
HOUSE BILL No. 1423

AM142314 has been incorporated into introduced printing.

Synopsis: Indianapolis public education corporation.

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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.

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HOUSE BILL No. 1423

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

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

1 SECTION 1. IC 5-13-6-3, AS AMENDED BY P.L.166-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) All taxes collected by the county
4 treasurer shall be deposited as one (1) fund in the several depositories
5 selected for the deposit of county funds and, except as provided in
6 subsection (b), remain in the depositories until distributed at the
7 following semiannual distribution made by the county auditor.
8 (b) Every county treasurer who, by virtue of the treasurer's office,
9 is the collector of any taxes for any political subdivision wholly or
10 partly within the county shall, not later than thirty (30) days after
11 receipt of a written request for funds filed with the treasurer by a proper
12 officer of any political subdivision within the county, provide to the
13 county auditor the amount available for distribution, as certified for
14 each semiannual distribution under IC 6-1.1-27-2. The county auditor
15 shall advance to that political subdivision a portion of the taxes



1 collected before the semiannual distribution. The amount advanced
2 may not exceed the lesser of:

3 (1) ninety-five percent (95%) of the total amount collected at the
4 time of the advance; or

5 (2) ninety-five percent (95%) of the amount to be distributed at
6 the semiannual distribution.

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

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

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

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

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

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

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

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

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



1 governing body.

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

3 in IC 6-1.1-1-21, except that the term does not include a public library

4 or an entity whose tax levies are subject to review and modification by

5 a city-county legislative body under IC 36-3-6-9.

6 (c) If:

7 (1) the assessed valuation of a taxing unit is entirely contained

8 within a city or town; or

9 (2) the assessed valuation of a taxing unit is not entirely

10 contained within a city or town but:

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

12 town; or

13 (B) the majority of the individuals serving on the governing

14 body of the taxing unit are appointed by the city or town;

15 the governing body shall submit its proposed budget and property tax

16 levy to the city or town fiscal body. The proposed budget and levy shall

17 be submitted to the city or town fiscal body in the manner prescribed

18 by the department of local government finance before September 2 of

19 a year.

20 (d) If subsection (c) does not apply, the governing body of the

21 taxing unit shall submit its proposed budget and property tax levy to the

22 county fiscal body in the county where the taxing unit has the most

23 assessed valuation. The proposed budget and levy shall be submitted

24 to the county fiscal body in the manner prescribed by the department

25 of local government finance before September 2 of a year.

26 (e) The fiscal body of the city, town, or county (whichever applies)

27 shall review each budget and proposed tax levy and adopt a final

28 budget and tax levy for the taxing unit. The fiscal body may reduce or

29 modify but not increase the proposed budget or tax levy.

30 (f) If a taxing unit fails to file the information required in

31 subsection (c) or (d), whichever applies, with the appropriate fiscal

32 body by the time prescribed by this section, when calculating the

33 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for

34 the taxing unit for the ensuing budget year, instead of multiplying the

35 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)

36 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's

37 maximum permissible ad valorem property tax levy for the preceding

38 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for

39 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's

40 maximum permissible ad valorem property tax levy for the preceding

41 calendar year must instead be multiplied by the result of the following:

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1 STEP ONE: Determine:
 2 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
 3 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
 4 (B) one (1).
 5 STEP TWO: Multiply:
 6 (A) the STEP ONE result; by
 7 (B) eight-tenths (0.8).
 8 STEP THREE: Add one (1) to the STEP TWO result.
 9 However, if the taxing unit files the information as required in
 10 subsection (c) or (d), whichever applies, for the budget year
 11 immediately following the budget year for which the formula under this
 12 subsection is applied, when calculating the maximum ad valorem
 13 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
 14 subsequent budget year, the taxing unit's maximum permissible ad
 15 valorem property tax levy must be calculated as if the formula under
 16 this subsection had not been applied for the affected budget year.
 17 (g) If the appropriate fiscal body fails to complete the requirements
 18 of subsection (e) before the adoption deadline in section 5 of this
 19 chapter for any taxing unit subject to this section, when calculating the
 20 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 21 the city, town, or county for the ensuing budget year, instead of
 22 multiplying the maximum levy growth quotient determined under
 23 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
 24 the city's, town's, or county's maximum permissible ad valorem
 25 property tax levy for the preceding calendar year as prescribed in STEP
 26 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
 27 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
 28 ad valorem property tax levy for the preceding calendar year must
 29 instead be multiplied by the result of the following:
 30 STEP ONE: Determine:
 31 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
 32 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
 33 (B) one (1).
 34 STEP TWO: Multiply:
 35 (A) the STEP ONE result; by
 36 (B) eight-tenths (0.8).
 37 STEP THREE: Add one (1) to the STEP TWO result.
 38 However, if the city, town, or county files the information as required
 39 in subsection (e) for the budget year immediately following the budget
 40 year for which the formula under this subsection is applied, when
 41 calculating the maximum ad valorem property tax levy under

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1 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
 2 budget year, the unit's maximum permissible ad valorem property tax
 3 levy must be calculated as if the formula under this subsection had not
 4 been applied for the affected budget year.

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

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

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

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

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

19 (1) a school corporation; or

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

22 (c) If:

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

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

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

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

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1 bonds or the execution of a lease:
 2 (1) for which a decision or preliminary determination was made
 3 under IC 6-1.1-20 before December 31, 2010; or
 4 (2) that is approved by the city or town fiscal body or the county
 5 fiscal body before December 31, 2010.
 6 (e) This subsection applies to a taxing unit not described in
 7 subsection (c) or (d). The governing body of the taxing unit may not
 8 issue bonds or enter into a lease payable in whole or in part from
 9 property taxes unless it obtains the approval of the county fiscal body
 10 in the county where the taxing unit has the most net assessed valuation.
 11 SECTION 5. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**
 14 **the public education corporation has all the powers and shall**
 15 **perform all the duties assigned to the school city (as defined in**
 16 **IC 20-25-2-12) under this chapter related to the fixing and**
 17 **reviewing of budgets, tax rates, and tax levies.**
 18 SECTION 6. IC 6-1.1-18.5-2, AS AMENDED BY P.L.68-2025,
 19 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana
 21 nonfarm personal income" means the estimate of total nonfarm
 22 personal income for Indiana in a calendar year as computed by the
 23 federal Bureau of Economic Analysis using any actual data for the
 24 calendar year and any estimated data determined appropriate by the
 25 federal Bureau of Economic Analysis.
 26 (b) Except as provided in subsections (c) and (e), for purposes of
 27 determining a civil taxing unit's maximum permissible ad valorem
 28 property tax levy for an ensuing calendar year, the civil taxing unit
 29 shall use the maximum levy growth quotient determined in the last
 30 STEP of the following STEPS:
 31 STEP ONE: For each of the six (6) calendar years immediately
 32 preceding the year in which a budget is adopted under
 33 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
 34 nonfarm personal income for the calendar year by the Indiana
 35 nonfarm personal income for the calendar year immediately
 36 preceding that calendar year, rounding to the nearest
 37 one-thousandth (0.001).
 38 STEP TWO: Determine the sum of the STEP ONE results.
 39 STEP THREE: Divide the STEP TWO result by six (6),
 40 rounding to the nearest one-thousandth (0.001).
 41 STEP FOUR: Determine the lesser of the following:

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

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

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corporation established by IC 20-25.3-3-1.

SECTION 9. 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 10. 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 11. 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 12. 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 and shall operate for the public purpose of establishing a unified student transportation, school property, and school performance

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

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

12 Chapter 2. Definitions

13 Sec. 1. The definitions in:

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

17 apply throughout this article.

