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HOUSE BILL No. 1423

Proposed Changes to introduced printing by AM142308

DIGEST OF PROPOSED AMENDMENT

Executive director. Requires the executive director of the Indianapolis public education corporation (corporation) to stand for retention at the general election in 2028 and every four years thereafter. Provides that if a majority of the eligible voters vote to oppose the retention of the executive director, the corporation board shall appoint another individual recommended by the mayor as the executive director of the corporation.

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

- 1 SECTION 1. IC 3-10-2-17 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) This section applies
4 only to a school city (as defined in IC 20-25-2-12).
5 (b) The executive director of the Indianapolis public education
6 corporation shall stand for retention:
7 (1) at the general election in 2028 and every four (4) years
8 thereafter; and
9 (2) by the eligible voters from all the districts established
10 under IC 20-25-3-4.
11 SECTION 2. IC 3-11-2-12.9, AS AMENDED BY P.L.195-2025,
12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 12.9. (a) School board offices to be elected at
14 the general election shall be placed on the general election ballot after
15 the offices described in section 12.4 of this chapter.
16 (b) If the ballot contains a candidate for a school board office, the
17 ballot must also contain a statement that reads substantially as follows:



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"To vote for a candidate for this office, make a voting mark on or in the square to the left of the candidate's name. A straight party vote will not count as a vote for any candidate for this office."

(c) Whenever candidates are to be elected to a school board office that includes both an at-large member and a member representing a district, the candidates seeking election as an at-large member shall be placed on the ballot before candidates seeking to represent a district.

(d) This subsection applies only to a school city (as defined in IC 20-25-2-12). The question of the retention of the executive director of the Indianapolis public education corporation shall be placed on the ballot after the offices described in subsection (a) and before the offices described in section 13 of this chapter. The question under this subsection must read as follows:

"Shall _____ (insert the name of the executive director of the Indianapolis public education corporation) be retained as Executive Director of the Indianapolis Public Education Corporation?"

SECTION 3. IC 3-11-13-11, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The ballot information, whether placed on the ballot card or on the marking device, must be in the order of arrangement provided for ballots under this section.

(b) Each county election board shall have the names of all candidates for all elected offices, political party offices, and public questions printed on a ballot card as provided in this chapter. The county may:

- (1) print all offices and questions on a single ballot card; and
- (2) include a ballot variation code to ensure that the proper version of a ballot is used within a precinct.

(c) Each type of ballot card must be of uniform size and of the same quality and color of paper (except as permitted under IC 3-10-1-17).

(d) The nominees of a political party or an independent candidate or independent ticket (described in IC 3-11-2-6) nominated by petitioners shall be listed on the ballot with the name and device set forth on the certification or petition. The circle containing the device may be of any size that permits a voter to readily identify the device. IC 3-11-2-5 applies if the certification or petition does not include a name or device, or if the same device is selected by two (2) or more parties or petitioners. In the case of a candidate described in IC 3-8-2.5-2.5(a)(5)(C), a blank space **must be printed** after the



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candidate's name signifying that the candidate elects not to disclose any affiliation with a political party or that the candidate:

(1) is not affiliated with a political party; and

(2) does not identify as an independent candidate.

(e) The offices and public questions on the general election ballot must be placed on the ballot in the order listed in IC 3-11-2-12, IC 3-11-2-12.4, IC 3-11-2-12.5, IC 3-11-2-12.7(b), IC 3-11-2-12.9(a), IC 3-11-2-12.9(c), **IC 3-11-2-12.9(d)**, IC 3-11-2-13(a) through IC 3-11-2-13(c), IC 3-11-2-14(a), IC 3-11-2-14(d), and IC 3-11-2-14(e). The offices and public questions may be listed in a continuous column either vertically or horizontally and on a number of separate pages.

(f) The name of each office must be printed in a uniform size in bold type. A statement reading substantially as follows must be placed immediately below the name of the office and above the name of the first candidate:

(1) "Vote for one (1) only.", if only one (1) candidate is to be elected to the office.

(2) "Vote for not more than (insert the number of candidates to be elected) candidate(s) for this office. To vote for any candidate for this office, you must make a voting mark for each candidate you wish to vote for. A straight party vote will not count as a vote for any candidate for this office.", if more than one (1) candidate is to be elected to the office.

(3) "Vote for one (1) only. A straight party vote will not count as a vote for any candidate for this office.", if only one (1) candidate is to be elected to a school board office.

(g) Below the name of the office and the statement required by subsection (f), the names of the candidates for each office must be grouped together in the following order:

(1) The major political party whose candidate received the highest number of votes in the county for secretary of state at the last election is listed first.

(2) The major political party whose candidate received the second highest number of votes in the county for secretary of state is listed second.

(3) All other political parties listed in the order that the parties' candidates for secretary of state finished in the last election are listed after the party listed in subdivision (2).

(4) If a political party did not have a candidate for secretary of state in the last election or a nominee is an independent candidate or independent ticket (described in IC 3-11-2-6), the



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party or candidate is listed after the parties described in subdivisions (1), (2), and (3).

