



Adopted	Rejected
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COMMITTEE REPORT

YES:	9
NO:	4

MR. SPEAKER:

*Your Committee on Education, to which was referred House Bill 1423, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

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
14 any political subdivision within the county, provide to the county

1 auditor the amount available for distribution, as certified for each
2 semiannual distribution under IC 6-1.1-27-2. The county auditor shall
3 advance to that political subdivision a portion of the taxes collected
4 before the semiannual distribution. The amount advanced may not
5 exceed the lesser of:

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

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

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

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

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

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

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

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

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

38 For purposes of this section, an individual who qualifies to be

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

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

9 (c) If:

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

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

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

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

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

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

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

1 IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
2 maximum permissible ad valorem property tax levy for the preceding
3 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
4 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
5 maximum permissible ad valorem property tax levy for the preceding
6 calendar year must instead be multiplied by the result of the following:

7 STEP ONE: Determine:

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

11 STEP TWO: Multiply:

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

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

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

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

36 STEP ONE: Determine:

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

1 (B) one (1).

2 STEP TWO: Multiply:

3 (A) the STEP ONE result; by

4 (B) eight-tenths (0.8).

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

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

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

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

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

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

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

28 (1) a school corporation; or

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

31 (c) If:

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

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

37 the governing body of the taxing unit may not issue bonds or enter into
38 a lease payable in whole or in part from property taxes unless it obtains

1 the approval of the city or town fiscal body.

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

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

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

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

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

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

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

28 Page 8, delete lines 1 through 2.

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

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

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

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

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

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

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

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

37 Page 9, line 14, delete "Control" and insert "**Beginning with the
38 2028-2029 school year, control**".

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

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

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

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

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

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

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

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

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

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

38 **(3) Not later than November 30, 2027, prepare and submit a**

1 **report regarding the feasibility study under subdivision (1) to**
2 **the legislative council in an electronic format under IC 5-14-6.**

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

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

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

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

8 **(1) consult with the department; and**

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

11 **regarding the proposed closure of the participating school.**

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

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

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

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

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

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

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

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

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

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

1 Page 13, line 2, delete "established" and insert "**implemented**".
2 Page 13, delete lines 30 through 36, begin a new paragraph and
3 insert:
4 **"Sec. 1. (a) Any indebtedness, liabilities, and obligations
5 incurred before April 1, 2026, by the school city or any
6 participating school, remain the debt, liability, or obligation of the
7 school city or participating school and do not become the debt,
8 liability, or obligation of and may not be assumed by the
9 corporation. The rights of the bondholders remain unchanged.**
10 **(b) Any indebtedness, liabilities, and obligations incurred after
11 March 31, 2026, by the corporation are the debt, liability, or
12 obligation of the corporation."**
13 Page 15, between lines 21 and 22, begin a new paragraph and insert:
14 **"Chapter 6. Indianapolis Public Education Corporation
15 Operations Fund**
16 **Sec. 1. The corporation shall create a corporation operations
17 fund to be used by the corporation for the purposes of the
18 corporation.**
19 **Sec. 2. The corporation operations fund shall be used to deposit
20 revenue received under IC 20-46-8-11.2(j) and IC 20-46-8-12(m).**
21 **Sec. 3. Expenditures from the corporation operations fund may
22 be made only after appropriation in the annual budget or by an
23 additional appropriation under IC 6-1.1-18-5.**
24 **Sec. 4. (a) Any balance in the corporation operations fund may
25 be invested in the manner provided for investment of money by a
26 political subdivision. The net proceeds from the investment become
27 a part of the corporation operations fund.
28 (b) Any balance, or a part of the balance, remaining in the
29 corporation operations fund at the end of a year may be retained
30 in the corporation operations fund.**
31 **Sec. 5. The corporation may use money in the corporation
32 operations fund to carry out the purposes of the corporation."**
33 Page 23, between lines 4 and 5, begin a new paragraph and insert:
34 **"(c) After June 30, 2026, the public education corporation shall
35 use money in the fund:
36 (1) first, subject to IC 20-25.3-5-1, for payment of any
37 obligation described under section 6 of this chapter and
38 incurred by the school city (as defined in IC 20-25-2-12); and**

