
HOUSE BILL No. 1423

AM142312 has been incorporated into introduced printing.

Synopsis: Indianapolis public education corporation.

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2026

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Introduced

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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1423

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

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

1 SECTION 1. IC 3-5-2.1-93, AS ADDED BY P.L.186-2025,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 93. "School board office" refers to an elected
4 position on the school board of a school corporation. **The term**
5 **includes an elected position on the Indianapolis public education**
6 **corporation board established by IC 20-25.3-3-2.**

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

12 SECTION 3. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA
13 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**
15 **the public education corporation has all the powers and shall**

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1 **perform all the duties assigned to the school city (as defined in
2 IC 20-25-2-12) under this chapter related to the fixing and
3 reviewing of budgets, tax rates, and tax levies.**

4 SECTION 4. IC 6-1.1-18.5-2, AS AMENDED BY P.L.68-2025,
5 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana
7 nonfarm personal income" means the estimate of total nonfarm
8 personal income for Indiana in a calendar year as computed by the
9 federal Bureau of Economic Analysis using any actual data for the
10 calendar year and any estimated data determined appropriate by the
11 federal Bureau of Economic Analysis.

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

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

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

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

27 STEP FOUR: Determine the lesser of the following:

28 (A) The STEP THREE quotient.
29 (B) One and six-hundredths (1.06).

30 (c) Except as provided in subsection (f), a school corporation, **or,**
31 **in the case of a school city (as defined in IC 20-25-2-12), the public**
32 **education corporation,** shall use for its operations fund maximum
33 levy calculation under IC 20-46-8-1 the maximum levy growth quotient
34 determined in the last STEP of the following STEPS:

35 STEP ONE: Determine for each school corporation, the average
36 annual growth in net assessed value using the three (3) calendar
37 years immediately preceding the year in which a budget is
38 adopted under IC 6-1.1-17-5 for the ensuing calendar year.

39 STEP TWO: Determine the greater of:

40 (A) zero (0); or
41 (B) the STEP ONE amount minus the sum of:



- (i) the maximum levy growth quotient determined under subsection (b) minus one (1); plus
- (ii) two-hundredths (0.02).

STEP THREE: Determine the lesser of:

- (A) the STEP TWO amount; or
- (B) four-hundredths (0.04).

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

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

STEP FIVE: Determine the greater of:

(A) the STEP FOUR amount; or

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

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

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

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

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



1 of determining the maximum levy growth quotient in calendar years
 2 2024, 2025, and 2026, instead of the result determined in the last STEP
 3 in subsection (c), the maximum levy growth quotient is determined in
 4 the last STEP of the following STEPS:

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

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

8 STEP THREE: Multiply the STEP TWO result by eight-tenths
 9 (0.8).

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

11 STEP FIVE: Determine the lesser of:

12 (A) the STEP FOUR result; or

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

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

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

24 SECTION 6. IC 20-18-2-14.5 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Public education**
 27 **corporation" refers to the Indianapolis public education**
 28 **corporation established by IC 20-25.3-3-1.**

29 SECTION 7. IC 20-24-3-20 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1,**
 32 **2026, a charter may not be granted or renewed by an authorizer**
 33 **for a charter school located within the geographic boundaries of**
 34 **the school city (as defined in IC 20-25-2-12) except by one (1) of the**
 35 **following:**

36 **(1) The charter board.**

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

39 **(3) The school city.**

40 **(b) A charter school that was granted a charter before April**
 41 **1, 2026, by an authorizer other than an authorizer listed in**
 42 **subsection (a) may continue operating with that authorizer until**



1 **the term of the charter expires or is terminated, whichever occurs**
 2 **earlier. After the termination or expiration of the charter, a**
 3 **charter for a charter school described in subsection (a) may only**
 4 **be granted or renewed by an authorizer described in subsection**
 5 **(a).**

6 **SECTION 8. IC 20-25-3-0.5 IS ADDED TO THE INDIANA**
 7 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 8 **[EFFECTIVE UPON PASSAGE]: Sec. 0.5. The board of**
 9 **commissioners has all of the powers and duties established under**
 10 **this article except for the powers and duties granted to the**
 11 **Indianapolis public education corporation under IC 20-25.3.**