(5) If more than one (1) political party or independent candidate or ticket described in subdivision (4) qualifies to be on the ballot, the parties, candidates, or tickets are listed in the order in which the party filed its petition of nomination under IC 3-8-6-12.

(6) The name of a candidate described in IC 3-8-2.5-2.5(a)(5)(C) is placed after the candidates listed in subdivisions (1) through (5), if applicable.

(7) A space for write-in voting is placed after the candidates listed in subdivisions (1) through (6), if required by law.

(8) The name of a write-in candidate may not be listed on the ballot.

(h) The names of the candidates grouped in the order established by subsection (g) must be printed in type with uniform capital letters and have a uniform space between each name. The name of the candidate's political party, or the word "Independent" if the:

(1) candidate; or

(2) ticket of candidates for:

(A) President and Vice President of the United States; or

(B) governor and lieutenant governor;

is independent, must be placed immediately below or beside the name of the candidate and must be printed in a uniform size and type. In the case of a candidate described in IC 3-8-2.5-2.5(a)(5)(C), the name of the candidate must be printed with a blank space after the candidate's name signifying that the candidate elects not to disclose any affiliation with a political party or that the candidate is not affiliated with a political party and does not identify as an independent candidate.

(i) All the candidates of the same political party for election to at-large seats on the fiscal or legislative body of a political subdivision must be grouped together:

(1) under the name of the office that the candidates are seeking;

(2) in the order established by subsection (g); and

(3) within the political party, in alphabetical order according to surname.

A statement reading substantially as follows must be placed immediately below the name of the office and above the name of the first candidate: "Vote for not more than (insert the number of candidates to be elected) candidate(s) of ANY party for this office."

(j) Candidates for election to at-large seats on the governing body of a school corporation must be grouped:



(1) under the name of the office that the candidates are seeking;
and

(2) in alphabetical order according to surname.

A statement reading substantially as follows must be placed immediately below the name of the office and above the name of the first candidate: "Vote for not more than (insert the number of candidates to be elected) candidate(s) for this office. A straight party vote will not count as a vote for any candidate for this office.".

(k) The following information must be placed at the top of the ballot before the first public question is listed:

(1) The cautionary statement described in IC 3-11-2-7.

(2) The instructions described in IC 3-11-2-8, IC 3-11-2-10(d), and IC 3-11-2-10(e).

(l) The ballot must include a single connectable arrow, circle, oval, or square, or a voting position for voting a straight party ticket by one (1) mark as required by section 14 of this chapter, and the single connectable arrow, circle, oval, or square, or the voting position for casting a straight party ticket ballot must be identified by:

(1) the name of the political party; and

(2) immediately below or beside the political party's name, the device of that party (described in IC 3-11-2-5).

The name and device of each political party must be of uniform size and type and arranged in the order established by subsection (g) for listing candidates under each office. The instructions described in IC 3-11-2-10(c) for voting a straight party ticket and the statement concerning presidential electors required under IC 3-10-4-3 must be placed on the ballot label. The instructions for voting a straight party ticket must include the statement: "If you do not wish to vote a straight party ticket, do not make a mark in this section and proceed to voting the ballot by office.".

(m) A public question must be in the form described in IC 3-11-2-15(a) and IC 3-11-2-15(b), except that a single connectable arrow, a circle, or an oval may be used instead of a square. Except as expressly authorized or required by statute, a county election board may not print a ballot card that contains language concerning the public question other than the language authorized by a statute.

(n) This subsection applies only to a school city (as defined in IC 20-25-2-12). The question of the retention of the executive director of the Indianapolis public education corporation must read as follows:

"Shall _____ (insert the name of the executive director of the Indianapolis public education corporation) be retained as



Executive Director of the Indianapolis Public Education Corporation?".

~~(n)~~ (o) The requirements in this section:

(1) do not replace; and

(2) are in addition to;

any other requirements in this title that apply to optical scan ballots.

~~(o)~~ (p) The procedure described in IC 3-11-2-16 must be used when a ballot does not comply with the requirements imposed by this title or contains another error or omission that might result in confusion or mistakes by voters.

~~(p)~~ (q) This subsection applies to an optical scan ballot that does not list:

(1) the names of political parties or candidates; or

(2) the text of public questions;

on the face of the ballot. The ballot must be prepared in accordance with this section, except that the ballot must include a numbered circle or oval to refer to each political party, candidate, or public question.

SECTION 4. IC 3-11-14-3.5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) Each county election board shall have the names of all candidates for all elected offices, political party offices, and public questions printed on ballot labels for use in an electronic voting system as provided in this chapter.

(b) The county may:

(1) print all offices and public questions on a single ballot label; and

(2) include a ballot variation code to ensure that the proper version of a ballot label is used within a precinct.

(c) Each type of ballot label must be of uniform size and of the same quality and color of paper (except as permitted under IC 3-10-1-17).

