
HOUSE BILL No. 1423

AM142322 has been incorporated into January 30, 2026 printing.

Synopsis: Indianapolis public education corporation.

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

Reprinted
January 30, 2026

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

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

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

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

M
e
r
g
e
d

HOUSE BILL No. 1423

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

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

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

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

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

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

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

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

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

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

M
e
r
g
e
d



1 in IC 6-1.1-1-21, except that the term does not include a public library
 2 or an entity whose tax levies are subject to review and modification by
 3 a city-county legislative body under IC 36-3-6-9.

4 (c) If:

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

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

9 (A) the taxing unit was originally established by the city or
 10 town; or

11 (B) the majority of the individuals serving on the governing
 12 body of the taxing unit are appointed by the city or town;

13 the governing body shall submit its proposed budget and property tax
 14 levy to the city or town fiscal body. The proposed budget and levy shall
 15 be submitted to the city or town fiscal body in the manner prescribed
 16 by the department of local government finance before September 2 of
 17 a year.

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

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

28 (f) If a taxing unit fails to file the information required in
 29 subsection (c) or (d), whichever applies, with the appropriate fiscal
 30 body by the time prescribed by this section, when calculating the
 31 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 32 the taxing unit for the ensuing budget year, instead of multiplying the
 33 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)
 34 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
 35 maximum permissible ad valorem property tax levy for the preceding
 36 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
 37 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
 38 maximum permissible ad valorem property tax levy for the preceding
 39 calendar year must instead be multiplied by the result of the following:

40 STEP ONE: Determine:

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

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

15 (1) a school corporation; or

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

18 (c) If:

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

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

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

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

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

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

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

6 SECTION 5. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**
 9 **the public education corporation has all the powers and shall**
 10 **perform all the duties assigned to the school city (as defined in**
 11 **IC 20-25-2-12) under this chapter related to the fixing and**
 12 **reviewing of budgets, tax rates, and tax levies. However, in**
 13 **exercising its powers and responsibilities under this chapter, the**
 14 **public education corporation shall account for and include any**
 15 **bonds, leases, and other indebtedness incurred or issued under any**
 16 **law by the school city (as defined in IC 20-25-2-12) before April 1,**
 17 **2026.**

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

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

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

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

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

41 STEP FOUR: Determine the lesser of the following:

42 (A) The STEP THREE quotient.

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

- 1 (B) One and six-hundredths (1.06).
- 2 (c) Except as provided in subsection (f), a school corporation, **or,**
- 3 **in the case of a school city (as defined in IC 20-25-2-12), the public**
- 4 **education corporation,** shall use for its operations fund maximum
- 5 levy calculation under IC 20-46-8-1 the maximum levy growth quotient
- 6 determined in the last STEP of the following STEPS:
- 7 STEP ONE: Determine for each school corporation, the average
- 8 annual growth in net assessed value using the three (3) calendar
- 9 years immediately preceding the year in which a budget is
- 10 adopted under IC 6-1.1-17-5 for the ensuing calendar year.
- 11 STEP TWO: Determine the greater of:
- 12 (A) zero (0); or
- 13 (B) the STEP ONE amount minus the sum of:
- 14 (i) the maximum levy growth quotient determined
- 15 under subsection (b) minus one (1); plus
- 16 (ii) two-hundredths (0.02).
- 17 STEP THREE: Determine the lesser of:
- 18 (A) the STEP TWO amount; or
- 19 (B) four-hundredths (0.04).
- 20 STEP FOUR: Determine the sum of:
- 21 (A) the STEP THREE amount; plus
- 22 (B) the maximum levy growth quotient determined under
- 23 subsection (b).
- 24 STEP FIVE: Determine the greater of:
- 25 (A) the STEP FOUR amount; or
- 26 (B) the maximum levy growth quotient determined under
- 27 subsection (b).
- 28 (d) The budget agency shall provide the maximum levy growth
- 29 quotient for the ensuing year to civil taxing units, school corporations,
- 30 **the public education corporation (in the case of a school city (as**
- 31 **defined in IC 20-25-2-12)),** and the department of local government
- 32 finance before July 1 of each year.
- 33 (e) This subsection applies only for purposes of determining the
- 34 maximum levy growth quotient to be used in determining a civil taxing
- 35 unit's maximum permissible ad valorem property tax levy in calendar
- 36 years 2024, 2025, and 2026. For purposes of determining the maximum
- 37 levy growth quotient in calendar years 2024, 2025, and 2026, instead
- 38 of the result determined in the last STEP in subsection (b), the
- 39 maximum levy growth quotient is determined in the last STEP of the
- 40 following STEPS:
- 41 STEP ONE: Determine the result of STEP FOUR of subsection
- 42 (b), calculated as if this subsection was not in effect.