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

6 Page 24, line 3, delete "school city" and insert "**public education**
7 **corporation, the school city,.**

8 Page 24, line 6, delete "school city" and insert "**public education**
9 **corporation, the school city,.**

10 Page 24, between lines 7 and 8, begin a new paragraph and insert:
11 "SECTION 20. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025,
12 SECTION 225, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies
14 only to revenue collected after June 30, 2024, and before January 1,
15 2028, from a tax levy imposed under this chapter by a school
16 corporation located in:

17 (1) Lake County;
18 (2) Marion County;
19 (3) St. Joseph County; or
20 (4) Vanderburgh County.

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

24 (b) For distributions made in:

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

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

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

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

38 (d) Not later than March 1, 2025, January 1, 2026, and January 1,

1 2027, the department, in consultation with the department of local
2 government finance, shall determine the corresponding percentages of
3 revenue received from the tax levy that are attributable to the territory
4 of the school corporation that is located within the boundaries of a
5 county listed in subsection (a) and must be distributed among the
6 school corporation and each eligible charter school according to the
7 following formula:

8 STEP ONE: Determine each charter school that:

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

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

15 (A) have legal settlement within the school corporation;
16 (B) are currently included in the fall ADM for the charter
17 school; and
18 (C) receive not more than fifty percent (50%) virtual
19 instruction.

20 STEP THREE: Determine the sum of:

21 (A) the aggregate of the STEP TWO results for all applicable
22 charter schools; plus
23 (B) the fall ADM count for the school corporation for students
24 receiving not more than fifty percent (50%) virtual instruction.

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

27 (A) the applicable STEP TWO amount; divided by
28 (B) the STEP THREE amount;
29 expressed as a percentage.

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

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

35 (1) each charter school determined under STEP ONE of
36 subsection (d) and the charter school's corresponding percentage
37 calculated under STEP FOUR of subsection (d); and
38 (2) the percentage calculated under STEP FIVE of subsection (d)

1 for the school corporation.

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

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

9 (A) the sum of the school corporation's operations fund
10 property tax levies that are attributable to the territory of the
11 school corporation that is located within the boundaries of a
12 county listed in subsection (a) and collected under this chapter
13 for the applicable settlement period as described in
14 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023; divided
15 by
16 (B) three (3).

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

19 (A) the school corporation's operations fund property tax levy
20 collections that are attributable to the territory of the school
21 corporation that is located within the boundaries of a county
22 listed in subsection (a) for the applicable settlement period as
23 described in IC 6-1.1-27-1 in the current calendar year; minus
24 (B) the school corporation's base property tax levy collections
25 determined for the applicable settlement period as described
26 in IC 6-1.1-27-1 under STEP ONE.

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

29 (A) the sum of:

30 (i) the incremental amount determined under STEP TWO;
31 plus
32 (ii) any distribution amount withheld under subsection (i);
33 multiplied by

34 (B) the following percentage:

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

1 (d).

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

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

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

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

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

1 subsection in:

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

10 **(j) This subsection applies only to distributions of property tax
11 revenue in 2026 and to distributions of property tax revenue in
12 2027 to:**

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

14 **(2) a charter school that:**

15 **(A) is located in the territory of a school city (as defined in
16 IC 20-25-2-12); and**

17 **(B) would otherwise receive a share of property tax
18 revenue from the school city under this section.**

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

25 SECTION 21. IC 20-46-8-12, AS ADDED BY P.L.68-2025,
26 SECTION 226, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to
28 revenue collected after December 31, 2027, from a tax levy imposed
29 under this chapter only if the number of students who have legal
30 settlement in a school corporation but attend a charter school,
31 excluding virtual charter schools and adult high schools, and receive
32 not more than fifty percent (50%) virtual instruction, is at least the
33 greater of:

34 (1) one hundred (100) students; or

35 (2) two percent (2%) of the school corporation's spring ADM
36 count, excluding students who receive more than fifty percent
37 (50%) virtual instruction.