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

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

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

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

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

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

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

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

38 Chapter 3. Indianapolis Public Education Corporation

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

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1 **Sec. 2. (a) The corporation is governed by the Indianapolis**
2 **public education corporation board appointed under this section.**
3 **(b) The corporation board is comprised of the following nine**
4 **(9) members:**
5 **(1) Three (3) members appointed by the mayor who are**
6 **leaders of participating innovation network charter schools**
7 **or charter schools located within the geographic boundaries**
8 **of the school city.**
9 **(2) Three (3) members appointed by the mayor who are**
10 **members of the board of school commissioners.**
11 **(3) Three (3) members appointed by the mayor who have:**
12 **(A) expertise in management, capital planning, facilities,**
13 **transportation, or logistics; or**
14 **(B) experience in working with vulnerable student**
15 **populations and communities.**
16 **(c) All members of the corporation board must reside within**
17 **the geographic boundaries of the school city.**
18 **(d) The mayor shall appoint one (1) of the members of the**
19 **corporation board as chairperson of the corporation board.**
20 **Sec. 3. (a) The term of office of an appointed member of the**
21 **corporation board is six (6) years. The member's term begins on**
22 **July 1 after the appointment.**
23 **(b) Each member holds office for the term of appointment and**
24 **continues to serve after expiration of the appointment until a**
25 **successor is appointed and qualified. A member is eligible for**
26 **reappointment.**
27 **(c) If there is a vacancy in the corporation board, the mayor**
28 **shall fill the vacancy for the unexpired term.**
29 **(d) A vacancy occurs if a member dies, resigns, changes**
30 **residence of the county, or ceases to be a:**
31 **(1) leader of a participating innovation network charter**
32 **school or charter school located within the geographic**
33 **boundaries of the school city; or**
34 **(2) member of the board of commissioners.**
35 **(e) A member of the corporation board may be removed for**
36 **cause by the mayor.**
37 **Sec. 4. (a) A majority of the corporation board members**
38 **constitutes a quorum for a meeting. The corporation board may**
39 **act by an affirmative vote of a majority of the corporation board.**
40 **(b) A vacancy in the membership of the corporation board**
41 **does not impair the right of a quorum to exercise all rights and**
42 **perform all duties of the corporation board.**

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

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

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

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

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

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

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

28 **(b) The executive director:**
29 **(1) serves at the pleasure of the corporation board; and**
30 **(2) shall do the following:**

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

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

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

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

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

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

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

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

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

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

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

14 **(i) appointed under section 2(b)(1), 2(b)(2), and**
15 **2(b)(3) of this chapter; and**

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

18 **shall each serve until July 1, 2030.**

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

20 **(i) appointed under section 2(b)(1), 2(b)(2), and**
21 **2(b)(3) of this chapter; and**

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

24 **shall each serve until July 1, 2031.**

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

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

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

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

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

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

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

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

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

42 **(1) Beginning with the 2028-2029 school year, control the**

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- 1 management and operation of school property.
- 2 (2) Establish, in collaboration with the nonprofit
- 3 organization leading the transportation and centralized
- 4 school facilities pilot program in Marion County, a unified
- 5 transportation plan in accordance with section 5 of this
- 6 chapter and, beginning with the 2028-2029 school year, lead
- 7 and oversee the provision of transportation of all students to
- 8 and from participating schools within the geographic
- 9 boundaries of the school city.
- 10 (3) Develop and implement a single school performance
- 11 framework in accordance with section 3 of this chapter that
- 12 applies to all participating schools.
- 13 (4) Manage a unified enrollment system applicable to all
- 14 participating school students.
- 15 (5) Ensure that, to the extent possible, school property is
- 16 provided and made available to all participating schools on
- 17 an equitable basis.
- 18 (6) Develop and implement a formula that provides for the
- 19 fair and equitable distribution of property taxes and other
- 20 funds to the school city and participating schools.
- 21 (7) Track qualitative and quantitative data to monitor
- 22 outcomes and publicly report data in a manner prescribed
- 23 by the mayor.
- 24 (8) Make, execute, and enforce contracts and all other
- 25 instruments necessary, convenient, or desirable for the
- 26 purposes of the corporation, including entering into a
- 27 contract with, as applicable, the school city and each
- 28 participating school regarding:
 - 29 (A) the management and operation of school property;
 - 30 (B) provision of transportation of all students to and
 - 31 from participating schools within the geographic
 - 32 boundaries of the school city; and
 - 33 (C) any other matters the corporation board determines
 - 34 is necessary to carry out the purposes of the
 - 35 corporation.
- 36 (9) Acquire, construct, erect, maintain, hold, and contract for
- 37 construction, erection, or maintenance of real estate, real
- 38 estate improvements, or an interest in real estate or real
- 39 estate improvements, as the corporation board considers
- 40 necessary for school purposes, including buildings, parts of
- 41 buildings, additions to buildings, rooms, gymnasiums,
- 42 auditoriums, playgrounds, playing and athletic fields,

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1 facilities for physical training, buildings for administrative,
 2 office, warehouse, repair activities, or housing school owned
 3 buses, landscaping, walks, drives, parking areas, roadways,
 4 easements and facilities for power, sewer, water, roadway,
 5 access, storm and surface water, drinking water, gas,
 6 electricity, other utilities and similar purposes, by purchase,
 7 either outright for cash (or under conditional sales or
 8 purchase money contracts providing for a retention of a
 9 security interest by the seller until payment is made or by
 10 notes where the contract, security retention, or note is
 11 permitted by applicable law), by exchange, by gift, by devise,
 12 by eminent domain, or by lease with or without option to
 13 purchase, or by lease under IC 20-47-2 or IC 20-47-3.
 14 (10) Repair, remodel, remove, or demolish, or to contract for
 15 the repair, remodeling, removal, or demolition of the real
 16 estate, real estate improvements, or interest in the real estate
 17 or real estate improvements that the corporation owns, as
 18 the corporation board considers necessary for school
 19 purposes.
 20 (11) Acquire personal property or an interest in personal
 21 property as the corporation board considers necessary for
 22 school purposes, including buses, motor vehicles, equipment,
 23 apparatus, and appliances, either by cash purchase or under
 24 conditional sales or purchase money contracts providing for
 25 a security interest by the seller until payment is made or by
 26 notes where the contract, security, retention, or note is
 27 permitted by applicable law, by gift, by devise, by loan, or by
 28 lease with or without option to purchase and to repair,
 29 remodel, remove, relocate, and demolish the personal
 30 property. All purchases and contracts specified under the
 31 powers authorized under subdivisions (9) and (10) and this
 32 subdivision are subject solely to applicable law relating to
 33 purchases and contracting by municipal corporations in
 34 general and to the supervisory control of state agencies as
 35 provided in section 8 of this chapter.
 36 (12) To sell or exchange real or personal property or interest
 37 in real or personal property that, in the opinion of the
 38 corporation board, is not necessary for school purposes to
 39 demolish or otherwise dispose of the property if, in the
 40 opinion of the corporation board, the property is not
 41 necessary for school purposes and is worthless, and to pay
 42 the expenses for the demolition or disposition.

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- 1 (13) Contract with or employ staff to execute the
2 corporation's duties.
- 3 (14) Fix and pay the salaries of the executive director and
4 any employees of the corporation.
- 5 (15) Maintain an office or offices at a place or places within
6 the geographic boundaries of the school city as the
7 corporation board may designate.
- 8 (16) To make budgets, to appropriate funds, and to disburse
9 the money, as applicable, of the corporation in accordance
10 with the formula established under subdivision (6). To
11 borrow money against current tax collections and otherwise
12 to borrow money, in accordance with IC 20-48-1.
- 13 (17) Procure insurance against any loss in connection with its
14 property and other assets, including loans and loan notes in
15 amounts and from insurers as the corporation board may
16 consider advisable.
- 17 (18) To make all applications, to enter into all contracts, and
18 to sign all documents necessary for the receipt of aid, money,
19 or property from the state, the federal government, or from
20 any other source.
- 21 (19) To defend a member of the corporation board or any
22 employee of the corporation in any suit arising out of the
23 performance of the member's or employee's duties for or
24 employment with, the corporation, if the corporation board
25 by resolution determined that the action was taken in good
26 faith. To save any member or employee harmless from any
27 liability, cost, or damage in connection with the performance,
28 including the payment of legal fees, except where the
29 liability, cost, or damage is predicated on or arises out of the
30 bad faith of the member or employee, or is a claim or
31 judgment based on the member's or employee's malfeasance
32 as a member or in employment.
- 33 (20) To prepare, make, enforce, amend, or repeal rules,
34 regulations, orders, and procedures:
- 35 (A) to carry out the purposes of the corporation; and
36 (B) that may be designated by an appropriate title such
37 as "policy handbook", "bylaws", or "rules and
38 regulations".
- 39 (21) Regularly conduct assessments of school property.
- 40 (22) To exercise any other power and make any expenditure
41 in carrying out the general powers and purposes provided in
42 this article or in carrying out the powers delineated in this

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

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

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

19 (1) Complete a feasibility study to determine the best
 20 approach for managing school property.