(d) The nominees of a political party or an independent candidate or independent ticket (described in IC 3-11-2-6) nominated by petitioners must be listed on the ballot label with the name and device set forth on the certification or petition. The circle containing the device may be of any size that permits a voter to readily identify the device. IC 3-11-2-5 applies if the certification or petition does not include a name or device, or if the same device is selected by two (2) or more parties or petitioners. In the case of a candidate described in IC 3-8-2.5-2.5(a)(5)(C), a blank space **must be printed** after the candidate's name signifying that the candidate elects not to disclose any



1 affiliation with a political party or that the candidate:

2 (1) is not affiliated with a political party; and

3 (2) does not identify as an independent candidate.

4 (e) The ballot labels must list the offices and public questions on
 5 the general election ballot in the order listed in IC 3-11-2-12,
 6 IC 3-11-2-12.4, IC 3-11-2-12.5, IC 3-11-2-12.7(b), IC 3-11-2-12.9(a),
 7 IC 3-11-2-12.9(c), IC 3-11-2-12.9(d), IC 3-11-2-13(a) through
 8 IC 3-11-2-13(c), IC 3-11-2-14(a), IC 3-11-2-14(d), and
 9 IC 3-11-2-14(e). Each office and public question may have a separate
 10 screen, or the offices and public questions may be listed in a
 11 continuous column either vertically or horizontally.

12 (f) The name of each office must be printed in a uniform size in
 13 bold type. A statement reading substantially as follows must be placed
 14 immediately below the name of the office and above the name of the
 15 first candidate:

16 (1) "Vote for one (1) only.", if only one (1) candidate is to be
 17 elected to the office.

18 (2) "Vote for not more than (insert the number of candidates to
 19 be elected) candidate(s) for this office. To vote for any candidate
 20 for this office, you must make a voting mark for each candidate
 21 you wish to vote for. A straight party vote will not count as a
 22 vote for any candidate for this office.", if more than one (1)
 23 candidate is to be elected to the office.

24 (3) "Vote for one (1) only. A straight party vote will not count as
 25 a vote for any candidate for this office.", if only one (1)
 26 candidate is to be elected to a school board office.

27 (g) Below the name of the office and the statement required by
 28 subsection (f), the names of the candidates for each office must be
 29 grouped together in the following order:

30 (1) The major political party whose candidate received the
 31 highest number of votes in the county for secretary of state at the
 32 last election is listed first.

33 (2) The major political party whose candidate received the
 34 second highest number of votes in the county for secretary of
 35 state is listed second.

36 (3) All other political parties listed in the order that the parties'
 37 candidates for secretary of state finished in the last election are
 38 listed after the party listed in subdivision (2).

39 (4) If a political party did not have a candidate for secretary of
 40 state in the last election or a nominee is an independent
 41 candidate or independent ticket (described in IC 3-11-2-6), the
 42 party or candidate is listed after the parties described in



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subdivisions (1), (2), and (3).

(5) If more than one (1) political party or independent candidate or ticket described in subdivision (4) qualifies to be on the ballot, the parties, candidates, or tickets are listed in the order in which the party filed its petition of nomination under IC 3-8-6-12.

(6) The name of a candidate described in IC 3-8-2.5-2.5(a)(5)(C) is placed after the candidates listed in subdivisions (1) through (5), if applicable.

(7) A space for write-in voting is placed after the candidates listed in subdivisions (1) through (6), if required by law. A space for write-in voting for an office is not required if there are no declared write-in candidates for that office. However, procedures must be implemented to permit write-in voting for candidates for federal offices.

(8) The name of a write-in candidate may not be listed on the ballot.

(h) The names of the candidates grouped in the order established by subsection (g) must be printed in type with uniform capital letters and have a uniform space between each name. The name of the candidate's political party, or the word "Independent", if the:

(1) candidate; or

(2) ticket of candidates for:

(A) President and Vice President of the United States; or

(B) governor and lieutenant governor;

is independent, must be placed immediately below or beside the name of the candidate and must be printed in uniform size and type. In the case of a candidate described in IC 3-8-2.5-2.5(a)(5)(C), the name of the candidate must be printed with a blank space after the candidate's name signifying that the candidate elects not to disclose any affiliation with a political party or that the candidate is not affiliated with a political party and does not identify as an independent candidate.

(i) All the candidates of the same political party for election to at-large seats on the fiscal or legislative body of a political subdivision must be grouped together:

(1) under the name of the office that the candidates are seeking;

(2) in the party order established by subsection (g); and

(3) within the political party, in alphabetical order according to surname.

A statement reading substantially as follows must be placed immediately below the name of the office and above the name of the first candidate: "Vote for not more than (insert the number of



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candidates to be elected) candidate(s) of ANY party for this office."

(j) Candidates for election to at-large seats on the governing body of a school corporation must be grouped:

(1) under the name of the office that the candidates are seeking; and

(2) in alphabetical order according to surname.

A statement reading substantially as follows must be placed immediately below the name of the office and above the name of the first candidate: "Vote for not more than (insert the number of candidates to be elected) candidate(s) for this office. A straight party vote will not count as a vote for any candidate for this office."

