remodeling, or expansion.

3 SECTION 62. IC 20-47-4-9, AS ADDED BY P.L.2-2006,
4 SECTION 170, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 9. The sale price of an existing
6 school building must be determined under the provisions of IC 20-47-2
7 or IC 20-47-3 relating to the sale of land to a lessor corporation. Except
8 as provided in this section, IC 20-26-7 and any other law relating to the
9 sale of the property of school corporations **or the public education**
10 **corporation** or other public property do not apply to the sale of an
11 existing school building to a lessor corporation under this chapter.

12 SECTION 63. IC 20-47-4-10, AS AMENDED BY P.L.244-2017,
13 SECTION 111, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation **or the**
15 **public education corporation** that sells an existing school building
16 under section 6 of this chapter shall deposit the proceeds of the sale in
17 the school corporation's **or the public education corporation's**
18 operations fund and use the proceeds only for:

- 19 (1) new construction of school buildings;
- 20 (2) related site acquisition; and
- 21 (3) related site development.

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

27 Page 24, line 24, delete "a" and insert "**the public education**
28 **corporation may exercise the same**".

29 Page 24, delete lines 25 through 26.

30 Page 24, line 27, delete "of" and insert "**granted to**".

31 Page 24, line 28, delete "article" and insert "**chapter**".

32 Page 24, between lines 28 and 29, begin a new paragraph and insert:
33 "SECTION 65. IC 36-3-6-9, AS AMENDED BY P.L.137-2012,
34 SECTION 118, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **This section does not**
36 **apply to the Indianapolis public education corporation established**
37 **by IC 20-25.3-3-1.**

38 (b) Except as provided in subsection ~~(d)~~; (e), the city-county
39 legislative body shall review the proposed operating and maintenance

1 budgets and tax levies and adopt final operating and maintenance
 2 budgets and tax levies for each of the following entities in the county:

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

14 Except as provided in subsection ~~(c)~~, **(d)**, the city-county legislative
 15 body may reduce or modify but not increase a proposed operating and
 16 maintenance budget or tax levy under this section.

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

20 ~~(c)~~ **(d)** The city-county legislative body or, when subsection ~~(d)~~ **(e)**
 21 applies, the fiscal body of an excluded city or town shall review the
 22 issuance of bonds of an entity listed in subsection ~~(a)~~ **(b)**. Approval of
 23 the city-county legislative body or, when subsection ~~(d)~~ **(e)** applies, the
 24 fiscal body of an excluded city or town is required for the issuance of
 25 bonds. The city-county legislative body or the fiscal body of an
 26 excluded city or town may not reduce or modify a budget or tax levy of
 27 an entity listed in subsection ~~(a)~~ **(b)** in a manner that would:

- 28 (1) limit or restrict the rights vested in the entity to fulfill the
- 29 terms of any agreement made with the holders of the entity's
- 30 bonds; or
- 31 (2) in any way impair the rights or remedies of the holders of the
- 32 entity's bonds.

33 ~~(d)~~ **(e)** If the assessed valuation of a taxing unit is entirely contained
 34 within an excluded city or town (as described in IC 36-3-1-7) that is
 35 located in a county having a consolidated city, the governing body of
 36 the taxing unit shall submit its proposed operating and maintenance
 37 budget and tax levies to the city or town fiscal body for approval and
 38 not the city-county legislative body. Except as provided in subsection
 39 ~~(c)~~, **(d)**, the fiscal body of the excluded city or town may reduce or
 40 modify but not increase a proposed operating and maintenance budget

- 1 or tax levy under this section."
- 2 Renumber all SECTIONS consecutively.
(Reference is to HB 1423 as introduced.)