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

M
e
r
g
e
d



1 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1,**
 2 **2026, a charter may not be granted or renewed by an authorizer**
 3 **for a charter school located within the geographic boundaries of**
 4 **the school city (as defined in IC 20-25-2-12) except by one (1) of the**
 5 **following:**

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

8 (2) The school city.

9 (b) A charter school that was granted a charter before April
 10 1, 2026, by an authorizer other than an authorizer listed in
 11 subsection (a) may continue operating with that authorizer until
 12 the term of the charter expires or is terminated, whichever occurs
 13 earlier. After the termination or expiration of the charter, a
 14 charter for a charter school described in subsection (a) may only
 15 be granted or renewed by an authorizer described in subsection
 16 (a).

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

23 SECTION 11. IC 20-25-4-23 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE UPON PASSAGE]: **Sec. 23. (a) Notwithstanding any**
 26 **other law, after March 31, 2026, the school city may not issue**
 27 **bonds or otherwise incur indebtedness payable in whole or in part**
 28 **from a pledge of property tax revenue, excise tax revenue, or local**
 29 **income tax revenue.**

30 (b) The public education corporation may issue bonds, enter
 31 into leases, or otherwise incur indebtedness after March 31, 2026,
 32 and before July 1, 2027, only if the board established by
 33 IC 20-25-3-1 first adopts a resolution approving the issuance of the
 34 bonds, entering into the lease, or incurring of indebtedness.

35 SECTION 12. IC 20-25.3 IS ADDED TO THE INDIANA CODE
 36 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]:

38 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION**
 39 **CORPORATION**

40 **Chapter 1. Scope of Authority**

41 **Sec. 1. The Indianapolis public education corporation exists**
 42 **and shall operate for the public purpose of establishing a unified**

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



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

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

13 **Chapter 2. Definitions**

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

15 (1) this chapter; and

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

18 apply throughout this article.

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

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

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

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

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

27 (1) A school maintained by the school city.

28 (2) The following that are located within the geographic
 29 boundaries of the school city:

30 (A) A participating innovation network school.

31 (B) A participating innovation network charter school.

32 (C) A charter school.

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

35 (1) leased or owned by the school city or a participating
 36 school; and

37 (2) located within the geographic boundaries of the school
 38 city.

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

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



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

M
e
r
g
e
d



1 perform all duties of the corporation board.
 2 Sec. 5. Meetings of the members of the corporation board shall
 3 be held at the call of the chairperson. The members shall meet at
 4 least once every three (3) months to attend to the business of the
 5 corporation.
 6 Sec. 6. The members of the corporation board are not entitled
 7 to any salary, per diem, or other reimbursements or compensation
 8 to serve on the corporation board.
 9 Sec. 7. The corporation board shall keep the corporation
 10 board's documents in the office of the corporation or in an
 11 electronic format. The corporation board shall record the aye and
 12 nay vote on the final passage of any item of business and on any
 13 other item if two (2) corporation board members request that the
 14 votes be recorded by ayes and nays.
 15 Sec. 8. (a) The corporation board shall adopt rules of
 16 procedure for corporation board meetings. The corporation board
 17 may suspend the rules of procedure by unanimous vote of the
 18 members present at the meeting. The corporation board shall not
 19 suspend the rules of procedure beyond the duration of the meeting
 20 at which the suspension of rules occurs.
 21 (b) The corporation board may exercise the powers to
 22 supervise internal affairs common to municipal legislative and
 23 administrative bodies.
 24 Sec. 9. The corporation board shall exercise the executive and
 25 legislative powers of the corporation.
 26 Sec. 10. (a) The corporation board shall appoint an individual
 27 recommended by the mayor as the executive director of the
 28 corporation.
 29 (b) The executive director:
 30 (1) serves at the pleasure of the corporation board; and
 31 (2) shall do the following:
 32 (A) Administer, manage, and direct the affairs and
 33 activities of the corporation and any employees of the
 34 corporation in accordance with the policies and under
 35 the control and direction of the members of the
 36 corporation board.
 37 (B) Approve all allowable expenses of the corporation or
 38 of any employee or consultant, and expenses incidental
 39 to the operation of the corporation.
 40 (C) Perform other duties as may be directed by the
 41 members of the corporation board in carrying out the
 42 purposes of this article.

M
e
r
g
e
d



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

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

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

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

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

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

14 (B) One (1) member:

15 (i) appointed under section 2(b)(1), 2(b)(2), and
16 2(b)(3) of this chapter; and

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

19 shall each serve until July 1, 2030.

20 (C) One (1) member:

21 (i) appointed under section 2(b)(1), 2(b)(2), and
22 2(b)(3) of this chapter; and

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

25 shall each serve until July 1, 2031.

26 (b) This section expires January 1, 2032.

27 Chapter 4. General Duties and Powers

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

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

31 (2) Enter into contracts.