12 **SECTION 9. IC 20-25-4-23 IS ADDED TO THE INDIANA**
 13 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 14 **[EFFECTIVE UPON PASSAGE]: Sec. 23. Notwithstanding any**
 15 **other law, after March 31, 2026, the school city may not issue**
 16 **bonds or otherwise incur indebtedness payable in whole or in part**
 17 **from a pledge of property tax revenue, excise tax revenue, or local**
 18 **income tax revenue.**

19 **SECTION 10. IC 20-25.3 IS ADDED TO THE INDIANA CODE**
 20 **AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE**
 21 **UPON PASSAGE]:**

22 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION**
 23 **CORPORATION**

24 **Chapter 1. Scope of Authority**

25 **Sec. 1. The Indianapolis public education corporation exists**
 26 **and shall operate for the public purpose of establishing a unified**
 27 **student transportation, school property, and school performance**
 28 **system within the geographic boundaries of the school city that**
 29 **maximizes the efficient use of taxpayer provided resources,**
 30 **respects the decision making of individual public schools and the**
 31 **school city, and creates the best conditions for student learning and**
 32 **success.**

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

39 **Chapter 2. Definitions**

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

- 41 **(1) this chapter; and**
- 42 **(2) except as provided in section 2 of this chapter,**



1 **IC 20-25-2;**

2 **apply throughout this article.**

3 **Sec. 2. "Board of school commissioners" refers to the board of**

4 **school commissioners established by IC 20-25-3-1.**

5 **Sec. 3. "Corporation" refers to the Indianapolis public**

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

7 **Sec. 4. "Corporation board" refers to the Indianapolis public**

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

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

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

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

12 **(2) The following that are located within the geographic**

13 **boundaries of the school city:**

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

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

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

17 **Sec. 7. "School property" means a building or real property**

18 **that is:**

19 **(1) leased or owned by the school city or a participating**

20 **school; and**

21 **(2) located within the geographic boundaries of the school**

22 **city.**

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

24 **Sec. 1. There is established in a county containing a**

25 **consolidated city for the public purposes set forth in this article a**

26 **distinct municipal corporation to be known as the Indianapolis**

27 **Public Education Corporation.**

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

29 **public education corporation board elected under this section.**

30 **(b) The corporation board is comprised of nine (9) members**

31 **who:**

32 **(1) must reside within the geographic boundaries of the**

33 **school city; and**

34 **(2) are elected at large by the eligible voters from all of the**

35 **districts established under IC 20-25-3-4.**

36 **(c) Members of the corporation board shall be nominated and**

37 **elected in the same manner as school board candidates under IC 3.**

38 **Sec. 3. (a) The members of the corporation board shall be**

39 **elected for an initial term at the 2026 general election as follows:**

40 **(1) The five (5) candidates who receive the greatest number**

41 **of votes are elected to a four (4) year term that begins**

42 **January 1 after the election.**



(b) The successors of a member elected under subsection (a) shall be elected to a four (4) year term at the general election immediately preceding the expiration of the member's term.

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

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

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

27 Sec. 7. The corporation board shall keep the corporation
28 board's documents in the office of the corporation or in an
29 electronic format. The corporation board shall record the aye and
30 nay vote on the final passage of any item of business and on any
31 other item if two (2) corporation board members request that the
32 votes be recorded by ayes and nays.

33 Sec. 8. (a) The corporation board shall adopt rules of
34 procedure for corporation board meetings. The corporation board
35 may suspend the rules of procedure by unanimous vote of the
36 members present at the meeting. The corporation board shall not
37 suspend the rules of procedure beyond the duration of the meeting
38 at which the suspension of rules occurs.

39 (b) The corporation board may exercise the powers to
40 supervise internal affairs common to municipal legislative and
41 administrative bodies.