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

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

30 This subsection expires July 1, 2028.

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

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

34 (2) implement the framework not later than the 2028-2029
 35 school year.

36 (b) The school performance framework must:

37 (1) set clear expectation for school performance;

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

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

41 (B) student assessment outcomes;

42 (C) student discipline practices;



- 1 (D) student enrollment;
- 2 (E) physical condition of school property, including
- 3 deferred maintenance;
- 4 (F) short and long term financial health measures;
- 5 (G) organizational health and governance measures;
- 6 and
- 7 (H) any additional measures relevant to student success
- 8 as determined by the corporation board; and
- 9 (3) include a requirement to close chronically low
- 10 performing participating schools.
- 11 (c) The corporation board shall submit to the legislative
- 12 council in an electronic format under IC 5-14-6 the following:
- 13 (1) Not later than August 1, 2026, a report that includes
- 14 information regarding the corporation board's progress in
- 15 creating a single school performance framework under this
- 16 section, including information related to the progress on the
- 17 plan to close inefficient school buildings.
- 18 (2) Not later than November 30, 2026, the single school
- 19 performance framework created under this section.
- 20 Sec. 4. The corporation board may establish an advisory
- 21 committee to assist the corporation board in creating and
- 22 implementing the school performance framework described in
- 23 section 3 of this chapter.
- 24 Sec. 5. (a) The corporation board shall do the following:
- 25 (1) Establish a unified transportation plan regarding the
- 26 provision of transportation of all students to and from
- 27 participating schools within the geographic boundaries of the
- 28 school city.
- 29 (2) Include in the unified transportation plan the amount
- 30 needed to fully fund the plan.
- 31 (3) Not later than November 30, 2026, submit to the
- 32 legislative council in an electronic format under IC 5-14-6 a
- 33 report that includes information regarding the corporation
- 34 board's progress in completing the unified transportation
- 35 plan.
- 36 (4) Not later than November 30, 2027, submit the unified
- 37 transportation plan to the legislative council in an electronic
- 38 format under IC 5-14-6.
- 39 (b) The corporation board shall implement the unified
- 40 transportation plan beginning in the 2028-2029 school year.
- 41 Sec. 6. The school city and all participating schools:
- 42 (1) are required to provide transportation to the students of

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

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

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

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

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

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

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

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

39 **Sec. 2.** After March 31, 2026, the school city may not take any
 40 action under the procedures set forth in IC 5-1 and instead the
 41 corporation shall assume the powers and duties of the school city
 42 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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1 city. Property tax revenue received from the tax levy shall be used
2 to pay outstanding debts and obligations.

3 Sec. 7. (a) Except as provided in subsection (b), beginning July
4 1, 2026, the corporation shall assume the powers and duties of the
5 school city to impose a levy under IC 20-46-8. Beginning with the
6 January 1, 2027, assessment date, and for each assessment date
7 thereafter, the corporation shall impose an annual property tax
8 levy in the territory of the school city.

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

14 Sec. 8. (a) Except as provided in subsection (b), after March
15 31, 2026, the school city may not take any action under the
16 procedures set forth in IC 20-46-9 and instead the corporation
17 shall assume the powers and duties of the school city under
18 IC 20-46-9 in the territory of the school city.

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

24 **Chapter 6. Indianapolis Public Education Corporation**
25 **Operations Fund**

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

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

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

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

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

42 Sec. 5. The corporation may use money in the corporation



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1 **operations fund to carry out the purposes of the corporation.**
2 SECTION 13. IC 20-26-7-47, AS AMENDED BY P.L.36-2024,
3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 47. (a) The following definitions apply
5 throughout this section:
6 (1) "Covered school building" has the meaning set forth in
7 IC 20-26-7.1-2.1.
8 (2) "Current school year" refers to a year in which the governing
9 body is required to conduct a review of school building usage
10 under subsection (c).
11 (3) "Enrollment" refers to the following:
12 (A) Except as provided in clause (B), students counted in
13 ADM (as defined in IC 20-43-1-6) in the first count date for
14 a school year fixed under IC 20-43-4-3.
15 (B) With regard to a school corporation, students counted in
16 a school corporation's fall count of ADM minus all students
17 counted in the fall count of ADM who are enrolled in
18 eligible schools that:
19 (i) have entered into an agreement with the school
20 corporation to participate as a participating innovation
21 network charter school under IC 20-25.7-5; and
22 (ii) are included in the school corporation's fall ADM
23 count.
24 (4) "Interested person" has the meaning set forth in
25 IC 20-26-7.1-2.2.
26 (b) This section:
27 (1) applies to a school corporation only if:
28 (1) (A) the total student enrollment for in-person instruction
29 in the school corporation in the current school year is at
30 least ten percent (10%) less than the student enrollment for
31 in-person instruction in the school corporation in a school
32 year that precedes the current school year by five (5); and
33 (2) (B) the school corporation in the current school year has
34 more than one (1) school building serving the same grade
35 level as the school building subject to closure under this
36 section; **and**
37 (2) **does not apply to a school city (as defined in**
38 **IC 20-25-2-12).**
39 (c) Each school year, the governing body of a school corporation
40 shall review the usage of school buildings used by the school
41 corporation to determine whether any school building should be closed

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- 1 for the ensuing school year and subsequent school years.
- 2 (d) A school corporation shall close a school building for the
- 3 ensuing school year (and subsequent school years) if:
- 4 (1) at any time the school building had been used for classroom
- 5 instruction;
- 6 (2) in the current school year and the two (2) school years
- 7 immediately preceding the current school year the school
- 8 building was underutilized for classroom instruction purposes or
- 9 other allowable uses specified by this section;
- 10 (3) as of the end of the school year before the school building is
- 11 required to be closed under this section, the school corporation
- 12 was not subject to a transitional plan adopted by the governing
- 13 body and approved by the department to use the school building
- 14 for an allowable use not later than the next school year after the
- 15 school building is otherwise required to be closed under this
- 16 section;
- 17 (4) in the case of a school building that was used in any part in
- 18 the current school year for instructional purposes, the school
- 19 corporation has another school building:
- 20 (A) with sufficient capacity to take the students using the
- 21 school building being considered for closure; and
- 22 (B) that does not require more than twenty (20) minutes of
- 23 travel time by car or bus from the school building being
- 24 considered for closure; and
- 25 (5) the school building is not a school building described in
- 26 IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or
- 27 IC 20-26-7.1-3(d).
- 28 (e) For purposes of this section, a school building is underutilized
- 29 in a school year if the school building is not used for any of the
- 30 following allowable uses:
- 31 (1) The number of full-time equivalent students enrolled for
- 32 in-person instruction in the school building on instructional days
- 33 (as determined under IC 20-30-2) for instructional purposes,
- 34 averaged over the current school year and the two (2) school
- 35 years immediately preceding the current school year, is at least
- 36 fifty percent (50%) of:
- 37 (A) the known classroom design capacity of the school
- 38 building; or
- 39 (B) if the design capacity is not known, the average
- 40 maximum full-time equivalent enrollment in any of the last
- 41 twenty-five (25) years, as validated by records created or

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1 maintained by the department.

2 (2) The school corporation demonstrates through facts included

3 in a resolution that the school building is being used and that it

4 is financially prudent to continue to use the school building,

5 considering all community resources, for a distinct student

6 population that reasonably cannot be served through integration

7 with the general school population, such as students attending an

8 alternative education program (as defined in IC 20-30-8-1).

9 However, to be an allowable use under this subdivision, the

10 average number of full-time equivalent students using the school

11 building in a school year for instructional purposes must be at

12 least thirty percent (30%) of:

13 (A) the known classroom design capacity of the school

14 building; or

15 (B) if the design capacity is not known, the average

16 maximum full-time equivalent enrollment in any of the last

17 twenty-five (25) years, as validated by records created or

18 maintained by the department; and

19 (if multiple school buildings are used for the same purposes)

20 combining the student populations into fewer school buildings

21 is not reasonably feasible.