(k) The cautionary statement described in IC 3-11-2-7 must be placed at the top or beginning of the ballot label before the first public question is listed.

(l) The instructions described in IC 3-11-2-8, IC 3-11-2-10(d), and IC 3-11-2-10(e) may be:

(1) placed on the ballot label; or

(2) posted in a location within the voting booth that permits the voter to easily read the instructions.

(m) Except as provided in section 14.5 of this chapter, the ballot label must include a touch sensitive point or button for voting a straight political party ticket by one (1) touch, and the touch sensitive point or button must be identified by:

(1) the name of the political party; and

(2) immediately below or beside the political party's name, the device of that party (described in IC 3-11-2-5).

The name and device of each party must be of uniform size and type, and arranged in the order established by subsection (g) for listing candidates under each office. The instructions described in IC 3-11-2-10(c) for voting a straight party ticket and the statement concerning presidential electors required under IC 3-10-4-3 must be placed on the ballot label. The instructions for voting a straight party ticket must include the statement: "If you do not wish to vote a straight party ticket, press "NEXT" (or replace "NEXT" with the term used by that voting system to permit a voter to skip a ballot screen) to continue voting."

(n) A public question must be in the form described in IC 3-11-2-15(a) and IC 3-11-2-15(b), except that a touch sensitive point or button must be used instead of a square. Except as expressly authorized or required by statute, a county election board may not print a ballot label that contains language concerning the public question other than the language authorized by a statute.



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(o) This subsection applies only to a school city (as defined in IC 20-25-2-12). The question of the retention of the executive director of the Indianapolis public education corporation must read as follows:

"Shall (insert the name of the executive director of the Indianapolis public education corporation) be retained as Executive Director of the Indianapolis Public Education Corporation?".

~~(o)~~ (p) The requirements in this section:

(1) do not replace; and

(2) are in addition to;

any other requirements in this title that apply to ballots for electronic voting systems.

~~(p)~~ (q) The procedure described in IC 3-11-2-16 must be used when a ballot label does not comply with the requirements imposed by this title or contains another error or omission that might result in confusion or mistakes by voters.

SECTION 5. IC 3-12-5-1, AS AMENDED BY P.L.278-2019, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Whenever a candidate is elected to a local office that is commissioned by the governor under IC 4-3-1-5, the circuit court clerk shall prepare a statement specifying the number of votes received by each candidate for that office.

(b) The statement prepared under subsection (a) must also include the number of votes cast for and against the following:

(1) The ratification of a state constitutional amendment submitted to the electorate.

(2) The retention of a justice of the supreme court or a judge of the court of appeals or tax court.

(3) Each candidate who was declared elected by the county election board under IC 3-12-4-9.

(4) The retention of the executive director of the Indianapolis public education corporation.

(c) The clerk shall transmit under section 1.5 of this chapter the statement to the election division not later than noon on the second Monday following election day.

(d) The election division shall tabulate the votes received under this section. Not later than the third Friday after the election, the secretary of state shall issue a certificate certifying the following:

(1) Each state constitutional amendment ratified or rejected.

(2) Each justice or judge retained or removed.

(3) Whether the executive director of the Indianapolis public



education corporation was retained or removed.

(e) The election division shall provide a copy of a certificate described by:

(1) subsection (d)(1) to the chief justice of the Indiana supreme court and the director of the office of code revision of the legislative services agency; and

(2) subsection (d)(2) to the chief justice of the state; and

(3) subsection (d)(3) to the mayor of a consolidated city.

(f) The election division shall provide a copy of all statements received under this section to the office.

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

SECTION \Leftrightarrow [7]. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026, the public education corporation has all the powers and shall perform all the duties assigned to the school city (as defined in IC 20-25-2-12) under this chapter related to the fixing and reviewing of budgets, tax rates, and tax levies.**

SECTION \Leftrightarrow [8]. IC 6-1.1-18.5-2, AS AMENDED BY P.L.68-2025, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.**

(b) Except as provided in subsections (c) and (e), for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).



