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# HOUSE BILL No. 1423

Proposed Changes to introduced printing by AM142314

## DIGEST OF PROPOSED AMENDMENT

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

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

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

2026

IN 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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  
 16 collected before the semiannual distribution. The amount advanced  
 17 may not exceed the lesser of:

18 (1) ninety-five percent (95%) of the total amount collected at the  
 19 time of the advance; or  
 20 (2) ninety-five percent (95%) of the amount to be distributed at  
 21 the semiannual distribution.

22 (c) Upon notice from the county treasurer of the amount to be  
 23 advanced, the county auditor shall draw a warrant upon the county  
 24 treasurer for the amount. The amount of the advance must be available  
 25 immediately for the use of the political subdivision.

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

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

33 (f) Subject to this section, the Indianapolis public education  
 34 corporation board established by IC 20-25.3-3-2 may file with the  
 35 county treasurer a written request under this section for an  
 36 advance of the funds certified for the first semiannual distribution  
 37 in 2026 to be distributed to the corporation board under  
 38 IC 20-46-8-11.2(j). The corporation board shall deposit money  
 39 advanced by the county auditor in the public education  
 40 corporation operations fund created by IC 20-25.3-6-1. This  
 41 subsection expires July 1, 2027.

2026

IN 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

10                  (1) applies to each governing body of a taxing unit that is not  
 11                  comprised of a majority of officials who are elected to serve on  
 12                  the governing body; and

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

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

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

23                  (c) If:

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

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

28                  (A) the taxing unit was originally established by the city or  
 29                  town; or

30                  (B) the majority of the individuals serving on the governing  
 31                  body of the taxing unit are appointed by the city or town;  
 32                  the governing body shall submit its proposed budget and property tax  
 33                  levy to the city or town fiscal body. The proposed budget and levy shall  
 34                  be submitted to the city or town fiscal body in the manner prescribed  
 35                  by the department of local government finance before September 2 of  
 36                  a year.

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



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

5                   (f) If a taxing unit fails to file the information required in  
 6 subsection (c) or (d), whichever applies, with the appropriate fiscal  
 7 body by the time prescribed by this section, when calculating the  
 8 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for  
 9 the taxing unit for the ensuing budget year, instead of multiplying the  
 10 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)  
 11 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's  
 12 maximum permissible ad valorem property tax levy for the preceding  
 13 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for  
 14 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's  
 15 maximum permissible ad valorem property tax levy for the preceding  
 16 calendar year must instead be multiplied by the result of the following:

17                   STEP ONE: Determine:

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

21                   STEP TWO: Multiply:

22                   (A) the STEP ONE result; by  
 23 (B) eight-tenths (0.8).

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

25                   However, if the taxing unit files the information as required in  
 26 subsection (c) or (d), whichever applies, for the budget year  
 27 immediately following the budget year for which the formula under this  
 28 subsection is applied, when calculating the maximum ad valorem  
 29 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the  
 30 subsequent budget year, the taxing unit's maximum permissible ad  
 31 valorem property tax levy must be calculated as if the formula under  
 32 this subsection had not been applied for the affected budget year.

33                   (g) If the appropriate fiscal body fails to complete the requirements  
 34 of subsection (e) before the adoption deadline in section 5 of this  
 35 chapter for any taxing unit subject to this section, when calculating the  
 36 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for  
 37 the city, town, or county for the ensuing budget year, instead of  
 38 multiplying the maximum levy growth quotient determined under  
 39 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by  
 40 the city's, town's, or county's maximum permissible ad valorem  
 41 property tax levy for the preceding calendar year as prescribed in STEP  
 42 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of



1       IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible  
 2       ad valorem property tax levy for the preceding calendar year must  
 3       instead be multiplied by the result of the following:

4       STEP ONE: Determine:

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

8       STEP TWO: Multiply:

9       (A) the STEP ONE result; by  
 10      (B) eight-tenths (0.8).

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

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

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

23      (1) applies to the governing body of a taxing unit unless a  
 24      majority of the governing body is comprised of officials who are  
 25      elected to serve on the governing body; and

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

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

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

34      (1) a school corporation; or

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

37      (c) If:

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

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



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

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

16       (1) for which a decision or preliminary determination was made  
 17       under IC 6-1.1-20 before December 31, 2010; or  
 18       (2) that is approved by the city or town fiscal body or the county  
 19       fiscal body before December 31, 2010.

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

25       **SECTION 5]. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA**  
 26       **CODE AS A NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: Sec. 21.5. After March 31, 2026,  
 27       **the public education corporation has all the powers and shall**  
 28       **perform all the duties assigned to the school city (as defined in**  
 29       **IC 20-25-2-12) under this chapter related to the fixing and**  
 30       **reviewing of budgets, tax rates, and tax levies.**

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

39       (b) Except as provided in subsections (c) and (e), for purposes of  
 40       determining a civil taxing unit's maximum permissible ad valorem  
 41       property tax levy for an ensuing calendar year, the civil taxing unit



1 shall use the maximum levy growth quotient determined in the last  
 2 STEP of the following STEPS:

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

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

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

13 STEP FOUR: Determine the lesser of the following:

14 (A) The STEP THREE quotient.  
 15 (B) One and six-hundredths (1.06).

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

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

25 STEP TWO: Determine the greater of:

26 (A) zero (0); or  
 27 (B) the STEP ONE amount minus the sum of:  
 28 (i) the maximum levy growth quotient determined  
 29 under subsection (b) minus one (1); plus  
 30 (ii) two-hundredths (0.02).

31 STEP THREE: Determine the lesser of:

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

34 STEP FOUR: Determine the sum of:

35 (A) the STEP THREE amount; plus  
 36 (B) the maximum levy growth quotient determined under  
 37 subsection (b).

38 STEP FIVE: Determine the greater of:

39 (A) the STEP FOUR amount; or  
 40 (B) the maximum levy growth quotient determined under  
 41 subsection (b).

42 (d) The budget agency shall provide the maximum levy growth



1       quotient for the ensuing year to civil taxing units, school corporations,  
 2       **the public education corporation (in the case of a school city (as**  
 3       **defined in IC 20-25-2-12)),** and the department of local government  
 4       finance before July 1 of each year.