22 (3) 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 administrative or other

26 school offices. However, to be an allowable use under this

27 subdivision, at least fifty percent (50%) of the square footage of

28 the school building must be used for offices, the personnel

29 headquartered in the school building must consistently use the

30 space for office purposes, and the occupancy cost of using the

31 school building cannot be more than comparable office space

32 that is available in the school district.

33 (4) The school corporation demonstrates through facts included

34 in a resolution that the school building is being used and that it

35 is financially prudent to continue to use the school building,

36 considering all community resources, for storage. However, to be

37 an allowable use under this subdivision, at least fifty percent

38 (50%) of the square footage of the school building must be used

39 for storage, on average the storage space must be used to

40 capacity, and the cost of using the school building for storage

41 must be less than comparable storage space that is available in

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1 the school district.

2 (5) The school corporation demonstrates through facts included

3 in a resolution that the school building is being used and that it

4 is financially prudent to continue to use the school building,

5 considering all community resources, for a combination of office

6 space and storage. However, to be an allowable use under this

7 subdivision, at least fifty percent (50%) of the square footage of

8 the school building must be used for a combination of office

9 space and storage and:

10 (A) the personnel headquartered in the school building must

11 consistently use the office space for office purposes, and the

12 occupancy cost of using the office space, calculated using

13 the costs of operating the school building, cannot be more

14 than comparable office space that is available in the school

15 district; and

16 (B) on average, the storage space must be used to capacity

17 and the cost of using the school building for storage must be

18 less than comparable storage space that is available in the

19 school district.

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

21 (1) owned by the school corporation or any other entity that is

22 related in any way to, or created by, the school corporation or the

23 governing body; or

24 (2) jointly owned in the same manner by two (2) or more school

25 corporations;

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

27 (g) Before filing a petition under subsection (h), a charter school

28 or state educational institution that is interested in a school

29 corporation's school building must give written notice to the school

30 corporation to determine whether an agreement can be reached

31 regarding the school corporation making the school building available

32 for lease or purchase under IC 20-26-7.1.

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

34 the date that the school corporation receives the notice under

35 subsection (g), the charter school or state educational institution may

36 petition the department to initiate or the department on its own may

37 initiate a proceeding for a determination as to whether a school

38 building meets the criteria for closure under this section or a covered

39 school building that is no longer used for classroom instruction by a

40 school corporation should be made available under IC 20-26-7.1. If a

41 charter school or state educational institution petitions the department

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1 under this subsection, the charter school or state educational institution
2 must provide a copy of the petition to the applicable school
3 corporation.

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

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

12 (1) file a response to the petition that notifies the department that
13 the school corporation:

14 (A) is not contesting the petition; or

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

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

19 (k) If the school corporation:

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

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

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

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

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

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

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

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

41 (o) Upon the issuance of a final unappealable order granting a

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1 petition, the school corporation shall make the school building
2 available for lease or purchase in accordance with IC 20-26-7.1.

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

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

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

12 (b) This section:

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

14 (1) (A) the total student enrollment for in-person instruction
15 in the school corporation in the current school year is at
16 least ten percent (10%) less than the student enrollment for
17 in-person instruction in the school corporation in a school
18 year that precedes the current school year by five (5); and
19 (2) (B) the school corporation in the current school year has
20 more than one (1) school building serving the same grade
21 level as a school building subject to closure under section
22 47 of this chapter; and

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

25 (c) Each school corporation shall annually report to the
26 department, in the form and on the schedule specified by the
27 department, the following information:

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

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

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

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

37 (C) The following information:

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

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1 (ii) Percentage of instructional use.
 2 (iii) Percentage of use for other purposes.
 3 (D) Self-evaluation of whether the building qualifies for
 4 closure under section 47 of this chapter or the school board
 5 otherwise intends to close the building and the date closure
 6 will occur (if applicable).
 7 SECTION 15. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025,
 8 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this
 10 section, "charter school" does not include a virtual charter school or an
 11 adult high school.
 12 (b) This chapter does not apply to the following:
 13 (1) A school building that since July 1, 2011, is leased or loaned
 14 by the school corporation that owns the school building to
 15 another entity, if the entity is not a building corporation or other
 16 entity that is related in any way to, or created by, the school
 17 corporation or the governing body.
 18 (2) A school corporation to which all of the following apply:
 19 (A) The county auditor distributes revenue after May 10,
 20 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to
 21 each eligible charter school.
 22 (B) If the school corporation listed in IC 20-46-9-22
 23 receives revenue from a school safety referendum tax levy
 24 under IC 20-46-9, the county auditor distributes revenue
 25 after May 10, 2023, as required under IC 20-46-9-22 to
 26 each charter school described in IC 20-46-9-22(b).
 27 The above subdivisions are intended to apply retroactively. No
 28 referendums or distributed revenue prior to May 10, 2023, are
 29 effective to provide exemption from this chapter.
 30 (3) A school corporation to which all of the following apply:
 31 (A) The school corporation approves a resolution after May
 32 10, 2023, to impose an operating referendum tax levy under
 33 IC 20-46-1 after May 10, 2023, that includes sharing the
 34 revenue from the referendum tax levy in the amounts
 35 described in clause (B) with each charter school that:
 36 (i) a student who resides within the attendance area of
 37 the school corporation attends; and
 38 (ii) elects to participate in the referendum.
 39 The above subdivisions are intended to apply retroactively. No
 40 resolutions, referendums, or distributed revenue prior to May 10,
 41 2023, are effective to provide exemption from this chapter.

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

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

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

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

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

17 (ii) elects to participate in the referendum;
18 in an amount equal to the amount determined applying the
19 formula under IC 20-46-9-22(d).

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

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

27 SECTION 16. IC 20-40-9-4, AS ADDED BY P.L.2-2006,
28 SECTION 163, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The governing body of
30 each school corporation shall establish a debt service fund.

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

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

38 **(1) first, subject to IC 20-25.3-5-1, for payment of any**
39 **obligation described under section 6 of this chapter and**

40 **incurred by the school city (as defined in IC 20-25-2-12); and**

41 **(2) next, for payment of any obligation described under**
42 **section 6 of this chapter and incurred by the public education**

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corporation.

SECTION 17. IC 20-46-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection (b), after March 31, 2026, a school city (as defined in IC 20-25-2-12) may not exercise the powers and duties under this chapter and instead the public education corporation assumes the powers and duties of the school city as set forth in IC 20-25.3-5.**

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

SECTION 18. 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 19. IC 20-46-8-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection (b), beginning with property taxes first due and payable after December 31, 2027:**

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

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

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- 1 **(1) determine the amounts of revenue to be distributed to the**
- 2 **public education corporation, the school city, and any**
- 3 **charter schools as provided in section 11.2 or 12 of this**
- 4 **chapter, as applicable; and**
- 5 **(2) distribute revenue collected from a levy imposed under**
- 6 **this chapter to the public education corporation, the school**
- 7 **city, and any charter schools as provided in section 11.2 or**
- 8 **12 of this chapter, as applicable.**

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

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

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

- 22 (b) For distributions made in:
- 23 (1) calendar year 2025, and subject to subsection (c); and
- 24 (2) calendar years 2026 and 2027, and subject to subsections (c),
- 25 (h), and (i);

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

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

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

36 (d) Not later than March 1, 2025, January 1, 2026, and January 1,
 37 2027, the department, in consultation with the department of local
 38 government finance, shall determine the corresponding percentages of
 39 revenue received from the tax levy that are attributable to the territory
 40 of the school corporation that is located within the boundaries of a
 41 county listed in subsection (a) and must be distributed among the
 42 school corporation and each eligible charter school according to the