38 (b) As used in this section, "eligible charter school" means a charter

1 school attended by a student who:

2 (1) has legal settlement in a school corporation that imposes a tax

3 levy under this chapter; and

4 (2) receives not more than fifty percent (50%) virtual instruction.

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

6 high school.

7 (c) The following schools are not eligible to receive, and may not be

8 considered in a calculation made for purposes of, a distribution under

9 this section:

10 (1) A virtual charter school.

11 (2) An adult high school.

12 (d) Beginning in calendar year 2028, and in each calendar year

13 thereafter, and subject to subsection (j), the county auditor shall

14 distribute to each eligible charter school in the manner provided under

15 this section an amount of revenue received from a tax levy imposed by

16 a school corporation under this chapter.

17 (e) For the purposes of the calculations made in this section, each

18 eligible charter school that has entered into an agreement with a school

19 corporation to participate as a participating innovation network charter

20 school under IC 20-25.7-5 is considered to have an ADM that is

21 separate from the school corporation.

22 (f) Not later than January 1, 2028, and not later than January 1 of

23 each year thereafter, the department, in consultation with the

24 department of local government finance, shall determine, for each

25 school corporation, the corresponding percentages of revenue received

26 from the tax levy that must be distributed among the school corporation

27 and each eligible charter school according to the following formula:

28 STEP ONE: Determine, for each eligible charter school, the

29 number of students who:

30 (A) have legal settlement within the school corporation;

31 (B) are currently included in the fall ADM count for the

32 charter school; and

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

34 instruction.

35 STEP TWO: Determine the sum of:

36 (A) the aggregate of the STEP ONE results for all eligible

37 charter schools with respect to the school corporation; plus

38 (B) the fall ADM count for the school corporation for students

1 receiving not more than fifty percent (50%) virtual instruction.
2 STEP THREE: For each eligible charter school, determine the
3 result of:

4 (A) the applicable STEP ONE amount; divided by
5 (B) the STEP TWO amount;
6 expressed as a percentage.

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

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

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

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

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

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

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

31 (B) the following percentage:
32 (i) In the case of an eligible charter school, the charter
33 school's percentage under STEP THREE of subsection (f).
34 (ii) In the case of the school corporation, the school
35 corporation's percentage under STEP FOUR of subsection
36 (f).

37 (i) Not later than August 15, 2027, and not later than August 15 of
38 each calendar year thereafter, the department shall provide to each

1 school corporation and each eligible charter school an estimate of the
2 amount of property tax levy revenue the school corporation and eligible
3 charter school are expected to receive under this section in the
4 subsequent calendar year based on the most recent fall ADM count.

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

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

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

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

36 (1) added to the property tax revenue collections as described in
37 STEP TWO of subsection (h); and
38 (2) distributed among the school corporation and remaining

1 eligible charter schools according to subsection (h);
2 in the calendar year that immediately follows the calendar year in
3 which the distribution amount was withheld.

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

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

13 (A) the applicable result of STEP TWO of subsection (h) for
14 the eligible charter school; multiplied by
15 (B) twenty-five hundredths (0.25).

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

18 (A) the applicable result of STEP TWO of subsection (h) for
19 the eligible charter school; multiplied by
20 (B) five-tenths (0.5).

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

23 (A) the applicable result of STEP TWO of subsection (h) for
24 the eligible charter school; multiplied by
25 (B) seventy-five hundredths (0.75).