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

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

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

16       STEP THREE: Multiply the STEP TWO result by eight-tenths  
 17      (0.8).

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

19       STEP FIVE: Determine the lesser of:

20           (A) the STEP FOUR result; or

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

22       (f) This subsection applies only for purposes of determining the  
 23       maximum levy growth quotient to be used in determining a school  
 24       corporation's, **or, in the case of a school city (as defined in**  
 25       **IC 20-25-2-12), the public education corporation's,** operations fund  
 26       maximum levy in calendar years 2024, 2025, and 2026. For purposes  
 27       of determining the maximum levy growth quotient in calendar years  
 28       2024, 2025, and 2026, instead of the result determined in the last STEP  
 29       in subsection (c), the maximum levy growth quotient is determined in  
 30       the last STEP of the following STEPS:

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

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

34       STEP THREE: Multiply the STEP TWO result by eight-tenths  
 35      (0.8).

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

37       STEP FIVE: Determine the lesser of:

38           (A) the STEP FOUR result; or

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

40       SECTION ~~44~~[7]. IC 6-1.1-20-0.3 IS ADDED TO THE  
 41       INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42       [EFFECTIVE UPON PASSAGE]: Sec. 0.3. (a) Subject to subsection

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1       (b), after March 31, 2026, a school city (as defined in  
 2       IC 20-25-2-12) may not exercise the powers and duties under this  
 3       chapter and instead the public education corporation assumes the  
 4       powers and duties of the school city as set forth in IC 20-25.3-5.

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

8       SECTION ~~↔~~[8]. IC 20-18-2-14.5 IS ADDED TO THE  
 9       INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 10       [EFFECTIVE UPON PASSAGE]: Sec. 14.5. "Public education  
 11       corporation" refers to the Indianapolis public education  
 12       corporation established by IC 20-25.3-3-1.

13       SECTION ~~↔~~[9]. IC 20-24-3-20 IS ADDED TO THE INDIANA  
 14       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15       [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) Beginning April 1,  
 16       2026, a charter may not be granted or renewed by an authorizer  
 17       for a charter school located within the geographic boundaries of  
 18       the school city (as defined in IC 20-25-2-12) except by one (1) of the  
 19       following:

- 20       (1) The charter board.
- 21       (2) The executive (as defined in IC 36-1-2-5) of a consolidated  
 22       city.
- 23       (3) The school city.

24       (b) A charter school that was granted a charter before April  
 25       1, 2026, by an authorizer other than an authorizer listed in  
 26       subsection (a) may continue operating with that authorizer until  
 27       the term of the charter expires or is terminated, whichever occurs  
 28       earlier. After the termination or expiration of the charter, a  
 29       charter for a charter school described in subsection (a) may only  
 30       be granted or renewed by an authorizer described in subsection  
 31       (a).

32       SECTION ~~↔~~[10]. IC 20-25-3-0.5 IS ADDED TO THE  
 33       INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 34       [EFFECTIVE UPON PASSAGE]: Sec. 0.5. The board of  
 35       commissioners has all of the powers and duties established under  
 36       this article except for the powers and duties granted to the  
 37       Indianapolis public education corporation under IC 20-25.3.

38       SECTION ~~↔~~[11]. IC 20-25-4-23 IS ADDED TO THE  
 39       INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 40       [EFFECTIVE UPON PASSAGE]: Sec. 23. Notwithstanding any  
 41       other law, after March 31, 2026, the school city may not issue  
 42       bonds or otherwise incur indebtedness payable in whole or in part



1       **from a pledge of property tax revenue, excise tax revenue, or local  
2       income tax revenue.**

3       SECTION ~~9~~<sup>12</sup>[12]. IC 20-25.3 IS ADDED TO THE INDIANA  
4       CODE AS A NEW ARTICLE TO READ AS FOLLOWS  
5       [EFFECTIVE UPON PASSAGE]:

6       **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION  
7       CORPORATION**

8       **Chapter 1. Scope of Authority**

9       **Sec. 1. The Indianapolis public education corporation exists  
10      and shall operate for the public purpose of establishing a unified  
11      student transportation, school property, and school performance  
12      system within the geographic boundaries of the school city that  
13      maximizes the efficient use of taxpayer provided resources,  
14      respects the decision making of individual public schools and the  
15      school city, and creates the best conditions for student learning and  
16      success.**

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

23       **Chapter 2. Definitions**

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

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

28       **apply throughout this article.**

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

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

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

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

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

- 37       **(1) A school maintained by the school city.**
- 38       **(2) The following that are located within the geographic  
39          boundaries of the school city:**

- 40       **(A) A participating innovation network school.**
- 41       **(B) A participating innovation network charter school.**
- 42       **(C) A charter school.**



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

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

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

8                   **Sec. 1. There is established in a county containing a**  
 9                   **consolidated city for the public purposes set forth in this article a**  
 10                   **distinct municipal corporation to be known as the Indianapolis**  
 11                   **Public Education Corporation.**

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

14                   **(b) The corporation board is comprised of the following nine**  
 15                   **(9) members:**

16                   (1) Three (3) members appointed by the mayor who are  
 17                   leaders of participating innovation network charter schools  
 18                   or charter schools located within the geographic boundaries  
 19                   of the school city.

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

22                   (3) Three (3) members appointed by the mayor who have:  
 23                   (A) expertise in management, capital planning, facilities,  
 24                   transportation, or logistics; or  
 25                   (B) experience in working with vulnerable student  
 26                   populations and communities.

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

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

31                   **Sec. 3. (a) The term of office of an appointed member of the**  
 32                   **corporation board is <four>|six|(<4>|6|) years. The member's**  
 33                   **term begins on July 1 after the appointment.**

34                   (b) Each member holds office for the term of appointment and  
 35                   continues to serve after expiration of the appointment until a  
 36                   successor is appointed and qualified. A member is eligible for  
 37                   reappointment.

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

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

42                   (1) leader of a participating innovation network charter







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

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

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

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

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

(1) **Beginning with the 2028-2029 school year, control the management and operation of school property.**

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

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

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

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

**(6) Develop and implement a formula that provides for the**

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

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

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

**(A) the management and operation of school property;**

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

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

(9) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the corporation board considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, or by lease with or without option to purchase[, or by lease under IC 20-47-2 or IC 20-47-3].

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

(11) Acquire personal property or an interest in personal property as the corporation board considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, and appliances, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal



1 property. All purchases and contracts specified under the  
 2 powers authorized under subdivisions (9) and (10) and this  
 3 subdivision are subject solely to applicable law relating to  
 4 purchases and contracting by municipal corporations in  
 5 general and to the supervisory control of state agencies as  
 6 provided in section 8 of this chapter.