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- 1 following formula:
- 2 STEP ONE: Determine each charter school that:
- 3 (A) is located in the same county as the school corporation;
- 4 and
- 5 (B) provides not more than fifty percent (50%) virtual
- 6 instruction for its students.
- 7 STEP TWO: Determine, for each charter school described in
- 8 STEP ONE, the number of students who:
- 9 (A) have legal settlement within the school corporation;
- 10 (B) are currently included in the fall ADM for the charter
- 11 school; and
- 12 (C) receive not more than fifty percent (50%) virtual
- 13 instruction.
- 14 STEP THREE: Determine the sum of:
- 15 (A) the aggregate of the STEP TWO results for all
- 16 applicable charter schools; plus
- 17 (B) the fall ADM count for the school corporation for
- 18 students receiving not more than fifty percent (50%) virtual
- 19 instruction.
- 20 STEP FOUR: For each charter school described in STEP ONE,
- 21 determine the result of:
- 22 (A) the applicable STEP TWO amount; divided by
- 23 (B) the STEP THREE amount;
- 24 expressed as a percentage.
- 25 STEP FIVE: Determine the sum of all the amounts computed
- 26 under STEP FOUR and subtract the result from one hundred
- 27 percent (100%).
- 28 (e) The department shall provide to the county auditor,
- 29 immediately after calculation under subsection (d):
- 30 (1) each charter school determined under STEP ONE of
- 31 subsection (d) and the charter school's corresponding percentage
- 32 calculated under STEP FOUR of subsection (d); and
- 33 (2) the percentage calculated under STEP FIVE of subsection (d)
- 34 for the school corporation.
- 35 (f) **Except as provided in subsection (j), and** subject to
- 36 subsection (i), the county auditor shall distribute to the school
- 37 corporation and each applicable charter school the amount determined,
- 38 for each settlement period described in IC 6-1.1-27-1, in the last STEP
- 39 of the following STEPS:
- 40 STEP ONE: For each school corporation, determine a base
- 41 property tax levy amount calculated as:

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

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

20 STEP THREE: For the school corporation and each applicable
 21 charter school, determine the result of:
 22 (A) the sum of:
 23 (i) the incremental amount determined under STEP
 24 TWO; plus
 25 (ii) any distribution amount withheld under subsection
 26 (i); multiplied by
 27 (B) the following percentage:
 28 (i) In the case of an applicable charter school, the
 29 charter school's percentage under STEP FOUR of
 30 subsection (d).
 31 (ii) In the case of the school corporation, the school
 32 corporation's percentage under STEP FIVE of
 33 subsection (d).
 34 (g) Before August 15, 2025, and August 15, 2026, the department
 35 shall provide to each school corporation and each eligible charter
 36 school an estimate of the amount of property tax levy revenue the
 37 school corporation and charter school are expected to receive under
 38 this section based on the most recent fall ADM count.
 39 (h) This subsection applies to distributions of property tax revenue
 40 under this section in 2026 and 2027. In order to receive a distribution
 41 under this section in 2026 and 2027, the governing body of an eligible

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1 charter school shall, before October 15, 2025, and October 15, 2026,
2 adopt a budget for the current school year. Not later than ten (10) days
3 before its adoption, the budget must be fixed and presented to the
4 charter board in a public meeting in the county in which the charter
5 school is incorporated. A budget that is adopted under this subsection
6 must be submitted to the charter authorizer for review and to the
7 department of local government finance to be posted publicly on the
8 computer gateway under IC 6-1.1-17-3 not later than:

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

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

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

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

39 **(j) This subsection applies only to distributions of property tax**
40 **revenue in 2026 and to distributions of property tax revenue in**
41 **2027 to:**

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

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

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

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

- 21 (1) one hundred (100) students; or
- 22 (2) two percent (2%) of the school corporation's spring ADM
- 23 count, excluding students who receive more than fifty percent
- 24 (50%) virtual instruction.

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

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

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

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

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

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

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

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1 eligible charter school that has entered into an agreement with a school
 2 corporation to participate as a participating innovation network charter
 3 school under IC 20-25.7-5 is considered to have an ADM that is
 4 separate from the school corporation.

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

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

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

18 STEP TWO: Determine the sum of:

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

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

- 26 (A) the applicable STEP ONE amount; divided by
 - 27 (B) the STEP TWO amount;
- 28 expressed as a percentage.

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

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

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

39 (h) **Except as provided in subsection (m), and** subject to
 40 subsections (j) and (l), the county auditor shall distribute to the school
 41 corporation and each eligible charter school the amount determined in

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1 the last STEP of the following STEPS:

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

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

8 (A) the sum of:

9 (i) the STEP ONE result; plus

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

12 (B) the following percentage:

13 (i) In the case of an eligible charter school, the charter
14 school's percentage under STEP THREE of subsection
15 (f).

16 (ii) In the case of the school corporation, the school
17 corporation's percentage under STEP FOUR of
18 subsection (f).

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

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

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

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

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

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

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

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

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

19 in the calendar year that immediately follows the calendar year in
20 which the distribution amount was withheld.

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

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

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

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

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

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

37 (B) five-tenths (0.5).

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

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

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(B) seventy-five hundredths (0.75).

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

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

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

(2) a charter school that:

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

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

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

SECTION 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.**

(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 23. IC 20-47-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter, "corporation board" refers to the Indianapolis public education corporation board established by IC 20-25.3-3-2.**

SECTION 24. IC 20-47-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**

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

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

- 8 (1) the school corporation **or public education corporation;** or
- 9 (2) a joint or consolidated school district of which the school
- 10 corporation is a part or to which it contributes;

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

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

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

- 26 (1) set out the amount of the total lease rental to be paid by each
- 27 lessee, which may be as agreed upon; and
- 28 (2) provide that:
 - 29 (A) there is no right of occupancy by any lessee unless the
 - 30 total rental is paid as stipulated in the lease; and
 - 31 (B) all rights of joint lessees under the lease are in
 - 32 proportion to the amount of lease rental paid by each lessee.

33 SECTION 26. IC 20-47-2-6, AS ADDED BY P.L.2-2006,
34 SECTION 170, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, **or**
36 **school corporations, or the public education corporation** may enter
37 into a lease under this chapter only with a corporation organized under
38 Indiana law solely for the purpose of acquiring a site, erecting a
39 suitable school building or buildings on that site, leasing the building
40 or buildings to the school corporation, **or school corporations, or**
41 **public education corporation** collecting the rentals under the lease,

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1 and applying the proceeds of the lease in the manner provided in this
2 chapter.

- 3 (b) A lessor corporation described in subsection (a):
- 4 (1) must, except as provided in subdivision (2), act entirely
- 5 without profit to the lessor corporation or its officers, directors,
- 6 and stockholders;
- 7 (2) is entitled to the return of capital actually invested, plus
- 8 interest or dividends on outstanding securities or loans, not to
- 9 exceed five percent (5%) per annum and the cost of maintaining
- 10 the lessor corporation's corporate existence and keeping its
- 11 property free of encumbrance; and
- 12 (3) upon receipt of any amount of lease rentals exceeding the
- 13 amount described in subdivision (2), apply the excess funds to
- 14 the redemption and cancellation of the lessor corporation's
- 15 outstanding securities or loans as soon as may be done.

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

- 20 (1) An option for the school corporation, **or school** corporations,
- 21 **or the public education corporation** to renew the lease for a
- 22 further term on similar conditions.
- 23 (2) An option for the school corporation, **or school** corporations,
- 24 **or public education corporation** to purchase the property
- 25 covered by the lease after six (6) years from the execution of the
- 26 lease and before the expiration of the term of the lease, on the
- 27 date or dates in each year as may be fixed in the lease. The
- 28 purchase price:
- 29 (A) must be equal to the amount required to enable the
- 30 lessor corporation owning the property to liquidate by
- 31 paying all indebtedness, with accrued and unpaid interest,
- 32 redeeming and retiring any stock at par, and paying the
- 33 expenses and charges of liquidation; and
- 34 (B) may not exceed the capital actually invested in the
- 35 property by the lessor corporation represented by
- 36 outstanding securities or existing indebtedness, plus the cost
- 37 of transferring the property and liquidating the lessor
- 38 corporation.

39 (b) A lease entered into under this chapter may not provide or be
40 construed to provide that a school corporation **or the public education**
41 **corporation** is under any obligation to purchase a leased school

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1 building or buildings, or under any obligation in respect to any
 2 creditors, shareholders, or other security holders of the lessor
 3 corporation.