- 1 STEP TWO: Determine the sum of the STEP ONE results.
 2 STEP THREE: Divide the STEP TWO result by six (6),
 3 rounding to the nearest one-thousandth (0.001).
 4 STEP FOUR: Determine the lesser of the following:
 5 (A) The STEP THREE quotient.
 6 (B) One and six-hundredths (1.06).
 7 (c) Except as provided in subsection (f), a school corporation, **or,**
 8 **in the case of a school city (as defined in IC 20-25-2-12), the public**
 9 **education corporation,** shall use for its operations fund maximum
 10 levy calculation under IC 20-46-8-1 the maximum levy growth quotient
 11 determined in the last STEP of the following STEPS:
 12 STEP ONE: Determine for each school corporation, the average
 13 annual growth in net assessed value using the three (3) calendar
 14 years immediately preceding the year in which a budget is
 15 adopted under IC 6-1.1-17-5 for the ensuing calendar year.
 16 STEP TWO: Determine the greater of:
 17 (A) zero (0); or
 18 (B) the STEP ONE amount minus the sum of:
 19 (i) the maximum levy growth quotient determined
 20 under subsection (b) minus one (1); plus
 21 (ii) two-hundredths (0.02).
 22 STEP THREE: Determine the lesser of:
 23 (A) the STEP TWO amount; or
 24 (B) four-hundredths (0.04).
 25 STEP FOUR: Determine the sum of:
 26 (A) the STEP THREE amount; plus
 27 (B) the maximum levy growth quotient determined under
 28 subsection (b).
 29 STEP FIVE: Determine the greater of:
 30 (A) the STEP FOUR amount; or
 31 (B) the maximum levy growth quotient determined under
 32 subsection (b).
 33 (d) The budget agency shall provide the maximum levy growth
 34 quotient for the ensuing year to civil taxing units, school corporations,
 35 **the public education corporation (in the case of a school city (as**
 36 **defined in IC 20-25-2-12)),** and the department of local government
 37 finance before July 1 of each year.
 38 (e) This subsection applies only for purposes of determining the
 39 maximum levy growth quotient to be used in determining a civil taxing
 40 unit's maximum permissible ad valorem property tax levy in calendar
 41 years 2024, 2025, and 2026. For purposes of determining the maximum
 42 levy growth quotient in calendar years 2024, 2025, and 2026, instead



of the result determined in the last STEP in subsection (b), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

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

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).

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

STEP FIVE: Determine the lesser of:

(A) the STEP FOUR result; or

(B) one and four-hundredths (1.04).

(f) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a school corporation's, **or, in the case of a school city (as defined in IC 20-25-2-12), the public education corporation's**, operations fund maximum levy in calendar years 2024, 2025, and 2026. For purposes of determining the maximum levy growth quotient in calendar years 2024, 2025, and 2026, instead of the result determined in the last STEP in subsection (c), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

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

STEP TWO: Subtract one (1) from the STEP ONE result.

STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).

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

STEP FIVE: Determine the lesser of:

(A) the STEP FOUR result; or

(B) one and four-hundredths (1.04).

SECTION ~~4~~⁹. IC 6-1.1-20-0.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. (a) Subject to subsection (b), after March 31, 2026, a school city (as defined in IC 20-25-2-12) may not exercise the powers and duties under this chapter and instead the public education corporation assumes the powers and duties of the school city as set forth in IC 20-25.3-5.**

(b) Notwithstanding subsection (a), the county auditor shall distribute revenue collected from a levy imposed under this chapter to the school city.

SECTION ~~5~~¹⁰. IC 20-18-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Public education corporation" refers to the Indianapolis public education corporation established by IC 20-25.3-3-1.**

SECTION ~~6~~ [11]. IC 20-24-3-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1, 2026, a charter may not be granted or renewed by an authorizer for a charter school located within the geographic boundaries of the school city (as defined in IC 20-25-2-12) except by one (1) of the following:**

(1) The charter board.

(2) The executive (as defined in IC 36-1-2-5) of a consolidated city.

(3) The school city.

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

SECTION ~~7~~ [12]. IC 20-25-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. The board of commissioners has all of the powers and duties established under this article except for the powers and duties granted to the Indianapolis public education corporation under IC 20-25.3.**

SECTION ~~8~~ [13]. IC 20-25-4-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 23. Notwithstanding any other law, after March 31, 2026, the school city may not issue bonds or otherwise incur indebtedness payable in whole or in part from a pledge of property tax revenue, excise tax revenue, or local income tax revenue.**

SECTION ~~9~~ [14]. IC 20-25.3 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION CORPORATION

Chapter 1. Scope of Authority

Sec. 1. The Indianapolis public education corporation exists



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and shall operate for the public purpose of establishing a unified student transportation, school property, and school performance system within the geographic boundaries of the school city that maximizes the efficient use of taxpayer provided resources, respects the decision making of individual public schools and the school city, and creates the best conditions for student learning and success.

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

Chapter 2. Definitions

Sec. 1. The definitions in:

- (1) this chapter; and
- (2) except as provided in section 2 of this chapter, IC 20-25-2;

apply throughout this article.

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

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

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

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

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

- (1) A school maintained by the school city.
- (2) The following that are located within the geographic boundaries of the school city:
 - (A) A participating innovation network school.
 - (B) A participating innovation network charter school.
 - (C) A charter school.

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

- (1) leased or owned by the school city or a participating school; and
- (2) located within the geographic boundaries of the school city.

Chapter 3. Indianapolis Public Education Corporation

Sec. 1. There is established in a county containing a consolidated city for the public purposes set forth in this article a



1 distinct municipal corporation to be known as the Indianapolis
2 Public Education Corporation.

3 Sec. 2. (a) The corporation is governed by the Indianapolis
4 public education corporation board appointed under this section.

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

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

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

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

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

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

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

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

22 Sec. 3. (a) The term of office of an appointed member of the
23 corporation board is four (4) years. The member's term begins on
24 July 1 after the appointment.

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

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

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

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

36 (2) member of the board of commissioners.

37 (e) A member of the corporation board serves at the pleasure
38 of the mayor.