7 (12) To sell or exchange real or personal property or interest  
 8 in real or personal property that, in the opinion of the  
 9 corporation board, is not necessary for school purposes to  
 10 demolish or otherwise dispose of the property if, in the  
 11 opinion of the corporation board, the property is not  
 12 necessary for school purposes and is worthless, and to pay  
 13 the expenses for the demolition or disposition.

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

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

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

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

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

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

34 (19) To defend a member of the corporation board or any  
 35 employee of the corporation in any suit arising out of the  
 36 performance of the member's or employee's duties for or  
 37 employment with, the corporation, if the corporation board  
 38 by resolution determined that the action was taken in good  
 39 faith. To save any member or employee harmless from any  
 40 liability, cost, or damage in connection with the performance,  
 41 including the payment of legal fees, except where the  
 42 liability, cost, or damage is predicated on or arises out of the

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1                   bad faith of the member or employee, or is a claim or  
 2                   judgment based on the member's or employee's malfeasance  
 3                   as a member or in employment.

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

6                   (A) to carry out the purposes of the corporation; and  
 7                   (B) that may be designated by an appropriate title such  
 8                   as "policy handbook", "bylaws", or "rules and  
 9                   regulations".

10                  (21) Regularly conduct assessments of school property.

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

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

28                  2    **(c) The corporation board shall, in collaboration with the**  
 29                  **school city and the nonprofit organization leading the**  
 30                  **transportation and centralized school facilities pilot program in**  
 31                  **Marion County, do the following:**

32                  3    **(1) Complete a feasibility study to determine the best**  
 33                  **approach for managing school property.**

34                  4    **(2) Not later than November 30, 2026, submit to the**  
 35                  **legislative council in an electronic format under IC 5-14-6 a**  
 36                  **report that includes information regarding the corporation**  
 37                  **board's progress in completing the feasibility study under**  
 38                  **subdivision (1) and report under subdivision (3).**

39                  5    **(3) Not later than November 30, 2027, prepare and submit a**  
 40                  **report regarding the feasibility study under subdivision (1)**  
 41                  **to the legislative council in an electronic format under**  
 42                  **IC 5-14-6.**



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

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

(1) create a single school performance framework that applies to all participating schools; and  
(2) implement the framework not later than the ~~2027-2028~~ 2028-2029 school year.

**(b) The school performance framework must:**

### **(1) set clear expectation for school performance;**

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

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

**(B) student assessment outcomes:**

**(C) student discipline practices:**

(D) student enrollment;

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

- (F) short and long term financial health measures;
- (G) organizational health and governance measures;

- (G) organizational health and governance measures, and
- (H) any additional measures relevant to student success

(H) any additional measures relevant to student success as determined by the corporation board; and include a requirement to close chronically low

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

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

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

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

Sec. 5. [1(a)] The corporation board ~~may not implement~~ shall do the following:

**(1) Establish] a unified transportation plan <described in section 2(2) of this chapter unless>[regarding the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.**



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

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

**(4) Not later than November 30, 2027,] submit the [unified transportation] plan to the legislative council in an electronic format under IC 5-14-6 ~~at least one (1) calendar year before the date the plan is implemented.~~**

Y].

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

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

(1) are required to provide transportation to the students of the school city or participating schools through the unified transportation plan ~~established~~ implemented by the corporation board;

- (2) shall enter into contracts with the corporation board; and
- (3) shall comply with any applicable regulations, orders, rules, and resolutions adopted by the corporation board.

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

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

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

### (1) this article;

**(2) a contract entered into by the school city or participating**



1 school under this article; or  
 2 (3) any regulation, order, rule, or resolution adopted by the  
 3 corporation board.

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

5 **Sec. 1. ~~Beginning July 1, 2026, the corporation is liable for and must pay and discharge all of the outstanding~~[(a) Any]**  
 6 **indebtedness, liabilities, and obligations ~~incurred before April 1, 2026, by the school city or any participating school, remain the debt, liability, or obligation~~ of the school city ~~payable from a pledge of property tax revenue according to the existing terms and repayment schedule~~ for participating school and do not become the debt, liability, or obligation of and may not be assumed by the corporation]. The rights of the bondholders remain unchanged ~~although the liabilities of the school city become the responsibility~~].**

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

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

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

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

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

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



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

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

11           **(c) An operating referendum tax levy that is approved by the**  
 12           **voters before April 1, 2026, shall continue to be imposed after**  
 13           **March 31, 2026, through the end of the term and the school city**  
 14           **shall continue to use the revenue from the operating referendum**  
 15           **tax levy for the same purposes for which it was originally approved**  
 16           **by the voters through the end of the term of the referendum.**

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

25           **Sec. 7. (a) Except as provided in subsection (b), beginning July**  
 26           **1, 2026, the corporation shall assume the powers and duties of the**  
 27           **school city to impose a levy under IC 20-46-8. Beginning with the**  
 28           **January 1, 2027, assessment date, and for each assessment date**  
 29           **thereafter, the corporation shall impose an annual property tax**  
 30           **levy in the territory of the school city.**

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

36           **Sec. 8. (a) Except as provided in subsection (b), after March**  
 37           **31, 2026, the school city may not take any action under the**  
 38           **procedures set forth in IC 20-46-9 and instead the corporation**  
 39           **shall assume the powers and duties of the school city under**  
 40           **IC 20-46-9 in the territory of the school city.**

41           **(b) Notwithstanding subsection (a), property tax revenue**  
 42           **received from a school safety referendum tax levy that is approved**



1 by the voters after March 31, 2026, shall be distributed to the  
 2 school city and applicable charter schools in the manner provided  
 3 under IC 20-46-9.

4 [Chapter 6. Indianapolis Public Education Corporation  
 5 Operations Fund

6 Sec. 1. The corporation shall create a corporation operations  
 7 fund to be used by the corporation for the purposes of the  
 8 corporation.

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

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

15 Sec. 4. (a) Any balance in the corporation operations fund may  
 16 be invested in the manner provided for investment of money by a  
 17 political subdivision. The net proceeds from the investment become  
 18 a part of the corporation operations fund.

19 (b) Any balance, or a part of the balance, remaining in the  
 20 corporation operations fund at the end of a year may be retained  
 21 in the corporation operations fund.

22 Sec. 5. The corporation may use money in the corporation  
 23 operations fund to carry out the purposes of the corporation.

24 [1 SECTION 1~~0~~[3]. IC 20-26-7-47, AS AMENDED BY  
 25 P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
 26 [EFFECTIVE UPON PASSAGE]: Sec. 47. (a) The following  
 27 definitions apply throughout this section:

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

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

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

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

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

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



1 network charter school under IC 20-25.7-5; and  
 2 (ii) are included in the school corporation's fall ADM  
 3 count.