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

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

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

34 **(2) a charter school that:**

35 **(A) is located in the territory of a school city (as defined in
36 IC 20-25-2-12); and**

37 **(B) would otherwise receive a share of property tax
38 revenue from the school city under this section.**

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

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

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

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

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

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

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

1 corporations. A lease executed by two (2) or more school corporations
2 as joint lessees must:

3 (1) set out the amount of the total lease rental to be paid by each
4 lessee, which may be as agreed upon; and
5 (2) provide that:

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

10 SECTION 26. IC 20-47-2-6, AS ADDED BY P.L.2-2006,
11 SECTION 170, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, **or**
13 **school** corporations, **or the public education corporation** may enter
14 into a lease under this chapter only with a corporation organized under
15 Indiana law solely for the purpose of acquiring a site, erecting a
16 suitable school building or buildings on that site, leasing the building
17 or buildings to the school corporation, **or school** corporations, **or**
18 **public education corporation** collecting the rentals under the lease,
19 and applying the proceeds of the lease in the manner provided in this
20 chapter.

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

22 (1) must, except as provided in subdivision (2), act entirely
23 without profit to the lessor corporation or its officers, directors,
24 and stockholders;

25 (2) is entitled to the return of capital actually invested, plus
26 interest or dividends on outstanding securities or loans, not to
27 exceed five percent (5%) per annum and the cost of maintaining
28 the lessor corporation's corporate existence and keeping its
29 property free of encumbrance; and

30 (3) upon receipt of any amount of lease rentals exceeding the
31 amount described in subdivision (2), apply the excess funds to the
32 redemption and cancellation of the lessor corporation's
33 outstanding securities or loans as soon as may be done.

34 SECTION 27. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
35 SECTION 170, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
37 under this chapter must include the following provisions:

38 (1) An option for the school corporation, **or school** corporations,

1 **or the public education corporation** to renew the lease for a
2 further term on similar conditions.

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

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

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

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

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

1 SECTION 29. IC 20-47-2-11, AS ADDED BY P.L.2-2006,
2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor
4 corporation and the school corporation, ~~or school~~ corporations, **or the**
5 **public education corporation** have agreed upon the terms and
6 conditions of a lease proposed to be entered into under this chapter, and
7 before the final execution of the lease, a notice shall be given by
8 publication to all persons interested of a hearing or joint hearing to be
9 held before the governing body or governing bodies of the school
10 corporation or corporations **or the corporation board** authorized to
11 approve the lease. The hearing must be not earlier than:

12 (1) ten (10) days after publication of the notice, if new
13 construction is proposed; or
14 (2) thirty (30) days after publication of the notice, if improvement
15 or expansion is proposed.

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

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

32 The cost of publishing the notice shall be borne by the lessor
33 corporation.

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

1 SECTION 30. IC 20-47-2-12, AS ADDED BY P.L.2-2006,
2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) At the hearing, all
4 interested persons have a right to be heard upon the necessity for the
5 execution of the proposed lease and whether the rental to be paid to the
6 lessor corporation under the proposed lease is a fair and reasonable
7 rental for the proposed building. The hearing may be adjourned to a
8 later date or dates.

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

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

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

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

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

33 (b) This subsection does not apply to a lease for which a school
34 corporation **or the public education corporation** after June 30, 2008,
35 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
36 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
37 case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
38 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease

1 after June 30, 2008. Within thirty (30) days after the publication of
2 notice under subsection (a), fifty (50) or more taxpayers in the school
3 corporation or corporations who:

4 (1) will be affected by the proposed lease; and
5 (2) are of the opinion that:

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

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

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

21 The department of local government finance shall:

22 (1) conduct the hearing in the school corporation or corporations,
23 in the county where the school corporation or corporations are
24 located, or through electronic means; and

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

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

36 SECTION 32. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,

37 SECTION 516, IS AMENDED TO READ AS FOLLOWS

38 [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the

1 validity of the lease or to enjoin the performance of any of the terms
2 and conditions of the lease may not be instituted at any time later than:
3 (1) thirty (30) days after publication of notice of the execution of
4 the lease by the governing body or bodies of the school
5 corporation or corporations **or the corporation board**; or
6 (2) if an appeal is allowed under section 13 of this chapter and has
7 been taken to the department of local government finance, thirty
8 (30) days after the decision of the department of local government
9 finance.