42 Sec. 9. The corporation board shall exercise the executive and

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1 **legislative powers of the corporation.**

2 **Sec. 10. (a) The corporation board shall appoint an individual**

3 **recommended by the mayor as the executive director of the**

4 **corporation.**

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

6 **(1) must reside within the geographic boundaries of the**

7 **school city;**

8 **(2) serves at the pleasure of the corporation board; and**

9 **(3) shall do the following:**

10 **(A) Administer, manage, and direct the affairs and**

11 **activities of the corporation and any employees of the**

12 **corporation in accordance with the policies and under**

13 **the control and direction of the members of the**

14 **corporation board.**

15 **(B) Approve all allowable expenses of the corporation or**

16 **of any employee or consultant, and expenses incidental**

17 **to the operation of the corporation.**

18 **(C) Perform other duties as may be directed by the**

19 **members of the corporation board in carrying out the**

20 **purposes of this article.**

21 **(c) The corporation board shall set the salaries of the executive**

22 **director and any employees of the corporation.**

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

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

25 **following:**

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

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

28 **(3) Acquire and dispose of real, personal, and mixed**

29 **property by deed, purchase, gift, grant, devise, lease,**

30 **condemnation, or otherwise.**

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

32 **and resolutions.**

33 **(5) Do all things reasonable or necessary to carry out the**

34 **work and perform the corporation's duties under this**

35 **chapter.**

36 **Sec. 2. In carrying out the purpose of the corporation, the**

37 **corporation board is granted all powers necessary or appropriate**

38 **to do the following:**

39 **(1) Control the management and operation of school**

40 **property.**

41 **(2) Establish a unified transportation plan and lead and**

42 **oversee the provision of transportation of all students to and**



from participating schools within the geographic boundaries of the school city.

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

- (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.

29 (9) Acquire, construct, erect, maintain, hold, and contract for
30 construction, erection, or maintenance of real estate, real
31 estate improvements, or an interest in real estate or real
32 estate improvements, as the corporation board considers
33 necessary for school purposes, including buildings, parts of
34 buildings, additions to buildings, rooms, gymnasiums,
35 auditoriums, playgrounds, playing and athletic fields,
36 facilities for physical training, buildings for administrative,
37 office, warehouse, repair activities, or housing school owned
38 buses, landscaping, walks, drives, parking areas, roadways,
39 easements and facilities for power, sewer, water, roadway,
40 access, storm and surface water, drinking water, gas,
41 electricity, other utilities and similar purposes, by purchase,
42 either outright for cash (or under conditional sales or

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1 purchase money contracts providing for a retention of a
2 security interest by the seller until payment is made or by
3 notes where the contract, security retention, or note is
4 permitted by applicable law), by exchange, by gift, by devise,
5 by eminent domain, or by lease with or without option to
6 purchase.

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

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

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

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

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

40 (15) Maintain an office or offices at a place or places within
41 the geographic boundaries of the school city as the
42 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 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

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1 **applies to all participating schools; and**
 2 **(2) implement the framework not later than the 2027-2028**
 3 **school year.**

4 **(b) The school performance framework must:**
 5 **(1) set clear expectation for school performance;**
 6 **(2) be based on multiple measures and metrics, including:**
 7 **(A) academic performance measures, including the**
 8 **performance assessment results under IC 20-31-8;**
 9 **(B) student assessment outcomes;**
 10 **(C) student discipline practices;**
 11 **(D) student enrollment;**
 12 **(E) physical condition of school property, including**
 13 **deferred maintenance;**
 14 **(F) short and long term financial health measures;**
 15 **(G) organizational health and governance measures;**
 16 **and**
 17 **(H) any additional measures relevant to student success**
 18 **as determined by the corporation board; and**
 19 **(3) include a requirement to close chronically low**
 20 **performing participating schools.**

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

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

30 **Sec. 6. The school city and all participating schools:**
 31 **(1) are required to provide transportation to the students of**
 32 **the school city or participating schools through the unified**
 33 **transportation plan established by the corporation board;**
 34 **(2) shall enter into contracts with the corporation board; and**
 35 **(3) shall comply with any applicable regulations, orders,**
 36 **rules, and resolutions adopted by the corporation board.**

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

39 **Sec. 8. All powers delegated to the corporation under this**
 40 **chapter are subject to all applicable laws subjecting a school**
 41 **corporation to regulation by a state agency, including the secretary**
 42 **of education, state board of accounts, state police department, fire**



1 **prevention and building safety commission, department of local
2 government finance, environmental rules board, state school bus
3 committee, Indiana department of health, and any local
4 governmental agency to which the state has been delegated a
5 specific authority in matters other than educational matters and
6 other than finance, including plan commissions, zoning boards, and
7 boards concerned with health and safety.**