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

6 (b) This section:

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

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

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

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

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

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

27 (2) in the current school year and the two (2) school years  
 28 immediately preceding the current school year the school  
 29 building was underutilized for classroom instruction purposes or  
 30 other allowable uses specified by this section;

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

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

41 (A) with sufficient capacity to take the students using the  
 42 school building being considered for closure; and



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

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

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

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

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

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

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

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

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

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

(3) The school corporation demonstrates through facts included

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

11 (4) The school corporation demonstrates through facts included  
 12 in a resolution that the school building is being used and that it  
 13 is financially prudent to continue to use the school building,  
 14 considering all community resources, for storage. However, to be  
 15 an allowable use under this subdivision, at least fifty percent  
 16 (50%) of the square footage of the school building must be used  
 17 for storage, on average the storage space must be used to  
 18 capacity, and the cost of using the school building for storage  
 19 must be less than comparable storage space that is available in  
 20 the school district.

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

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

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

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

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



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

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

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

32 (A) is not contesting the petition; or  
33 (B) is contesting the petition and states the facts upon which

34 the school corporation relies in contesting the petition; and  
35 (2) provide a copy of the response to the petitioner and any

35 (2) provide a copy of the response to the petitioner and any  
36 intervening party.  
37 (k) If the school corporation:

(k) if the school corporation:

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

39 the petition, or  
40 (2) fails to submit a timely response under subsection (j);  
41 the department shall issue an order granting the petition. A petition and

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

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

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

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

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

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

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

SECTION 1~~4~~4. IC 20-26-7-48, AS ADDED BY P.L.189-2023, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) The following definitions apply throughout this section:

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

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

(b) This section:

(1) applies to a school corporation only if:

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

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

(c) Each school corporation shall annually report to the



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

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

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

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

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

12 (C) The following information:

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

17 (ii) Percentage of instructional use.

18 (iii) Percentage of use for other purposes.

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

23 SECTION 1~~2~~<sup>5</sup>, IC 20-26-7.1-1, AS AMENDED BY  
 24 P.L.68-2025, SECTION 209, IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes  
 26 of this section, "charter school" does not include a virtual charter  
 27 school or an adult high school.

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

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

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

35 (A) The county auditor distributes revenue after May 10,  
 36 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to  
 37 each eligible charter school.

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



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

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

5 (A) The school corporation approves a resolution after May  
 6 10, 2023, to impose an operating referendum tax levy under  
 7 IC 20-46-1 after May 10, 2023, that includes sharing the  
 8 revenue from the referendum tax levy in the amounts  
 9 described in clause (B) with each charter school that:

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

13 The above subdivisions are intended to apply retroactively. No  
 14 resolutions, referendums, or distributed revenue prior to May 10,  
 15 2023, are effective to provide exemption from this chapter.

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

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

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

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

30 (i) a student who resides within the attendance area of  
 31 the school corporation attends; and  
 32 (ii) elects to participate in the referendum;  
 33 in an amount equal to the amount determined applying the  
 34 formula under IC 20-46-9-22(d).

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

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

42 SECTION 1 ~~☞~~ [6]. IC 20-40-9-4, AS ADDED BY P.L.2-2006,

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

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

9 [ (c) After June 30, 2026, the public education corporation shall  
 10 use money in the fund:

11 (1) first, subject to IC 20-25.3-5-1, for payment of any  
 12 obligation described under section 6 of this chapter and  
 13 incurred by the school city (as defined in IC 20-25-2-12); and  
 14 (2) next, for payment of any obligation described under  
 15 section 6 of this chapter and incurred by the public education  
 16 corporation.

17 [ SECTION 1~~4~~<sup>5</sup>[7]. IC 20-46-1-0.5 IS ADDED TO THE  
 18 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection  
 20 (b), after March 31, 2026, a school city (as defined in  
 21 IC 20-25-2-12) may not exercise the powers and duties under this  
 22 chapter and instead the public education corporation assumes the  
 23 powers and duties of the school city as set forth in IC 20-25.3-5. <  
 24 >]

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

32 SECTION 1~~5~~<sup>6</sup>[8]. IC 20-46-7-0.5 IS ADDED TO THE  
 33 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. Beginning with property  
 35 taxes first due and payable after December 31, 2027:

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



## **making debt service payments.**

SECTION 1-~~6~~[9]. 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:

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

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

SECTION ~~47~~20, IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025, SECTION 225, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies only to revenue collected after June 30, 2024, and before January 1, 2028, from a tax levy imposed under this chapter by a school corporation located in:

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

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

(b) For distributions made in:

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

the county auditor shall distribute to each charter school that is eligible



1 for a distribution under subsection (d), and as provided under  
 2 subsection (f), an amount of revenue received from a tax levy imposed  
 3 by a school corporation under this chapter that is attributable to the  
 4 territory of the school corporation that is located within the boundaries  
 5 of a county listed in subsection (a).

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

- 8 (1) A virtual charter school.
- 9 (2) An adult high school.

10 (d) Not later than March 1, 2025, January 1, 2026, and January 1,  
 11 2027, the department, in consultation with the department of local  
 12 government finance, shall determine the corresponding percentages of  
 13 revenue received from the tax levy that are attributable to the territory  
 14 of the school corporation that is located within the boundaries of a  
 15 county listed in subsection (a) and must be distributed among the  
 16 school corporation and each eligible charter school according to the  
 17 following formula:

18 STEP ONE: Determine each charter school that:

- 19 (A) is located in the same county as the school corporation;  
 20 and
- 21 (B) provides not more than fifty percent (50%) virtual  
 22 instruction for its students.

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

- 25 (A) have legal settlement within the school corporation;
- 26 (B) are currently included in the fall ADM for the charter  
 27 school; and
- 28 (C) receive not more than fifty percent (50%) virtual  
 29 instruction.

30 STEP THREE: Determine the sum of:

- 31 (A) the aggregate of the STEP TWO results for all  
 32 applicable charter schools; plus
- 33 (B) the fall ADM count for the school corporation for  
 34 students receiving not more than fifty percent (50%) virtual  
 35 instruction.

36 STEP FOUR: For each charter school described in STEP ONE,  
 37 determine the result of:

- 38 (A) the applicable STEP TWO amount; divided by
- 39 (B) the STEP THREE amount;

40 expressed as a percentage.

41 STEP FIVE: Determine the sum of all the amounts computed  
 42 under STEP FOUR and subtract the result from one hundred



percent (100%).