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

42 (b) A vacancy in the membership of the corporation board



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1 does not impair the right of a quorum to exercise all rights and
2 perform all duties of the corporation board.

3 Sec. 5. Meetings of the members of the corporation board shall
4 be held at the call of the chairperson. The members shall meet at
5 least once every three (3) months to attend to the business of the
6 corporation.

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

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

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

22 (b) The corporation board may exercise the powers to
23 supervise internal affairs common to municipal legislative and
24 administrative bodies.

25 Sec. 9. The corporation board shall exercise the executive and
26 legislative powers of the corporation.

27 Sec. 10. (a) The corporation board shall appoint an individual
28 recommended by the mayor as the executive director of the
29 corporation.

30 (b) The executive director:

31 (1) must reside within the geographic boundaries of the
32 school city;

33 (2) [\[subject to subsection \(c\), \]](#)serves at the pleasure of the
34 corporation board; and

35 (3) shall do the following:

36 (A) Administer, manage, and direct the affairs and
37 activities of the corporation and any employees of the
38 corporation in accordance with the policies and under
39 the control and direction of the members of the
40 corporation board.

41 (B) Approve all allowable expenses of the corporation or
42 of any employee or consultant, and expenses incidental



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to the operation of the corporation.

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

(c) The executive director shall stand for retention under IC 3-10-2-17. If the majority of the voters vote to oppose the retention of the executive director, the corporation board shall appoint another individual recommended by the mayor as the executive director of the corporation.

(d) The corporation board shall set the salaries of the executive director and any employees of the corporation.

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

(1) The mayor shall appoint members to the corporation board not later than June 1, 2026.

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

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

(A) One (1) member appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter shall each serve until July 1, 2028.

(B) One (1) member:

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

(ii) who is not a member described in clause (A) or (C);

shall each serve until July 1, 2029.

(C) One (1) member:

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

(ii) who is not a member described in clause (A) or (B);

shall each serve until July 1, 2030.

(b) This section expires January 1, 3031.

Chapter 4. General Duties and Powers

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

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

(2) Enter into contracts.

(3) Acquire and dispose of real, personal, and mixed property by deed, purchase, gift, grant, devise, lease,



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condemnation, or otherwise.

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

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

Sec. 2. In carrying out the purpose of the corporation, the corporation board is granted all powers necessary or appropriate to do the following:

(1) Control the management and operation of school property.

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

(3) Develop and implement a single school performance framework described in section 3 of this chapter that applies to all participating schools.

(4) Establish and manage a unified enrollment system applicable to all participating school students.

(5) Ensure that, to the extent possible, school property is provided and made available to all participating schools on an equitable basis.

(6) Develop and implement a formula that provides for the fair and equitable distribution of property taxes and other funds to the school city and participating schools.

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

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

(A) the management and operation of school property;

(B) provision of transportation of all students to and from participating schools within the geographic boundaries of the school city; and

(C) any other matters the corporation board determines is necessary to carry out the purposes of the corporation.

(9) Acquire, construct, erect, maintain, hold, and contract for



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1 construction, erection, or maintenance of real estate, real
 2 estate improvements, or an interest in real estate or real
 3 estate improvements, as the corporation board considers
 4 necessary for school purposes, including buildings, parts of
 5 buildings, additions to buildings, rooms, gymnasiums,
 6 auditoriums, playgrounds, playing and athletic fields,
 7 facilities for physical training, buildings for administrative,
 8 office, warehouse, repair activities, or housing school owned
 9 buses, landscaping, walks, drives, parking areas, roadways,
 10 easements and facilities for power, sewer, water, roadway,
 11 access, storm and surface water, drinking water, gas,
 12 electricity, other utilities and similar purposes, by purchase,
 13 either outright for cash (or under conditional sales or
 14 purchase money contracts providing for a retention of a
 15 security interest by the seller until payment is made or by
 16 notes where the contract, security retention, or note is
 17 permitted by applicable law), by exchange, by gift, by devise,
 18 by eminent domain, or by lease with or without option to
 19 purchase.

20 (10) Repair, remodel, remove, or demolish, or to contract for
 21 the repair, remodeling, removal, or demolition of the real
 22 estate, real estate improvements, or interest in the real estate
 23 or real estate improvements that the corporation owns, as
 24 the corporation board considers necessary for school
 25 purposes.

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

42 (12) To sell or exchange real or personal property or interest



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in real or personal property that, in the opinion of the corporation board, is not necessary for school purposes to demolish or otherwise dispose of the property if, in the opinion of the corporation board, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

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

(14) Fix and pay the salaries of the executive director and any employees of the corporation.

(15) Maintain an office or offices at a place or places within the geographic boundaries of the school city as the corporation board may designate.

(16) To make budgets, to appropriate funds, and to disburse the money, as applicable, of the corporation in accordance with the formula established under subdivision (6). To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(17) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as the corporation board may consider advisable.

(18) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(19) To defend a member of the corporation board or any employee of the corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the corporation, if the corporation board by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance as a member or in employment.