10 SECTION 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006,
11 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 UPON PASSAGE]: Sec. 15. The lessor corporation shall acquire, own,
13 and hold in fee simple the land on which a school building or buildings
14 are to be erected under this chapter. A school corporation **or the public**
15 **education corporation** that proposes to lease such a school building,
16 either alone or jointly with another school corporation, and owns the
17 land on which it desires that the building or buildings be erected may
18 sell and transfer that land to the lessor corporation in fee simple,
19 subject to the following conditions:

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

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

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

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

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

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

7 SECTION 34. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
8 SECTION 170, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,
10 "bonds" includes bonds, debentures, or other evidences of
11 indebtedness.

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

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

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

32 (d) Refunding bonds issued under this section:
33 (1) are legal and proper investments;
34 (2) are exempt from taxation; and
35 (3) may be sold without registration with or approval of the
36 securities division of the office of the secretary of state or
37 securities commissioner;
38 in the same manner, under the same conditions, and subject to the same

1 limitations as any other bonds issued by lessor corporations under
2 section 16 of this chapter. However, no proceedings or actions by the
3 lessee nor approval by any board, commission, or agency are required
4 in connection with the refunding, and the refunding authorized in this
5 section does not affect the obligation of the lessee to pay the lease
6 rental under the lease of the building or buildings.

7 (e) An action to contest the validity of refunding bonds issued under
8 this section may not be brought after the fifteenth day following the
9 receipt of bids for the bonds.

10 (f) In connection with the issuance of refunding bonds, the lessee
11 school corporation, **or** school corporations, **or** **public education**
12 **corporation** may enter into an amendment to the lease with the lessor
13 corporation providing for an extension of the time set forth in the lease
14 before the option of the lessee or lessees to purchase may be exercised
15 to a time agreed upon between the lessee school corporation, **or** school
16 corporations, **or** **public education corporation** and the lessor
17 corporation.

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

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

24 (1) Construction of a school building.
25 (2) An addition to a school building owned by a lessor
26 corporation or owned by the school corporation **or** **public**
27 **education corporation** to which a lessor corporation has leased
28 property under this chapter, and any remodeling incidental to that
29 addition.
30 (3) Remodeling of or construction of appurtenances to a school
31 building owned by a lessor corporation.

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

36 (d) Refunding and improvement bonds issued under this section:
37 (1) are legal and proper investments;
38 (2) are exempt from taxation; and

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

11 (1) an extension of the time set forth in the lease before the option
12 of the lessee or lessees to purchase may be exercised to a time
13 agreed upon between the lessee school corporation, **or** school
14 corporations, **or public education corporation** and the lessor
15 corporation;

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

21 (f) No proceedings or actions by the lessee nor approval by any
22 board, commission, or agency are required in connection with a
23 refunding under this section, and the refunding does not affect the
24 obligation of the lessee to pay the lease rental under the lease of the
25 building or buildings. However, all provisions, restrictions, and
26 limitations of this chapter that are not inconsistent with this section,
27 including the petition of school patrons, notice of hearing, hearing,
28 notice of execution, and right to file an objecting petition, apply to an
29 amendment of the lease increasing the lease rental payments as if the
30 amendment were an original lease.

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

34 SECTION 36. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
35 SECTION 170, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
37 **public education corporation** that decides to exercise an option to
38 purchase a school building under this chapter may issue general

1 obligation bonds to procure funds to pay the cost of acquisition.
2 General obligation bonds issued under this section must be authorized,
3 issued, and sold in the manner provided for the authorization, issuance,
4 and sale of bonds by school corporations **or the public education**
5 **corporation** for school building purposes.