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

(1) each charter school determined under STEP ONE of subsection (d) and the charter school's corresponding percentage calculated under STEP FOUR of subsection (d); and

(2) the percentage calculated under STEP FIVE of subsection (d) for the school corporation.

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

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

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

(B) three (3).  
STEP TWO: For each school corporation, determine an

emental property tax levy amount calculated as:  
(A) the school corporation's operations fund property tax  
levy collections that are attributable to the territory of the  
school corporation that is located within the boundaries of  
a county listed in subsection (a) for the applicable  
settlement period as described in IC 6-1.1-27-1 in the  
current calendar year; minus

(B) the school corporation's base property tax levy collections determined for the applicable settlement period as described in IC 6-1-1-27-1 under STEP ONE

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

(A) the sum of:

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

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

(B) the following percentage:

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

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

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

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

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

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

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



1       withheld from distribution to any particular charter school under this  
 2       subsection in:

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

11       **(j) This subsection applies only to distributions of property tax**  
 12       **revenue in 2026 and to distributions of property tax revenue in**  
 13       **2027 to:**

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

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

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

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

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

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

35       **(1) one hundred (100) students; or**

36       **(2) two percent (2%) of the school corporation's spring ADM**  
 37       **count, excluding students who receive more than fifty percent**  
 38       **(50%) virtual instruction.**

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

41       **(1) has legal settlement in a school corporation that imposes a**  
 42       **tax levy under this chapter; and**



(2) receives not more than fifty percent (50%) virtual instruction. However, the term does not include a virtual charter school or an adult high school.

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

### (1) A virtual charter school.

## (2) An adult high school.

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

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

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

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

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

---

**STEP TWO:** Determine the sum of:

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

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

(A) the applicable STEP ONE amount; divided by

(B) the STEP TWO amount;

expressed as a percentage.



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

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

6           (1) each eligible charter school and the eligible charter school's  
 7           corresponding percentage calculated under STEP THREE of  
 8           subsection (f); and

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

11           (h) Except as provided in subsection (m), and subject to  
 12           subsections (j) and (l), the county auditor shall distribute to the school  
 13           corporation and each eligible charter school the amount determined in  
 14           the last STEP of the following STEPS:

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

18           STEP TWO: To determine the distribution for the school  
 19           corporation and each eligible charter school, determine the result  
 20           of:

21           (A) the sum of:

22           (i) the STEP ONE result; plus

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

25           (B) the following percentage:

26           (i) In the case of an eligible charter school, the charter  
 27           school's percentage under STEP THREE of subsection  
 28           (f).

29           (ii) In the case of the school corporation, the school  
 30           corporation's percentage under STEP FOUR of  
 31           subsection (f).

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

38           (j) Beginning with distributions of property tax revenue under this  
 39           section in 2028 and thereafter, in order to receive a distribution under  
 40           this section, the governing body of an eligible charter school shall, not  
 41           later than October 15, 2027, and not later than October 15 of each  
 42           calendar year thereafter, adopt a budget for the current school year. Not



1      later than ten (10) days before its adoption, the budget must be fixed  
 2      and presented to the charter board in a public meeting in the county in  
 3      which the eligible charter school is incorporated. Not later than  
 4      November 1, 2027, and not later than November 1 of each calendar  
 5      year thereafter, the governing body of the charter school shall submit:

- 6      (1) the budget that is adopted under this subsection;
- 7      (2) the dates on which each requirement under this subsection  
 8      was met; and
- 9      (3) a statement from the governing body of the charter school  
 10     attesting that the dates provided in subdivision (2) are true and  
 11     accurate and that the budget was properly adopted under this  
 12     subsection;

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

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

- 27      (1) added to the property tax revenue collections as described in  
 28      STEP TWO of subsection (h); and
- 29      (2) distributed among the school corporation and remaining  
 30      eligible charter schools according to subsection (h);

31     in the calendar year that immediately follows the calendar year in  
 32     which the distribution amount was withheld.

33     (l) This subsection applies only to distributions under subsection  
 34     (h) in calendar years 2028, 2029, and 2030 to an eligible charter  
 35     school. **Except as provided in subsection (m)**, instead of the amount  
 36     determined under subsection (h) for a distribution to a particular  
 37     eligible charter school from the revenue collected from the tax levy  
 38     imposed under this chapter by a particular school corporation, the  
 39     county auditor shall make distributions according to the following:

- 40      (1) For a distribution in 2028, the county auditor shall distribute  
 41      an amount for a particular eligible charter school equal to:  
 42      (A) the applicable result of STEP TWO of subsection (h)



for the eligible charter school; multiplied by  
(B) twenty-five hundredths (0.25).

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

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

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

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

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

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

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

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

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

**(B) would otherwise receive a share of property tax 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 20-25.3-5-5.**

4

**1 (b) Notwithstanding subsection (a), the county auditor shall:**  
**1 (1) determine the amounts of revenue to be distributed to the**  
**school city and any charter schools as provided in this**



1 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.

5 SECTION ~~48~~23. IC 20-47-2-2.5 IS ADDED TO THE  
6 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE UPON PASSAGE]: Sec. 2.5. As used in this chapter,  
8 "corporation board" refers to the Indianapolis public education  
9 corporation board established by IC 20-25.3-3-2.

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

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

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

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

40 (2) provide that:



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

SECTION 26. IC 20-47-2-6, AS ADDED BY P.L.2-2006,

SECTION 170, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, or

school corporations, or the public education corporation may enter

into a lease under this chapter only with a corporation organized under

into a lease under this chapter only with a corporation organized under Indiana law solely for the purpose of acquiring a site, erecting a

Indiana law solely for the purpose of acquiring a site, erecting a suitable school building or buildings on that site, leasing the building

suitable school building or buildings on that site, leasing the building or buildings to the school corporation, or school corporations, or

or buildings to the school corporation, or school corporations, or  
public education corporation collecting the rentals under the lease.

public education corporation collecting the rentals under the lease, and applying the proceeds of the lease in the manner provided in this

and applying the proceeds of the lease in the manner provided in this

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

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

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

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

SECTION 27. IC 20-47-2-7, AS ADDED BY P.L.2-2006,

SECTION 170, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into

under this chapter must include the following provisions:

(1) An option for the school corporation, or school corporations, or the public education corporation to renew the lease for a further term on similar conditions.