4 SECTION 28. IC 20-47-2-10, AS ADDED BY P.L.2-2006,
 5 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, ~~or~~
 7 **school corporations, or the public education corporation** may, in
 8 anticipation of the acquisition of a site and the construction and
 9 erection of a school building or buildings, enter into a lease with a
 10 lessor corporation before the actual acquisition of the site and the
 11 construction and erection of the building or buildings. However, a lease
 12 entered into under this section may not provide for the payment of any
 13 lease rental by the lessee or lessees until the building or buildings are
 14 ready for occupancy, at which time the stipulated lease rental may
 15 begin. The contractor must furnish to the lessor corporation a bond
 16 satisfactory to the lessor corporation conditioned upon the final
 17 completion of the building or buildings within the period specified in
 18 the contract.

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

- 30 (1) ten (10) days after publication of the notice, if new
 31 construction is proposed; or
 32 (2) thirty (30) days after publication of the notice, if
 33 improvement or expansion is proposed.

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

- 35 (1) be published one (1) time in:
 36 (A) a newspaper of general circulation printed in the
 37 English language in the school corporation;
 38 (B) a newspaper described in clause (A) in each school
 39 corporation if the proposed lease is a joint lease; or
 40 (C) if no such paper is published in the school corporation,
 41 in any newspaper of general circulation published in the

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- 1 county;
- 2 (2) name the date, time, and place of the hearing; and
- 3 (3) set forth a brief summary of the principal terms of the lease
- 4 agreed upon, including the:
 - 5 (A) location of the property to be leased;
 - 6 (B) name of the proposed lessor corporation;
 - 7 (C) character of the property to be leased;
 - 8 (D) rental to be paid; and
 - 9 (E) number of years the lease is to be in effect.

10 The cost of publishing the notice shall be borne by the lessor
 11 corporation.

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

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

25 (b) Within thirty (30) days following the termination of the
 26 hearing, the governing body or bodies of the school corporation or
 27 corporations **or the corporation board** may by a majority vote of all
 28 members of the governing body or bodies **or corporation board**:

- 29 (1) authorize the execution of the proposed lease as originally
- 30 agreed upon; or
- 31 (2) make modifications to the proposed lease that are agreed
- 32 upon with the lessor corporation.

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

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

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- 1 in:
- 2 (1) a newspaper of general circulation printed in the English
- 3 language in the school corporation;
- 4 (2) a newspaper described in subdivision (1) in each school
- 5 corporation if the proposed lease is a joint lease; or
- 6 (3) if no such newspaper is published in the school corporation,
- 7 in any newspaper of general circulation published in the county.
- 8 (b) This subsection does not apply to a lease for which a school
- 9 corporation **or the public education corporation** after June 30, 2008,
- 10 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
- 11 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
- 12 case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
- 13 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
- 14 after June 30, 2008. Within thirty (30) days after the publication of
- 15 notice under subsection (a), fifty (50) or more taxpayers in the school
- 16 corporation or corporations who:
- 17 (1) will be affected by the proposed lease; and
- 18 (2) are of the opinion that:
- 19 (A) necessity does not exist for the execution of the lease;
- 20 or
- 21 (B) the proposed rental provided for in the lease is not a fair
- 22 and reasonable rental;
- 23 may file a petition in the office of the county auditor of the county in
- 24 which the school corporation or corporations are located. The petition
- 25 must set forth the taxpayers' objections to the lease and facts showing
- 26 that the execution of the lease is unnecessary or unwise or that the lease
- 27 rental is not fair and reasonable, as the case may be.
- 28 (c) Upon the filing of a petition under subsection (b), the county
- 29 auditor shall immediately certify a copy of the petition, together with
- 30 any other data that is necessary to present the questions involved, to the
- 31 department of local government finance. Upon receipt of the certified
- 32 petition and data, if any, the department of local government finance
- 33 shall fix a time, date, and place for the hearing of the matter, which
- 34 may not be less than five (5) nor more than thirty (30) days thereafter.
- 35 The department of local government finance shall:
- 36 (1) conduct the hearing in the school corporation or corporations,
- 37 in the county where the school corporation or corporations are
- 38 located, or through electronic means; and
- 39 (2) give notice of the hearing to the members of the governing
- 40 body or bodies of the school corporation or corporations **or the**
- 41 **corporation board** and to the first fifty (50) taxpayers who

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1 signed the petition under subsection (b) by a letter signed by the
 2 commissioner or deputy commissioner of the department of local
 3 government finance and enclosed with full prepaid postage
 4 addressed to the taxpayer petitioners at their usual place of
 5 residence, at least five (5) days before the hearing.
 6 The decision of the department of local government finance on the
 7 appeal upon the necessity for the execution of the lease and as to
 8 whether the rental is fair and reasonable, is final.
 9 SECTION 32. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,
 10 SECTION 516, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the
 12 validity of the lease or to enjoin the performance of any of the terms
 13 and conditions of the lease may not be instituted at any time later than:
 14 (1) thirty (30) days after publication of notice of the execution of
 15 the lease by the governing body or bodies of the school
 16 corporation or corporations **or the corporation board**; or
 17 (2) if an appeal is allowed under section 13 of this chapter and
 18 has been taken to the department of local government finance,
 19 thirty (30) days after the decision of the department of local
 20 government finance.
 21 SECTION 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006,
 22 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 15. The lessor corporation shall acquire, own,
 24 and hold in fee simple the land on which a school building or buildings
 25 are to be erected under this chapter. A school corporation **or the public**
 26 **education corporation** that proposes to lease such a school building,
 27 either alone or jointly with another school corporation, and owns the
 28 land on which it desires that the building or buildings be erected may
 29 sell and transfer that land to the lessor corporation in fee simple,
 30 subject to the following conditions:
 31 (1) Before the sale may take place, the governing body of the
 32 school corporation **or the corporation board** must file a petition
 33 with the circuit court of the county in which the school
 34 corporation is located, requesting the appointment of:
 35 (A) one (1) disinterested freeholder of the school
 36 corporation as an appraiser; and
 37 (B) two (2) disinterested appraisers licensed under
 38 IC 25-34.1;
 39 who are residents of Indiana to determine the fair market value
 40 of the land. One (1) of the appraisers described in clause (B)
 41 must reside not more than fifty (50) miles from the land.

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

5 (3) The school corporation **or public education corporation**
6 may sell the land to the lessor corporation for an amount not less
7 than the amount fixed as the fair market value by the three (3)
8 appraisers, which shall be paid in cash upon delivery of the deed
9 by the school corporation **or public education corporation** to
10 the lessor corporation. However, if the land was acquired by the
11 school corporation **or public education corporation** within
12 three (3) years immediately preceding the date of the filing of the
13 petition with the circuit court, the land may not be sold for an
14 amount less than the amount paid by the school corporation **or**
15 **public education corporation** for the land.

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

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

- 26 (1) the principal amount of the outstanding bonds;
- 27 (2) any premium required to be paid upon redemption of the
28 outstanding bonds; and
- 29 (3) the estimated expenses to be incurred in connection with the
30 issuance of the refunding bonds.

31 (c) The sum of the net interest cost to the lessor corporation of the
32 refunding bonds plus the premium required to be paid in connection
33 with the redemption of the outstanding bonds and the estimated
34 expenses to be incurred in connection with the issuance of the
35 refunding bonds may not exceed the total interest that would have been
36 payable by the lessor corporation on the bonds being refunded from the
37 date of redemption to the maturity of the bonds being refunded. Net
38 interest cost on the refunding bonds is the amount determined by
39 computing the total interest on all the refunding bonds to their
40 maturities and deducting from that amount the premium bid, if any.