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

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

18 **Chapter 5. Financial and Administrative Powers and Duties**

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

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

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

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

40 **(b) Notwithstanding subsection (a), property tax revenue
41 received from a referendum debt service tax levy that is approved
42 by the voters after March 31, 2026, shall be distributed to the**



1 **school city in the manner provided under IC 6-1.1-20.**

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

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

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

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

24 **Sec. 6. Beginning July 1, 2026, the corporation shall assume**
 25 **the powers and duties of the school city under IC 20-46-7, including**
 26 **control and management of the corresponding fund created under**
 27 **IC 20-40-9. Beginning with the January 1, 2027, assessment date,**
 28 **and for each assessment date thereafter, the corporation shall**
 29 **impose an annual property tax levy in the territory of the school**
 30 **city. Property tax revenue received from the tax levy shall be used**
 31 **to pay outstanding debts and obligations.**

32 **Sec. 7. (a) Except as provided in subsection (b), beginning July**
 33 **1, 2026, the corporation shall assume the powers and duties of the**
 34 **school city to impose a levy under IC 20-46-8. Beginning with the**
 35 **January 1, 2027, assessment date, and for each assessment date**
 36 **thereafter, the corporation shall impose an annual property tax**
 37 **levy in the territory of the school city.**

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



1 **Sec. 8. (a) Except as provided in subsection (b), after March
2 31, 2026, the school city may not take any action under the
3 procedures set forth in IC 20-46-9 and instead the corporation
4 shall assume the powers and duties of the school city under
5 IC 20-46-9 in the territory of the school city.**

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

11 SECTION 11. IC 20-26-7-47, AS AMENDED BY P.L.36-2024,
12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 47. (a) The following definitions apply
14 throughout this section:

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

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

20 (3) "Enrollment" refers to the following:

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

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

28 (i) have entered into an agreement with the school
29 corporation to participate as a participating innovation
30 network charter school under IC 20-25.7-5; and
31 (ii) are included in the school corporation's fall ADM
32 count.

33 (4) "Interested person" has the meaning set forth in
34 IC 20-26-7.1-2.2.

35 (b) This section:

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

37 (+) (A) the total student enrollment for in-person instruction
38 in the school corporation in the current school year is at
39 least ten percent (10%) less than the student enrollment for
40 in-person instruction in the school corporation in a school
41 year that precedes the current school year by five (5); and
42 (2) (B) the school corporation in the current school year has



more than one (1) school building serving the same grade level as the school building subject to closure under this section; **and**

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

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

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

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

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

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

28 (A) with sufficient capacity to take the students using the
29 school building being considered for closure; and
30 (B) that does not require more than twenty (20) minutes of
31 travel time by car or bus from the school building being
32 considered for closure; and

39 (1) The number of full-time equivalent students enrolled for
40 in-person instruction in the school building on instructional days
41 (as determined under IC 20-30-2) for instructional purposes,



1 averaged over the current school year and the two (2) school
2 years immediately preceding the current school year, is at least
3 fifty percent (50%) of:

4 (A) the known classroom design capacity of the school
5 building; or

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

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

21 (A) the known classroom design capacity of the school
22 building; or

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

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

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

41 (4) The school corporation demonstrates through facts included

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

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

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

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

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

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

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

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

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

41 (h) If an agreement is not reached within forty-five (45) days after



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

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

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

20 (1) file a response to the petition that notifies the department that
 21 the school corporation:
 22 (A) is not contesting the petition; or
 23 (B) is contesting the petition and states the facts upon which
 24 the school corporation relies in contesting the petition; and
 25 (2) provide a copy of the response to the petitioner and any
 26 intervening party.

27 (k) If the school corporation:
 28 (1) files a response that the school corporation is not contesting
 29 the petition; or
 30 (2) fails to submit a timely response under subsection (j);
 31 the department shall issue an order granting the petition. A petition and
 32 any response or reply are public documents.

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

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

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



(2) time period to reply under subsection (1) has expired.

(n) A school corporation or another party to the proceeding may file with the state board a petition requesting review of the department's determination. Upon receipt of a petition under this subsection, the state board shall review the department's determination. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b).