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

(A) must be equal to the amount required to enable the lessor corporation owning the property to liquidate by paying all indebtedness, with accrued and unpaid interest,

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1                   redeeming and retiring any stock at par, and paying the  
 2                   expenses and charges of liquidation; and

3                   (B) may not exceed the capital actually invested in the  
 4                   property by the lessor corporation represented by  
 5                   outstanding securities or existing indebtedness, plus the cost  
 6                   of transferring the property and liquidating the lessor  
 7                   corporation.

8                   (b) A lease entered into under this chapter may not provide or be  
 9                   construed to provide that a school corporation or the public education  
 10                   corporation is under any obligation to purchase a leased school  
 11                   building or buildings, or under any obligation in respect to any  
 12                   creditors, shareholders, or other security holders of the lessor  
 13                   corporation.

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

29                   SECTION 29. IC 20-47-2-11, AS ADDED BY P.L.2-2006,  
 30                   SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 31                   [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor  
 32                   corporation and the school corporation, or school corporations, or the  
 33                   public education corporation have agreed upon the terms and  
 34                   conditions of a lease proposed to be entered into under this chapter, and  
 35                   before the final execution of the lease, a notice shall be given by  
 36                   publication to all persons interested of a hearing or joint hearing to be  
 37                   held before the governing body or governing bodies of the school  
 38                   corporation or corporations or the corporation board authorized to  
 39                   approve the lease. The hearing must be not earlier than:

- 40                   (1) ten (10) days after publication of the notice, if new  
 41                   construction is proposed; or
- 42                   (2) thirty (30) days after publication of the notice, if



1                   improvement or expansion is proposed.

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

3                   (1) be published one (1) time in:

4                   (A) a newspaper of general circulation printed in the  
5                   English language in the school corporation;

6                   (B) a newspaper described in clause (A) in each school  
7                   corporation if the proposed lease is a joint lease; or

8                   (C) if no such paper is published in the school corporation,  
9                   in any newspaper of general circulation published in the  
10                   county;

11                   (2) name the date, time, and place of the hearing; and

12                   (3) set forth a brief summary of the principal terms of the lease  
13                   agreed upon, including the:

14                   (A) location of the property to be leased;

15                   (B) name of the proposed lessor corporation;

16                   (C) character of the property to be leased;

17                   (D) rental to be paid; and

18                   (E) number of years the lease is to be in effect.

19                   The cost of publishing the notice shall be borne by the lessor  
20                   corporation.

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

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

34                   (b) Within thirty (30) days following the termination of the  
35                   hearing, the governing body or bodies of the school corporation or  
36                   corporations or the corporation board may by a majority vote of all  
37                   members of the governing body or bodies or corporation board:

38                   (1) authorize the execution of the proposed lease as originally  
39                   agreed upon; or

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

42                   However, the lease rentals as set out in the published notice may not be



1       increased in any modifications approved under subdivision (2).

2       SECTION 31. IC 20-47-2-13, AS AMENDED BY P.L.38-2021,

3       SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

4       UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as

5       originally agreed upon or as modified by agreement is authorized by

6       the governing body or bodies of the school corporation or corporations

7       **or the corporation board, the governing body or corporation board**

8       shall give notice of the signing of the lease by publication one (1) time

9       in:

10       (1) a newspaper of general circulation printed in the English

11       language in the school corporation;

12       (2) a newspaper described in subdivision (1) in each school

13       corporation if the proposed lease is a joint lease; or

14       (3) if no such newspaper is published in the school corporation,

15       in any newspaper of general circulation published in the county.

16       (b) This subsection does not apply to a lease for which a school

17       corporation **or the public education corporation** after June 30, 2008,

18       makes a preliminary determination as described in IC 6-1.1-20-3.1 or

19       IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the

20       case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or

21       IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease

22       after June 30, 2008. Within thirty (30) days after the publication of

23       notice under subsection (a), fifty (50) or more taxpayers in the school

24       corporation or corporations who:

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

26       (2) are of the opinion that:

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

28       or

29       (B) the proposed rental provided for in the lease is not a fair

30       and reasonable rental;

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

32       which the school corporation or corporations are located. The petition

33       must set forth the taxpayers' objections to the lease and facts showing

34       that the execution of the lease is unnecessary or unwise or that the lease

35       rental is not fair and reasonable, as the case may be.

36       (c) Upon the filing of a petition under subsection (b), the county

37       auditor shall immediately certify a copy of the petition, together with

38       any other data that is necessary to present the questions involved, to the

39       department of local government finance. Upon receipt of the certified

40       petition and data, if any, the department of local government finance

41       shall fix a time, date, and place for the hearing of the matter, which

42       may not be less than five (5) nor more than thirty (30) days thereafter.



1       The department of local government 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 fifty (50) taxpayers who  
 8       signed the petition under subsection (b) by a letter signed by the  
 9       commissioner or deputy commissioner of the department of local  
 10       government finance and enclosed with full prepaid postage  
 11       addressed to the taxpayer petitioners at their usual place of  
 12       residence, at least five (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 32. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,  
 17       SECTION 516, IS AMENDED TO READ AS FOLLOWS  
 18       [EFFECTIVE UPON PASSAGE]: Sec. 14. 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 13 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 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006,  
 29       SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30       UPON PASSAGE]: Sec. 15. 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 such a school building,  
 34       either alone or jointly with another school corporation, and owns the  
 35       land on which it desires that the building or buildings be erected may  
 36       sell and transfer that land to the lessor corporation in fee simple,  
 37       subject to the 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:

42       (A) one (1) disinterested freeholder of the school



1 corporation as an appraiser; and  
 2 (B) two (2) disinterested appraisers licensed under  
 3 IC 25-34.1;  
 4 who are residents of Indiana to determine the fair market value  
 5 of the land. One (1) of the appraisers described in clause (B)  
 6 must reside not more than fifty (50) miles from the land.  
 7 (2) Upon their appointment, the three (3) appraisers shall  
 8 proceed to fix the fair market value of the land and shall report  
 9 the amount fixed to the circuit court within two (2) weeks after  
 10 their appointment.  
 11 (3) The school corporation **or** public education corporation  
 12 may sell the land to the lessor corporation for an amount not less  
 13 than the amount fixed as the fair market value by the three (3)  
 14 appraisers, which shall be paid in cash upon delivery of the deed  
 15 by the school corporation **or** public education corporation to  
 16 the lessor corporation. However, if the land was acquired by the  
 17 school corporation **or** public education corporation within  
 18 three (3) years immediately preceding the date of the filing of the  
 19 petition with the circuit court, the land may not be sold for an  
 20 amount less than the amount paid by the school corporation **or**  
 21 public education corporation for the land.