6 SECTION 37. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,
7 SECTION 108, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**
9 **public education corporation** that executes a lease under this chapter
10 shall annually appropriate from its debt service fund or **general fund**
11 (~~before January 1, 2019~~ **or** operations fund (~~after December 31, 2018~~)
12 an amount sufficient to pay the lease rental required under the lease.
13 The appropriation is reviewable by other bodies vested by law with
14 such authority to ascertain that the specified amount is sufficient to
15 meet the lease rental required under the lease. The first specific
16 appropriation shall be made at the first budget period following the
17 date of the execution of the lease, and the first annual appropriation
18 must be sufficient to pay the estimated amount of the first annual lease
19 rental payment to be made under the lease. Thereafter, the annual
20 appropriations provided for in this section shall be made, and payments
21 shall be made from the debt service fund.

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

30 SECTION 39. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
31 SECTION 170, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
33 construed as being supplemental to all other laws covering the
34 acquisition, use, and maintenance of school buildings by school
35 corporations **or the public education corporation**. However, as to
36 school buildings constructed, acquired, leased, or purchased under this
37 chapter, it is not necessary to comply with other laws concerning the
38 acquisition, use, and maintenance of school buildings by school

1 corporations **or the public education corporation** except as
2 specifically required in this chapter.

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

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

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

19 SECTION 42. IC 20-47-3-1.5 IS ADDED TO THE INDIANA
20 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
21 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**
22 **"public education corporation" refers to the Indianapolis public**
23 **education corporation established by IC 20-25.3-3-1.**

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

29 (1) the school corporation **or public education corporation**; or
30 (2) a joint or consolidated school district of which the school
31 corporation is a part or to which it contributes;
32 for a term not to exceed fifty (50) years.

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

37 (c) If two (2) or more school corporations propose to jointly enter
38 into a lease under this section, joint meetings of the governing bodies

1 of the school corporations may be held, but action taken at a joint
2 meeting is not binding on any of those school corporations unless
3 approved by a majority of the governing body of each of those school
4 corporations. A lease executed by two (2) or more school corporations
5 as joint lessees must:

6 (1) set out the amount of the total lease rental to be paid by each
7 lessee, which may be as agreed upon; and
8 (2) provide that:

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

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

19 (1) a corporation organized under Indiana law or admitted to do
20 business in Indiana; or
21 (2) a religious organization (or the organization's agent) that is
22 exempt from federal income taxation under Section 501 of the
23 Internal Revenue Code.

24 SECTION 45. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,
25 SECTION 517, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
27 subsections (d) and (e), a lease must provide that the school
28 corporation, **or school** corporations, **or the public education**
29 **corporation** have an option to:

30 (1) renew the lease for a further term on like conditions; and
31 (2) purchase the property covered by the lease;
32 with the terms and conditions of the purchase to be specified in the
33 lease, subject to the approval of the department of local government
34 finance.

35 (b) If the option to purchase the property covered by the lease is
36 exercised, the school corporation, **or school** corporations, **or public**
37 **education corporation** to procure funds to pay the purchase price, may
38 issue and sell bonds under the provisions of the general statute

1 governing the issue and sale of bonds of the school corporation, **or**
2 **school** corporations, **or public education corporation**. The purchase
3 price may not be more than the purchase price set forth in the lease
4 plus:

5 (1) two percent (2%) of the purchase price as prepayment penalty
6 for purchase within the first five (5) years of the lease term; or
7 (2) one percent (1%) of the purchase price as prepayment penalty
8 for purchase in the second five (5) years of the lease term;
9 and thereafter the purchase shall be without prepayment penalty.

10 (c) However:

11 (1) if the school corporation, **or school** corporations, **or the**
12 **public education corporation** have not exercised an option to
13 purchase the property covered by the lease at the expiration of the
14 lease; and
15 (2) upon the full discharge and performance by the school
16 corporation, **or school** corporations, **or public education**
17 **corporation** of their obligations under the lease;

18 the property covered by the lease becomes the absolute property of the
19 school corporation, **or school** corporations, **or public education**
20 **corporation**, and the lessor corporation shall execute proper
21 instruments conveying to the school corporation, **or school**
22 corporations, **or public education corporation** good and merchantable
23 title to that property.