41 (d) Refunding bonds issued under this section:

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- 1 (1) are legal and proper investments;
 2 (2) are exempt from taxation; and
 3 (3) may be sold without registration with or approval of the
 4 securities division of the office of the secretary of state or
 5 securities commissioner;
 6 in the same manner, under the same conditions, and subject to the same
 7 limitations as any other bonds issued by lessor corporations under
 8 section 16 of this chapter. However, no proceedings or actions by the
 9 lessee nor approval by any board, commission, or agency are required
 10 in connection with the refunding, and the refunding authorized in this
 11 section does not affect the obligation of the lessee to pay the lease
 12 rental under the lease of the building or buildings.
- 13 (e) An action to contest the validity of refunding bonds issued
 14 under this section may not be brought after the fifteenth day following
 15 the receipt of bids for the bonds.
- 16 (f) In connection with the issuance of refunding bonds, the lessee
 17 school corporation, ~~or~~ school corporations, **or public education**
 18 **corporation** may enter into an amendment to the lease with the lessor
 19 corporation providing for an extension of the time set forth in the lease
 20 before the option of the lessee or lessees to purchase may be exercised
 21 to a time agreed upon between the lessee school corporation, ~~or~~ school
 22 corporations, **or public education corporation** and the lessor
 23 corporation.
- 24 SECTION 35. IC 20-47-2-18, AS ADDED BY P.L.2-2006,
 25 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section,
 27 "bonds" means bonds, debentures, or other evidences of indebtedness.
- 28 (b) As used in this section, "improvement" or "improvements"
 29 means one (1) or more of the following:
 30 (1) Construction of a school building.
 31 (2) An addition to a school building owned by a lessor
 32 corporation or owned by the school corporation **or public**
 33 **education corporation** to which a lessor corporation has leased
 34 property under this chapter, and any remodeling incidental to
 35 that addition.
 36 (3) Remodeling of or construction of appurtenances to a school
 37 building owned by a lessor corporation.
- 38 (c) A lessor corporation having outstanding bonds that by their
 39 terms are redeemable before their maturities may issue bonds in the
 40 manner provided under section 16 of this chapter to refund the
 41 outstanding bonds and construction of improvements.

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- 1 (d) Refunding and improvement bonds issued under this section:
- 2 (1) are legal and proper investments;
- 3 (2) are exempt from taxation; and
- 4 (3) may be sold without registration with or approval of the
- 5 securities division of the office of the secretary of state or the
- 6 securities commissioner;

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

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

- 14 (1) an extension of the time set forth in the lease before the
- 15 option of the lessee or lessees to purchase may be exercised to a
- 16 time agreed upon between the lessee school corporation, ~~or~~
- 17 school corporations, **or public education corporation** and the
- 18 lessor corporation;
- 19 (2) an extension of the term of the lease, not to exceed ten (10)
- 20 years, to include the improvements in the description of the
- 21 leased property; and
- 22 (3) increased lease rental payments after the completion of the
- 23 improvements.

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

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

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

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

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

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

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

41 SECTION 40. IC 20-47-2-23, AS AMENDED BY P.L.244-2017,

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

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

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

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

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

- 26 (1) the school corporation **or public education corporation;** or
- 27 (2) a joint or consolidated school district of which the school
 28 corporation is a part or to which it contributes;

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

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

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

- 41 (1) set out the amount of the total lease rental to be paid by each

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1 lessee, which may be as agreed upon; and
 2 (2) provide that:
 3 (A) there is no right of occupancy by any lessee unless the
 4 total rental is paid as stipulated in the lease; and
 5 (B) all rights of joint lessees under the lease are in
 6 proportion to the amount of lease rental paid by each lessee.
 7 SECTION 44. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
 8 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or**
 10 **school corporations, or the public education corporation** may enter
 11 into a lease or lease with option to purchase under this chapter only
 12 with:
 13 (1) a corporation organized under Indiana law or admitted to do
 14 business in Indiana; or
 15 (2) a religious organization (or the organization's agent) that is
 16 exempt from federal income taxation under Section 501 of the
 17 Internal Revenue Code.
 18 SECTION 45. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,
 19 SECTION 517, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
 21 subsections (d) and (e), a lease must provide that the school
 22 corporation, **or school corporations, or the public education**
 23 **corporation** have an option to:
 24 (1) renew the lease for a further term on like conditions; and
 25 (2) purchase the property covered by the lease;
 26 with the terms and conditions of the purchase to be specified in the
 27 lease, subject to the approval of the department of local government
 28 finance.
 29 (b) If the option to purchase the property covered by the lease is
 30 exercised, the school corporation, **or school corporations, or public**
 31 **education corporation** to procure funds to pay the purchase price, may
 32 issue and sell bonds under the provisions of the general statute
 33 governing the issue and sale of bonds of the school corporation, **or**
 34 **school corporations, or public education corporation.** The purchase
 35 price may not be more than the purchase price set forth in the lease
 36 plus:
 37 (1) two percent (2%) of the purchase price as prepayment
 38 penalty for purchase within the first five (5) years of the lease
 39 term; or
 40 (2) one percent (1%) of the purchase price as prepayment
 41 penalty for purchase in the second five (5) years of the lease

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- 1 term;
 2 and thereafter the purchase shall be without prepayment penalty.
- 3 (c) However:
- 4 (1) if the school corporation, ~~or school~~ corporations, **or the**
 5 **public education corporation** have not exercised an option to
 6 purchase the property covered by the lease at the expiration of
 7 the lease; and
- 8 (2) upon the full discharge and performance by the school
 9 corporation, ~~or school~~ corporations, **or public education**
 10 **corporation** of their obligations under the lease;
 11 the property covered by the lease becomes the absolute property of the
 12 school corporation, ~~or school~~ corporations, **or public education**
 13 **corporation**, and the lessor corporation shall execute proper
 14 instruments conveying to the school corporation, ~~or school~~
 15 corporations, **or public education corporation** good and merchantable
 16 title to that property.
- 17 (d) The following provisions apply to a school corporation that is
 18 located in Dubois County and enters into a lease with a religious
 19 organization or the organization's agent as authorized under section 4
 20 of this chapter:
- 21 (1) The lease is not required to include on behalf of the school
 22 corporation an option to purchase the property covered by the
 23 lease.
- 24 (2) The lease must include an option to renew the lease.
- 25 (3) The property covered by the lease is not required to become
 26 the absolute property of the school corporation as provided in
 27 subsection (c).
- 28 (e) In the case of a lease for which a school corporation **or the**
 29 **public education corporation**:
- 30 (1) after June 30, 2008, makes a preliminary determination as
 31 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 32 described in IC 6-1.1-20-5; or
- 33 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
 34 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or
 35 ordinance authorizing the lease after June 30, 2008;
- 36 the terms and conditions of the purchase that are specified in the lease
 37 are not subject to the approval of the department of local government
 38 finance.
- 39 SECTION 46. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,
 40 SECTION 518, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in

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1 subsection (b), a school corporation, **or school** corporations, **or the**
 2 **public education corporation** may, in anticipation of the acquisition
 3 of a site and the construction and erection of a school building or
 4 buildings, and, subject to the approval of the department of local
 5 government finance, enter into a lease with a lessor corporation before
 6 the actual acquisition of the site and the construction and erection of
 7 the building or buildings. However, the lease entered into by the school
 8 corporation, **or school corporations, or public education corporation**
 9 may not provide for the payment of any lease rental by the lessee or
 10 lessees until the building or buildings are ready for occupancy, at
 11 which time the stipulated lease rental may begin. The lessor
 12 corporation shall furnish a bond to the approval of the lessee or lessees
 13 conditioned on the final completion of the building or buildings within
 14 a period not to exceed one (1) year from the date of the execution of the
 15 lease, unavoidable delays excepted.

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

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

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

24 the approval of the department of local government finance is not
 25 required.

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

37 (1) ten (10) days after publication of the notice, if new
 38 construction is proposed; or

39 (2) thirty (30) days after publication of the notice, if
 40 improvement or expansion is proposed.

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

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- 1 (1) be published one (1) time in:
- 2 (A) a newspaper of general circulation printed in the
- 3 English language in the school corporation;
- 4 (B) a newspaper described in clause (A) in each school
- 5 corporation if the proposed lease is a joint lease; or
- 6 (C) if no such paper is published in the school corporation,
- 7 in any newspaper of general circulation published in the
- 8 county;
- 9 (2) name the date, time, and place of the hearing; and
- 10 (3) set forth a brief summary of the principal terms of the lease
- 11 agreed upon, including the:
- 12 (A) location of the property to be leased;
- 13 (B) name of the proposed lessor corporation;
- 14 (C) character of the property to be leased;
- 15 (D) rental to be paid; and
- 16 (E) number of years the lease is to be in effect.