(20) To prepare, make, enforce, amend, or repeal rules, regulations, orders, and procedures:

- (A) to carry out the purposes of the corporation; and
- (B) that may be designated by an appropriate title such



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as "policy handbook", "bylaws", or "rules and regulations".

(21) Regularly conduct assessments of school property.

(22) To exercise any other power and make any expenditure in carrying out the general powers and purposes provided in this article or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out purposes of the corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter.

Sec. 3. (a) The corporation board shall:

(1) create a single school performance framework that applies to all participating schools; and

(2) implement the framework not later than the 2027-2028 school year.

(b) The school performance framework must:

(1) set clear expectation for school performance;

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

(A) academic performance measures, including the performance assessment results under IC 20-31-8;

(B) student assessment outcomes;

(C) student discipline practices;

(D) student enrollment;

(E) physical condition of school property, including deferred maintenance;

(F) short and long term financial health measures;

(G) organizational health and governance measures; and

(H) any additional measures relevant to student success as determined by the corporation board; and

(3) include a requirement to close chronically low performing participating schools.

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

Sec. 5. The corporation board may not implement a unified transportation plan described in section 2(2) of this chapter unless the corporation board submits the plan to the legislative council in an electronic format under IC 5-14-6 at least one (1) calendar year before the date the plan is implemented.



Sec. 6. The school city and all participating schools:

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

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

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

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

- (1) this article;
- (2) a contract entered into by the school city or participating school under this article; or
- (3) any regulation, order, rule, or resolution adopted by the corporation board.

Chapter 5. Financial and Administrative Powers and Duties

Sec. 1. Beginning July 1, 2026, the corporation is liable for and must pay and discharge all of the outstanding indebtedness, liabilities, and obligations of the school city payable from a pledge of property tax revenue according to the existing terms and repayment schedule. The rights of the bondholders remain unchanged, although the liabilities of the school city become the responsibility of the corporation.

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

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

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

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

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

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

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

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

37 Sec. 6. Beginning July 1, 2026, the corporation shall assume
38 the powers and duties of the school city under IC 20-46-7, including
39 control and management of the corresponding fund created under
40 IC 20-40-9. Beginning with the January 1, 2027, assessment date,
41 and for each assessment date thereafter, the corporation shall
42 impose an annual property tax levy in the territory of the school



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city. Property tax revenue received from the tax levy shall be used to pay outstanding debts and obligations.

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

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

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

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

SECTION 1 ~~1~~ ^[5]. IC 20-26-7-47, AS AMENDED BY P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 47. (a) The following definitions apply throughout this section:

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

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

(3) "Enrollment" refers to the following:

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

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

(i) have entered into an agreement with the school corporation to participate as a participating innovation



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- 1 network charter school under IC 20-25.7-5; and
 2 (ii) are included in the school corporation's fall ADM
 3 count.
 4 (4) "Interested person" has the meaning set forth in
 5 IC 20-26-7.1-2.2.
 6 (b) This section:
 7 (1) applies to a school corporation only if:
 8 ~~(+)~~ (A) the total student enrollment for in-person instruction
 9 in the school corporation in the current school year is at
 10 least ten percent (10%) less than the student enrollment for
 11 in-person instruction in the school corporation in a school
 12 year that precedes the current school year by five (5); and
 13 ~~(2)~~ (B) the school corporation in the current school year has
 14 more than one (1) school building serving the same grade
 15 level as the school building subject to closure under this
 16 section; **and**
 17 (2) **does not apply to a school city (as defined in**
 18 **IC 20-25-2-12).**
 19 (c) Each school year, the governing body of a school corporation
 20 shall review the usage of school buildings used by the school
 21 corporation to determine whether any school building should be closed
 22 for the ensuing school year and subsequent school years.
 23 (d) A school corporation shall close a school building for the
 24 ensuing school year (and subsequent school years) if:
 25 (1) at any time the school building had been used for classroom
 26 instruction;
 27 (2) in the current school year and the two (2) school years
 28 immediately preceding the current school year the school
 29 building was underutilized for classroom instruction purposes or
 30 other allowable uses specified by this section;
 31 (3) as of the end of the school year before the school building is
 32 required to be closed under this section, the school corporation
 33 was not subject to a transitional plan adopted by the governing
 34 body and approved by the department to use the school building
 35 for an allowable use not later than the next school year after the
 36 school building is otherwise required to be closed under this
 37 section;
 38 (4) in the case of a school building that was used in any part in
 39 the current school year for instructional purposes, the school
 40 corporation has another school building:
 41 (A) with sufficient capacity to take the students using the
 42 school building being considered for closure; and



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

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

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

10 (1) The number of full-time equivalent students enrolled for
 11 in-person instruction in the school building on instructional days
 12 (as determined under IC 20-30-2) for instructional purposes,
 13 averaged over the current school year and the two (2) school
 14 years immediately preceding the current school year, is at least
 15 fifty percent (50%) of:

16 (A) the known classroom design capacity of the school
 17 building; or

18 (B) if the design capacity is not known, the average
 19 maximum full-time equivalent enrollment in any of the last
 20 twenty-five (25) years, as validated by records created or
 21 maintained by the department.