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

28 (1) The lease is not required to include on behalf of the school
29 corporation an option to purchase the property covered by the
30 lease.

31 (2) The lease must include an option to renew the lease.

32 (3) The property covered by the lease is not required to become
33 the absolute property of the school corporation as provided in
34 subsection (c).

35 (e) In the case of a lease for which a school corporation **or the**
36 **public education corporation**:

37 (1) after June 30, 2008, makes a preliminary determination as
38 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as

1 described in IC 6-1.1-20-5; or
2 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
3 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance
4 authorizing the lease after June 30, 2008;
5 the terms and conditions of the purchase that are specified in the lease
6 are not subject to the approval of the department of local government
7 finance.

8 SECTION 46. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,
9 SECTION 518, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
11 subsection (b), a school corporation, **or school** corporations, **or the**
12 **public education corporation** may, in anticipation of the acquisition
13 of a site and the construction and erection of a school building or
14 buildings, and, subject to the approval of the department of local
15 government finance, enter into a lease with a lessor corporation before
16 the actual acquisition of the site and the construction and erection of
17 the building or buildings. However, the lease entered into by the school
18 corporation, **or school** corporations, **or public education corporation**
19 may not provide for the payment of any lease rental by the lessee or
20 lessees until the building or buildings are ready for occupancy, at
21 which time the stipulated lease rental may begin. The lessor
22 corporation shall furnish a bond to the approval of the lessee or lessees
23 conditioned on the final completion of the building or buildings within
24 a period not to exceed one (1) year from the date of the execution of the
25 lease, unavoidable delays excepted.

26 (b) In the case of a lease for which a school corporation **or the**
27 **public education corporation:**

28 (1) after June 30, 2008, makes a preliminary determination as
29 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
30 described in IC 6-1.1-20-5; or

31 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
32 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance
33 authorizing the lease after June 30, 2008;

34 the approval of the department of local government finance is not
35 required.

36 SECTION 47. IC 20-47-3-9, AS ADDED BY P.L.2-2006,

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1 corporation and the school corporation, **or school** corporations, **or**
2 **public education corporation** have agreed upon the terms and
3 conditions of a lease proposed to be entered into under this chapter, and
4 before the final execution of the lease, a notice shall be given by
5 publication to all persons interested of a hearing or joint hearing to be
6 held before the governing body or governing bodies of the school
7 corporations **or the corporation board** authorized to approve the
8 lease. The hearing must be not earlier than:

9 (1) ten (10) days after publication of the notice, if new
10 construction is proposed; or
11 (2) thirty (30) days after publication of the notice, if improvement
12 or expansion is proposed.

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

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

24 (A) location of the property to be leased;
25 (B) name of the proposed lessor corporation;
26 (C) character of the property to be leased;
27 (D) rental to be paid; and
28 (E) number of years the lease is to be in effect.

29 The cost of publication of the notice shall be paid by the lessor
30 corporation.

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

36 SECTION 48. IC 20-47-3-10, AS ADDED BY P.L.2-2006,
37 SECTION 170, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all

1 interested persons have a right to be heard upon the necessity for the
2 execution of the proposed lease and whether the rental to be paid to the
3 lessor corporation under the proposed lease is a fair and reasonable
4 rental for the proposed building. The hearing may be adjourned to a
5 later date or dates.

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

10 (1) authorize the execution of the lease as originally agreed upon;
11 or
12 (2) make modifications to the proposed lease as agreed upon with
13 the lessor corporation.