17 The cost of publication of the notice shall be paid by the lessor
18 corporation.

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

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

- 32 (b) Not later than thirty (30) days following the termination of the
- 33 hearing, the governing body or bodies of the school corporation or
- 34 corporations **or the corporation board** may by a majority vote of all
- 35 members of the governing body or bodies **or the corporation board**:
- 36 (1) authorize the execution of the lease as originally agreed
- 37 upon; or
- 38 (2) make modifications to the proposed lease as agreed upon
- 39 with the lessor corporation.

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

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

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

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

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

15 (b) This subsection does not apply to leases for which a school
 16 corporation **or the public education corporation** after June 30, 2008,
 17 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
 18 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
 19 case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
 20 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
 21 after June 30, 2008. Within thirty (30) days after the publication of
 22 notice under subsection (a), ten (10) or more taxpayers in the school
 23 corporation or corporations who:

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

25 (2) are of the opinion that:

26 (A) no necessity exists for the execution of the lease; or

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

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

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

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- 1 finance shall:
- 2 (1) conduct the hearing in the school corporation or corporations,
- 3 in the county where the school corporation or corporations are
- 4 located, or through electronic means; and
- 5 (2) give notice of the hearing to the members of the governing
- 6 body or bodies of the school corporation or corporations **or the**
- 7 **corporation board** and to the first ten (10) taxpayer petitioners
- 8 upon the petition by a letter signed by the commissioner or
- 9 deputy commissioner of the department of local government
- 10 finance, and enclosed with full prepaid postage addressed to the
- 11 taxpayer petitioners at their usual place of residence, at least five
- 12 (5) days before the hearing.

13 The decision of the department of local government finance on the

14 appeal upon the necessity for the execution of the lease, and as to

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

16 SECTION 50. IC 20-47-3-12, AS AMENDED BY P.L.146-2008,

17 SECTION 520, IS AMENDED TO READ AS FOLLOWS

18 [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to contest the

19 validity of the lease or to enjoin the performance of any of the terms

20 and conditions of the lease may not be instituted at any time later than:

- 21 (1) thirty (30) days after publication of notice of the execution of
- 22 the lease by the governing body or bodies of the school
- 23 corporation or corporations **or the corporation board**; or
- 24 (2) if an appeal is allowed under section 11 of this chapter and
- 25 has been taken to the department of local government finance,
- 26 thirty (30) days after the decision of the department of local
- 27 government finance.

28 SECTION 51. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,

29 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

30 UPON PASSAGE]: Sec. 13. The lessor corporation shall acquire, own,

31 and hold in fee simple the land on which a school building or buildings

32 are to be erected under this chapter. A school corporation **or the public**

33 **education corporation** that proposes to lease a school building, either

34 alone or jointly with another school corporation, and owns the land on

35 which it desires to be erected the building or buildings may sell and

36 transfer that land to the lessor corporation in fee simple, subject to the

37 following conditions:

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

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1 (A) one (1) disinterested freeholder of the school
 2 corporation as an appraiser; and
 3 (B) two (2) disinterested appraisers licensed under
 4 IC 25-34.1;
 5 who are residents of Indiana to determine the fair market value
 6 of the land. One (1) of the appraisers described in clause (B)
 7 must reside not more than fifty (50) miles from the land.
 8 (2) Upon appointment, the three (3) appraisers shall proceed to
 9 fix the fair market value of the land and shall report the amount
 10 fixed to the circuit court within two (2) weeks after the
 11 appointment.
 12 (3) The school corporation **or the public education corporation**
 13 may sell the land to the lessor corporation for an amount not less
 14 than the amount fixed by the three (3) appraisers as the fair
 15 market value, which shall be paid in cash upon delivery of the
 16 deed by the school corporation **or the public education**
 17 **corporation** to the lessor corporation. However, if the land was
 18 acquired by the school corporation **or public education**
 19 **corporation** within three (3) years immediately preceding the
 20 date of the filing of the petition with the circuit court, the land
 21 may not be sold for an amount less than the amount paid by the
 22 school corporation **or public education corporation** for the
 23 land.
 24 SECTION 52. IC 20-47-3-14, AS ADDED BY P.L.2-2006,
 25 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation **or the**
 27 **public education corporation** that executes a lease under this chapter
 28 shall annually appropriate and pay out of the debt service fund an
 29 amount sufficient to pay the lease rental required under the lease. The
 30 appropriation and rate are reviewable by other bodies vested by law
 31 with the authority to determine that the levy is sufficient to raise the
 32 amount required to meet the rental required under the lease.
 33 SECTION 53. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
 34 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
 36 a lessor corporation entering into a lease with a school corporation, **or**
 37 **school corporations, or the public education corporation** under this
 38 chapter are exempt from all state, county, and other taxes. However,
 39 the rental payments to a lessor corporation under the terms of such a
 40 lease are subject to all applicable taxes under Indiana law.
 41 SECTION 54. IC 20-47-3-16, AS ADDED BY P.L.2-2006,

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1 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
 3 construed as being supplemental to all other laws covering the
 4 acquisition, use, and maintenance of school buildings by school
 5 corporations **or the public education corporation**. However, as to
 6 school buildings constructed or leased under this chapter, it is not
 7 necessary to comply with the provisions of other laws concerning the
 8 acquisition, use, and maintenance of school buildings by school
 9 corporations **or the public education corporation** except as
 10 specifically required in this chapter.

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

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

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

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

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

- 39 (1) be qualified or formed to acquire, improve, or expand an
 40 existing school building;
 41 (2) acquire, improve, or expand an existing school building;

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- 1 (3) finance an existing school building or improved school
 2 building; and
 3 (4) lease an existing school building or improved school building
 4 to a school corporation **or the public education corporation**
 5 under applicable law.

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

- 13 (1) IC 20-47-2 or IC 20-47-3;
 14 (2) the petition and remonstrance provisions under IC 6-1.1-20
 15 (if required); and
 16 (3) the local public question provisions under IC 6-1.1-20 (if
 17 required).

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

21 (c) Lease rental payments made under the lease do not constitute
 22 a debt of the school corporation **or public education corporation** for
 23 purposes of the Constitution of the State of Indiana.

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

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

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

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- 1 including:
- 2 (1) the notice of hearing on the lease;
- 3 (2) public hearing;
- 4 (3) notice of execution of lease; and
- 5 (4) the submission of plans and specifications for the
- 6 improvement or expansion of the existing school building for
- 7 approval by the state agencies designated in IC 20-47-2 or
- 8 IC 20-47-3 or otherwise required by law or rule.

9 (b) If a school corporation **or the public education corporation**
 10 is occupying and using an existing school building during the
 11 renovation, remodeling, or expansion of the building, the lease or
 12 contract of lease may provide for the payment of lease rental by the
 13 school corporation **or public education corporation** for the use of the
 14 building during renovation, remodeling, or expansion.

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

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

- 31 (1) new construction of school buildings;
- 32 (2) related site acquisition; and
- 33 (3) related site development.

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

39 SECTION 64. IC 20-48-3-0.5 IS ADDED TO THE INDIANA
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**

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1 **public education corporation may exercise the same powers, duties,**
2 **and responsibilities granted to the school city under this chapter as**
3 **set forth in IC 20-25.3.**

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

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

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

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

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

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

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

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1 (2) in any way impair the rights or remedies of the holders of the
 2 entity's bonds.
 3 ~~(d)~~ (e) If the assessed valuation of a taxing unit is entirely
 4 contained within an excluded city or town (as described in IC 36-3-1-7)
 5 that is located in a county having a consolidated city, the governing
 6 body of the taxing unit shall submit its proposed operating and
 7 maintenance budget and tax levies to the city or town fiscal body for
 8 approval and not the city-county legislative body. Except as provided
 9 in subsection ~~(c)~~; (d), the fiscal body of the excluded city or town may
 10 reduce or modify but not increase a proposed operating and
 11 maintenance budget or tax levy under this section.
 12 SECTION 66. **An emergency is declared for this act.**

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