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

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

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

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

(b) This section:

(1) applies to a school corporation only if:

(1) (A) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and (2) (B) the school corporation in the current school year has more than one (1) school building serving the same grade level as a school building subject to closure under section 47 of this chapter; and

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

(c) Each school corporation shall annually report to the 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



1 instruction, as special use classrooms, as office space, or as
 2 storage or alternatively the building's status as transitioning
 3 from one (1) use or combination of uses to another.

4 (C) The following information:

- 5 (i) Current average full-time equivalent student
 6 enrollment for in-person instruction in the school
 7 building on instructional days (as determined under
 8 IC 20-30-2) in a school year.
- 9 (ii) Percentage of instructional use.
- 10 (iii) Percentage of use for other purposes.

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

15 SECTION 13. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025,
 16 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this
 18 section, "charter school" does not include a virtual charter school or an
 19 adult high school.

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

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

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

27 (A) The county auditor distributes revenue after May 10,
 28 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to
 29 each eligible charter school.

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

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

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

39 (A) The school corporation approves a resolution after May
 40 10, 2023, to impose an operating referendum tax levy under
 41 IC 20-46-1 after May 10, 2023, that includes sharing the



1 revenue from the referendum tax levy in the amounts
 2 described in clause (B) with each charter school that:

3 (i) a student who resides within the attendance area of
 4 the school corporation attends; and
 5 (ii) elects to participate in the referendum.

6 The above subdivisions are intended to apply retroactively. No
 7 resolutions, referendums, or distributed revenue prior to May 10,
 8 2023, are effective to provide exemption from this chapter.

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

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

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

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

23 (i) a student who resides within the attendance area of
 24 the school corporation attends; and
 25 (ii) elects to participate in the referendum;
 26 in an amount equal to the amount determined applying the
 27 formula under IC 20-46-9-22(d).

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

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

35 SECTION 14. IC 20-40-9-4, AS ADDED BY P.L.2-2006,
 36 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a)** The governing body of
 38 each school corporation shall establish a debt service fund.

39 **(b) Beginning July 1, 2026, and notwithstanding any other law,**
 40 **the public education corporation is responsible for control and**
 41 **management of the debt service fund created by the governing**



1 **body of a school city (as defined in IC 20-25-2-12), including**
 2 **making payments of debt service.**

3 SECTION 15. IC 20-46-1-0.5 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) **Subject to subsection**
 6 **(b), after March 31, 2026, a school city (as defined in**
 7 **IC 20-25-2-12) may not exercise the powers and duties under this**
 8 **chapter and instead the public education corporation assumes the**
 9 **powers and duties of the school city as set forth in IC 20-25.3-5.**

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

17 SECTION 16. IC 20-46-7-0.5 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. **Beginning with property**
 20 **taxes first due and payable after December 31, 2027:**

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

29 SECTION 17. IC 20-46-8-0.5 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) **Subject to subsection**
 32 **(b), beginning with property taxes first due and payable after**
 33 **December 31, 2027:**

34 **(1) a school city (as defined in IC 20-25-2-12) may not impose**
 35 **the property tax levy or otherwise exercise the powers and**
 36 **duties under this chapter; and**
 37 **(2) the public education corporation shall impose the annual**
 38 **property tax levy under this chapter in the territory of the**
 39 **school city and assumes the powers and duties of the school**
 40 **city under this chapter as set forth in IC 20-25.3-5.**

41 (b) **Notwithstanding subsection (a), the county auditor shall:**
 42 **(1) determine the amounts of revenue to be distributed to the**



1 **school city and any charter schools as provided in section
2 11.2 or 12 of this chapter, as applicable; and**

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

6 SECTION 18. IC 20-46-9-0.5 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection
9 (b), after March 31, 2026, a school city (as defined in
10 IC 20-25-2-12) may not exercise the powers and duties under this
11 chapter and instead, the public education corporation assumes the
12 powers and duties of the school city as set forth in IC 20-25.3-5.

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

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

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

20 SECTION 19. IC 20-48-3-0.5 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. After March 31, 2026, a
23 school city may not exercise the powers and duties under this
24 article and instead the public education corporation assumes the
25 powers, duties, and responsibilities of the school city under this
26 article as set forth in IC 20-25.3.

27 SECTION 20. An emergency is declared for this act.