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

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

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

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

20 (1) conduct the hearing in the school corporation or corporations,
21 in the county where the school corporation or corporations are
22 located, or through electronic means; and
23 (2) give notice of the hearing to the members of the governing
24 body or bodies of the school corporation or corporations **or the**
25 **corporation board** and to the first ten (10) taxpayer petitioners
26 upon the petition by a letter signed by the commissioner or deputy
27 commissioner of the department of local government finance, and
28 enclosed with full prepaid postage addressed to the taxpayer
29 petitioners at their usual place of residence, at least five (5) days
30 before the hearing.

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

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

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

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

22 (A) one (1) disinterested freeholder of the school corporation
23 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.

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

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

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

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

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

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

32 SECTION 55. IC 20-47-3-18, AS AMENDED BY P.L.244-2017,
33 SECTION 110, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the termination of
35 a lease entered into under this chapter, the lessor corporation shall
36 return to the school corporation **or public education corporation** any
37 money held by the lessor corporation that exceeds the amount needed
38 to retire bonds issued under this chapter and to dissolve the lessor

1 corporation.

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

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

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

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

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

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

37 (1) IC 20-47-2 or IC 20-47-3;
38 (2) the petition and remonstrance provisions under IC 6-1.1-20 (if

1 required); and

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

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

15 SECTION 60. IC 20-47-4-7, AS ADDED BY P.L.2-2006,
16 SECTION 170, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the**
18 **public education corporation** may not pay a legal or other
19 professional fee as the result of an exchange or a substitution under
20 section 5 or 6 of this chapter.

21 SECTION 61. IC 20-47-4-8, AS ADDED BY P.L.2-2006,
22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
24 subsection (b), the lease or contract of lease of an existing school
25 building or improved school building to a school corporation **or the**
26 **public education corporation** as authorized by this chapter must
27 comply with all applicable terms of IC 20-47-2 or IC 20-47-3,
28 including:

29 (1) the notice of hearing on the lease;

30 (2) public hearing;

31 (3) notice of execution of lease; and

32 (4) the submission of plans and specifications for the
33 improvement or expansion of the existing school building for
34 approval by the state agencies designated in IC 20-47-2 or
35 IC 20-47-3 or otherwise required by law or rule.

36 (b) If a school corporation **or the public education corporation** is
37 occupying and using an existing school building during the renovation,
38 remodeling, or expansion of the building, the lease or contract of lease

1 may provide for the payment of lease rental by the school corporation
2 **or public education corporation** for the use of the building during
3 renovation, remodeling, or expansion.

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

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

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

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

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

30 Page 24, delete lines 25 through 26.

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

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

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

1 **(b)** Except as provided in subsection ~~(d)~~, **(e)**, the city-county
2 legislative body shall review the proposed operating and maintenance
3 budgets and tax levies and adopt final operating and maintenance
4 budgets and tax levies for each of the following entities in the county:
5 (1) An airport authority operating under IC 8-22-3.
6 (2) A public library operating under IC 36-12.
7 (3) A capital improvement board of managers operating under
8 IC 36-10.
9 (4) A public transportation corporation operating under IC 36-9-4.
10 (5) A health and hospital corporation established under
11 IC 16-22-8.
12 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
13 located in the county and has a governing body that is not
14 comprised of a majority of officials who are elected to serve on
15 the governing body.

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

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

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

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

35 **(d)** **(e)** If the assessed valuation of a taxing unit is entirely contained
36 within an excluded city or town (as described in IC 36-3-1-7) that is
37 located in a county having a consolidated city, the governing body of
38 the taxing unit shall submit its proposed operating and maintenance

1 budget and tax levies to the city or town fiscal body for approval and
2 not the city-county legislative body. Except as provided in subsection
3 ~~(e)~~, **(d)**, the fiscal body of the excluded city or town may reduce or
4 modify but not increase a proposed operating and maintenance budget
5 or tax levy under this section.".
6 Renumber all SECTIONS consecutively.
(Reference is to HB 1423 as introduced.)

and when so amended that said bill do pass.

Representative Behning