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

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

32 (1) the principal amount of the outstanding bonds;  
 33 (2) any premium required to be paid upon redemption of the  
 34 outstanding bonds; and  
 35 (3) the estimated expenses to be incurred in connection with the  
 36 issuance of the refunding bonds.

37 (c) The sum of the net interest cost to the lessor corporation of the  
 38 refunding bonds plus the premium required to be paid in connection  
 39 with the redemption of the outstanding bonds and the estimated  
 40 expenses to be incurred in connection with the issuance of the  
 41 refunding bonds may not exceed the total interest that would have been  
 42 payable by the lessor corporation on the bonds being refunded from the



1       date of redemption to the maturity of the bonds being refunded. Net  
 2       interest cost on the refunding bonds is the amount determined by  
 3       computing the total interest on all the refunding bonds to their  
 4       maturities and deducting from that amount the premium bid, if any.

5       (d) Refunding bonds issued under this section:

- 6       (1) are legal and proper investments;
- 7       (2) are exempt from taxation; and
- 8       (3) may be sold without registration with or approval of the  
 9       securities division of the office of the secretary of state or  
 10       securities commissioner;

11       in the same manner, under the same conditions, and subject to the same  
 12       limitations as any other bonds issued by lessor corporations under  
 13       section 16 of this chapter. However, no proceedings or actions by the  
 14       lessee nor approval by any board, commission, or agency are required  
 15       in connection with the refunding, and the refunding authorized in this  
 16       section does not affect the obligation of the lessee to pay the lease  
 17       rental under the lease of the building or buildings.

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

21       (f) In connection with the issuance of refunding bonds, the lessee  
 22       school corporation, or school corporations, or public education  
 23       corporation may enter into an amendment to the lease with the lessor  
 24       corporation providing for an extension of the time set forth in the lease  
 25       before the option of the lessee or lessees to purchase may be exercised  
 26       to a time agreed upon between the lessee school corporation, or school  
 27       corporations, or public education corporation and the lessor  
 28       corporation.

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

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

- 35       (1) Construction of a school building.
- 36       (2) An addition to a school building owned by a lessor  
 37       corporation or owned by the school corporation or public  
 38       education corporation to which a lessor corporation has leased  
 39       property under this chapter, and any remodeling incidental to  
 40       that addition.
- 41       (3) Remodeling of or construction of appurtenances to a school  
 42       building owned by a lessor corporation.



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

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

(1) are legal and proper investments;

(2) are exempt from taxation; and

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

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

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

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

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

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

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

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

SECTION 36. IC 20-47-2-19, AS ADDED BY P.L.2-2006,  
SECTION 170, IS AMENDED TO READ AS FOLLOWS

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1       [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**

2       **public education corporation** that decides to exercise an option to

3       purchase a school building under this chapter may issue general

4       obligation bonds to procure funds to pay the cost of acquisition.

5       General obligation bonds issued under this section must be authorized,

6       issued, and sold in the manner provided for the authorization, issuance,

7       and sale of bonds by school corporations **or the public education**

8       **corporation** for school building purposes.

9       SECTION 37. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,

10      SECTION 108, IS AMENDED TO READ AS FOLLOWS

11      [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**

12      **public education corporation** that executes a lease under this chapter

13      shall annually appropriate from its debt service fund or general fund

14      (before January 1, 2019) or operations fund (after December 31, 2018)

15      an amount sufficient to pay the lease rental required under the lease.

16      The appropriation is reviewable by other bodies vested by law with

17      such authority to ascertain that the specified amount is sufficient to

18      meet the lease rental required under the lease. The first specific

19      appropriation shall be made at the first budget period following the

20      date of the execution of the lease, and the first annual appropriation

21      must be sufficient to pay the estimated amount of the first annual lease

22      rental payment to be made under the lease. Thereafter, the annual

23      appropriations provided for in this section shall be made, and payments

24      shall be made from the debt service fund.

25      SECTION 38. IC 20-47-2-21, AS AMENDED BY P.L.79-2017,

26      SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

27      UPON PASSAGE]: Sec. 21. Property owned by a lessor corporation

28      entering into a lease with a school corporation, **or school** corporations,

29      **or the public education school corporation** under this chapter, and

30      all stock and other securities (including the interest or dividends)

31      issued by a lessor corporation, are exempt from all state, county, and

32      other taxes, except the financial institutions tax (IC 6-5.5).

33      SECTION 39. IC 20-47-2-22, AS ADDED BY P.L.2-2006,

34      SECTION 170, IS AMENDED TO READ AS FOLLOWS

35      [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be

36      construed as being supplemental to all other laws covering the

37      acquisition, use, and maintenance of school buildings by school

38      corporations **or the public education corporation**. However, as to

39      school buildings constructed, acquired, leased, or purchased under this

40      chapter, it is not necessary to comply with other laws concerning the

41      acquisition, use, and maintenance of school buildings by school

42      corporations **or the public education corporation** except as



1       specifically required in this chapter.

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

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

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

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

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

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

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

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



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

3                   (2) provide that:

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

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

8                   SECTION 44. IC 20-47-3-4, AS ADDED BY P.L.2-2006,

9                   SECTION 170, IS AMENDED TO READ AS FOLLOWS

10                   [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, or  
 11                   school corporations, or the public education corporation may enter  
 12                   into a lease or lease with option to purchase under this chapter only  
 13                   with:

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

16                   (2) a religious organization (or the organization's agent) that is  
 17                   exempt from federal income taxation under Section 501 of the  
 18                   Internal Revenue Code.

19                   SECTION 45. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,

20                   SECTION 517, IS AMENDED TO READ AS FOLLOWS

21                   [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in  
 22                   subsections (d) and (e), a lease must provide that the school  
 23                   corporation, or school corporations, or the public education  
 24                   corporation have an option to:

25                   (1) renew the lease for a further term on like conditions; and  
 26                   (2) purchase the property covered by the lease;

27                   with the terms and conditions of the purchase to be specified in the  
 28                   lease, subject to the approval of the department of local government  
 29                   finance.

30                   (b) If the option to purchase the property covered by the lease is  
 31                   exercised, the school corporation, or school corporations, or public  
 32                   education corporation to procure funds to pay the purchase price, may  
 33                   issue and sell bonds under the provisions of the general statute  
 34                   governing the issue and sale of bonds of the school corporation, or  
 35                   school corporations, or public education corporation. The purchase  
 36                   price may not be more than the purchase price set forth in the lease  
 37                   plus:

38                   (1) two percent (2%) of the purchase price as prepayment  
 39                   penalty for purchase within the first five (5) years of the lease  
 40                   term; or

41                   (2) one percent (1%) of the purchase price as prepayment  
 42                   penalty for purchase in the second five (5) years of the lease



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.