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

33 (A) the known classroom design capacity of the school
 34 building; or

35 (B) if the design capacity is not known, the average
 36 maximum full-time equivalent enrollment in any of the last
 37 twenty-five (25) years, as validated by records created or
 38 maintained by the department; and

39 (if multiple school buildings are used for the same purposes)
 40 combining the student populations into fewer school buildings
 41 is not reasonably feasible.

42 (3) The school corporation demonstrates through facts included



in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for administrative or other school offices. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for offices, the personnel headquartered in the school building must consistently use the space for office purposes, and the occupancy cost of using the school building cannot be more than comparable office space that is available in the school district.

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

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

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

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

(f) Closure of a school building that is:

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



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

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

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

10 (h) If an agreement is not reached within forty-five (45) days after
11 the date that the school corporation receives the notice under
12 subsection (g), the charter school or state educational institution may
13 petition the department to initiate or the department on its own may
14 initiate a proceeding for a determination as to whether a school
15 building meets the criteria for closure under this section or a covered
16 school building that is no longer used for classroom instruction by a
17 school corporation should be made available under IC 20-26-7.1. If a
18 charter school or state educational institution petitions the department
19 under this subsection, the charter school or state educational institution
20 must provide a copy of the petition to the applicable school
21 corporation.

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

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

30 (1) file a response to the petition that notifies the department that
31 the school corporation:

32 (A) is not contesting the petition; or

33 (B) is contesting the petition and states the facts upon which
34 the school corporation relies in contesting the petition; and

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

37 (k) If the school corporation:

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

40 (2) fails to submit a timely response under subsection (j);

41 the department shall issue an order granting the petition. A petition and
42 any response or reply are public documents.



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department, in the form and on the schedule specified by the department, the following information:

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

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

(A) Designed occupancy, regardless of current use.

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

(C) The following information:

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

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

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

SECTION 1 ~~1~~ [\[7\]](#). IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this section, "charter school" does not include a virtual charter school or an adult high school.

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

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

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

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

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



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

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

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

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

(ii) elects to participate in the referendum.

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

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

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

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

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


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

(ii) elects to participate in the referendum;

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

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

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

SECTION 1  [8]. IC 20-40-9-4, AS ADDED BY P.L.2-2006,



SECTION 163, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The governing body of
each school corporation shall establish a debt service fund.

(b) Beginning July 1, 2026, and notwithstanding any other law,
the public education corporation is responsible for control and
management of the debt service fund created by the governing
body of a school city (as defined in IC 20-25-2-12), including
making payments of debt service.

SECTION 1 ~~<4>~~ [9]. IC 20-46-1-0.5 IS ADDED TO THE
INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection
(b), after March 31, 2026, a school city (as defined in
IC 20-25-2-12) may not exercise the powers and duties under this
chapter and instead the public education corporation assumes the
powers and duties of the school city as set forth in IC 20-25.3-5. ~~<~~

~~>~~ 1 (b) Notwithstanding subsection (a), the county auditor shall:
(1) determine the amounts of revenue to be distributed to the
school city and any charter schools as provided in section 21
or 22 of this chapter, as applicable; and
(2) distribute revenue collected from a levy imposed under
this chapter to the school city and any charter schools as
provided in section 21 or 22 of this chapter, as applicable.

SECTION ~~<15>~~ [20]. IC 20-46-7-0.5 IS ADDED TO THE
INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 0.5. Beginning with property
taxes first due and payable after December 31, 2027:

(1) a school city (as defined in IC 20-25-2-12) may not impose
the property tax levy or otherwise exercise the powers and
duties under this chapter; and
(2) the public education corporation shall impose the annual
property tax levy under this chapter in the territory of the
school city and assumes the powers and duties of the school
city under this chapter as set forth in IC 20-25.3-5, including
making debt service payments.

SECTION ~~<16>~~ [21]. IC 20-46-8-0.5 IS ADDED TO THE
INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection
(b), beginning with property taxes first due and payable after
December 31, 2027:

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



duties under this chapter; and

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

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

(1) determine the amounts of revenue to be distributed to the school city and any charter schools as provided in section 11.2 or 12 of this chapter, as applicable; and

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

SECTION ~~<17>~~[22]. IC 20-46-9-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection (b), after March 31, 2026, a school city (as defined in IC 20-25-2-12) may not exercise the powers and duties under this chapter and instead, the public education corporation assumes the powers and duties of the school city as set forth in IC 20-25.3-5. <

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

(1) determine the amounts of revenue to be distributed to the school city and any charter schools as provided in this chapter; and

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

SECTION ~~<18>~~[23]. IC 20-48-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. After March 31, 2026, a school city may not exercise the powers and duties under this article and instead the public education corporation assumes the powers, duties, and responsibilities of the school city under this article as set forth in IC 20-25.3.

SECTION ~~<19>~~[24]. An emergency is declared for this act. [

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