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.

SECTION 46. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,  
SECTION 518, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in  
subsection (b), a school corporation, or school corporations, or the



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

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

- 17       (1) after June 30, 2008, makes a preliminary determination as  
 18       described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as  
 19       described in IC 6-1.1-20-5; or
- 20       (2) in the case of a lease not subject to IC 6-1.1-20-3.1,  
 21       IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or  
 22       ordinance authorizing the lease after June 30, 2008;

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

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

- 36       (1) ten (10) days after publication of the notice, if new  
 37       construction is proposed; or
- 38       (2) thirty (30) days after publication of the notice, if  
 39       improvement or expansion is proposed.

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

- 41       (1) be published one (1) time in:
- 42       (A) a newspaper of general circulation printed in the



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

15                   The cost of publication of the notice shall be paid by the lessor  
 16                   corporation.

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

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

30                   (b) Not later than thirty (30) days following the termination of the  
 31                   hearing, the governing body or bodies of the school corporation or  
 32                   corporations or the corporation board may by a majority vote of all  
 33                   members of the governing body or bodies or the corporation board:

34                   (1) authorize the execution of the lease as originally agreed  
 35                   upon; or  
 36                   (2) make modifications to the proposed lease as agreed upon  
 37                   with the lessor corporation.

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

40                   SECTION 49. IC 20-47-3-11, AS AMENDED BY P.L.38-2021,  
 41                   SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42                   UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as



1 originally agreed upon or as modified by agreement is authorized by  
 2 the governing body or bodies of the school corporation or corporations  
 3 **or the corporation board, the governing body or corporation board**  
 4 shall give notice of the signing of the lease by publication one (1) time  
 5 in:

6 (1) a newspaper of general circulation printed in the English  
 7 language in the school corporation;  
 8 (2) a newspaper described in subdivision (1) in each school  
 9 corporation if the proposed lease is a joint lease; or  
 10 (3) if no such newspaper is published in the school corporation,  
 11 in any newspaper of general circulation published in the county.

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

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

23 (A) no necessity exists for the execution of the lease; or  
 24 (B) the proposed rental provided for in the lease is not a fair  
 25 and reasonable rental;

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

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

40 (1) conduct the hearing in the school corporation or corporations,  
 41 in the county where the school corporation or corporations are  
 42 located, or through electronic means; and



(2) give notice of the hearing to the members of the governing body or bodies of the school corporation or corporations or the corporation board and to the first ten (10) taxpayer petitioners upon the petition by a letter signed by the commissioner or deputy commissioner of the department of local government finance, and enclosed with full prepaid postage addressed to the taxpayer petitioners at their usual place of residence, at least five (5) days before the hearing.

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

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

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

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

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

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

- (A) one (1) disinterested freeholder of the school corporation as an appraiser; and
- (B) two (2) disinterested appraisers licensed under IC 25.34.1;

IC 25-54.1, who are residents of Indiana to determine the fair market value



1           of the land. One (1) of the appraisers described in clause (B)  
 2           must reside not more than fifty (50) miles from the land.

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

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

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

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

36           SECTION 54. IC 20-47-3-16, AS ADDED BY P.L.2-2006,  
 37           SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 38           [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be  
 39           construed as being supplemental to all other laws covering the  
 40           acquisition, use, and maintenance of school buildings by school  
 41           **corporations or the public education corporation.** However, as to  
 42           school buildings constructed or leased under this chapter, it is not



1       necessary to comply with the provisions of other laws concerning the  
 2       acquisition, use, and maintenance of school buildings by school  
 3       corporations or the public education corporation except as  
 4       specifically required in this chapter.

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

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

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

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

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

33        (1) be qualified or formed to acquire, improve, or expand an  
 34        existing school building;  
 35        (2) acquire, improve, or expand an existing school building;  
 36        (3) finance an existing school building or improved school  
 37        building; and  
 38        (4) lease an existing school building or improved school building  
 39        to a school corporation or the public education corporation  
 40        under applicable law.

41       SECTION 59. IC 20-47-4-6, AS AMENDED BY P.L.146-2008,  
 42       SECTION 521, IS AMENDED TO READ AS FOLLOWS



1       [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may  
 2       acquire and finance an existing school building, other than as provided  
 3       in section 5 of this chapter, and lease the existing school building to a  
 4       school corporation or the public education corporation. A school  
 5       corporation or the public education corporation shall comply with:

6        (1) IC 20-47-2 or IC 20-47-3;  
 7        (2) the petition and remonstrance provisions under IC 6-1.1-20  
 8        (if required); and  
 9        (3) the local public question provisions under IC 6-1.1-20 (if  
 10      required).

11      (b) A lease made under this section may provide for the payment  
 12      of lease rentals by the school corporation or public education  
 13      corporation for the use of the existing school building.

14      (c) Lease rental payments made under the lease do not constitute  
 15      a debt of the school corporation or public education corporation for  
 16      purposes of the Constitution of the State of Indiana.

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

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

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

36        (1) the notice of hearing on the lease;  
 37        (2) public hearing;  
 38        (3) notice of execution of lease; and  
 39        (4) the submission of plans and specifications for the  
 40        improvement or expansion of the existing school building for  
 41        approval by the state agencies designated in IC 20-47-2 or  
 42        IC 20-47-3 or otherwise required by law or rule.



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

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

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

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

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

SECTION 64]. IC 20-48-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. After March 31, 2026, ~~a school city may not exercise the powers and duties under this article and instead~~ the public education corporation ~~assumes~~ [may exercise] the [same] powers, duties, and responsibilities ~~of~~ [granted to] the school city under this ~~article~~ [chapter] as set forth in IC 20-25.3.

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



1        **by IC 20-25.3-3-1.**

2        **(b) Except as provided in subsection (d), (e), the city-county**  
 3        **legislative body shall review the proposed operating and maintenance**  
 4        **budgets and tax levies and adopt final operating and maintenance**  
 5        **budgets and tax levies for each of the following entities in the county:**

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

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

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

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

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

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



1       in subsection (c); (d), the fiscal body of the excluded city or town may  
2       reduce or modify but not increase a proposed operating and  
3       maintenance budget or tax levy under this section.  
4       1       SECTION <19>[66]. An emergency is declared for this act.1  
5       1

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