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

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

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

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

M
e
r
g
e
d



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

M
e
r
g
e
d



1 auditoriums, playgrounds, playing and athletic fields,
2 facilities for physical training, buildings for administrative,
3 office, warehouse, repair activities, or housing school owned
4 buses, landscaping, walks, drives, parking areas, roadways,
5 easements and facilities for power, sewer, water, roadway,
6 access, storm and surface water, drinking water, gas,
7 electricity, other utilities and similar purposes, by purchase,
8 either outright for cash (or under conditional sales or
9 purchase money contracts providing for a retention of a
10 security interest by the seller until payment is made or by
11 notes where the contract, security retention, or note is
12 permitted by applicable law), by exchange, by gift, by devise,
13 by eminent domain, or by lease with or without option to
14 purchase, or by lease under IC 20-47-2 or IC 20-47-3.

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

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

37 (12) To sell or exchange real or personal property or interest
38 in real or personal property that, in the opinion of the
39 corporation board, is not necessary for school purposes to
40 demolish or otherwise dispose of the property if, in the
41 opinion of the corporation board, the property is not
42 necessary for school purposes and is worthless, and to pay

M
e
r
g
e
d



- 1 the expenses for the demolition or disposition.
- 2 (13) Contract with or employ staff to execute the
- 3 corporation's duties.
- 4 (14) Fix and pay the salaries of the executive director and
- 5 any employees of the corporation.
- 6 (15) Maintain an office or offices at a place or places within
- 7 the geographic boundaries of the school city as the
- 8 corporation board may designate.
- 9 (16) To make budgets, to appropriate funds, and to disburse
- 10 the money, as applicable, of the corporation in accordance
- 11 with the formula established under subdivision (6). Subject
- 12 to subsection (c), to borrow money against current tax
- 13 collections and otherwise to borrow money, in accordance
- 14 with IC 20-48-1. Borrowing by the corporation, when
- 15 considered in addition to indebtedness of the school city, may
- 16 not equal an aggregate amount that exceeds the debt
- 17 limitation described by IC 36-1-15-6 for the school city.
- 18 (17) Procure insurance against any loss in connection with its
- 19 property and other assets, including loans and loan notes in
- 20 amounts and from insurers as the corporation board may
- 21 consider advisable.
- 22 (18) To make all applications, to enter into all contracts, and
- 23 to sign all documents necessary for the receipt of aid, money,
- 24 or property from the state, the federal government, or from
- 25 any other source.
- 26 (19) To defend a member of the corporation board or any
- 27 employee of the corporation in any suit arising out of the
- 28 performance of the member's or employee's duties for or
- 29 employment with, the corporation, if the corporation board
- 30 by resolution determined that the action was taken in good
- 31 faith. To save any member or employee harmless from any
- 32 liability, cost, or damage in connection with the performance,
- 33 including the payment of legal fees, except where the
- 34 liability, cost, or damage is predicated on or arises out of the
- 35 bad faith of the member or employee, or is a claim or
- 36 judgment based on the member's or employee's malfeasance
- 37 as a member or in employment.
- 38 (20) To prepare, make, enforce, amend, or repeal rules,
- 39 regulations, orders, and procedures:
- 40 (A) to carry out the purposes of the corporation; and
- 41 (B) that may be designated by an appropriate title such
- 42 as "policy handbook", "bylaws", or "rules and

M
e
r
g
e
d



- 1 regulations".
- 2 (21) Regularly conduct assessments of school property.
- 3 (22) To exercise any other power and make any expenditure
- 4 in carrying out the general powers and purposes provided in
- 5 this article or in carrying out the powers delineated in this
- 6 section which is reasonable from a business or educational
- 7 standpoint in carrying out purposes of the corporation,
- 8 including the acquisition of property or the employment or
- 9 contracting for services, even though the power or
- 10 expenditure is not specifically set out in this chapter.
- 11 (b) The corporation board shall determine the percentage of
- 12 property tax revenue that the county auditor is required to
- 13 distribute to the corporation under IC 20-46-8-11.2(j) or
- 14 IC 20-46-8-12(m), as applicable. The amount determined under
- 15 this subsection may not exceed three percent (3%) of the total
- 16 amount of revenue to be distributed under IC 20-46-8-11.2(f),
- 17 IC 20-46-8-12(h), or IC 20-46-8-12(l), as applicable, to the school
- 18 city and to each charter school described in IC 20-46-8-12(m)(2)
- 19 for each settlement period described in IC 6-1.1-27-1.
- 20 (c) The public education corporation may issue bonds, enter
- 21 into leases, or otherwise incur indebtedness after March 31, 2026,
- 22 and before July 1, 2027, only if the local board of school
- 23 commissioners established by IC 20-25-3-1 first adopts a resolution
- 24 approving the issuance of the bonds, entering into the lease, or
- 25 incurring of indebtedness.
- 26 (d) The corporation board shall, in collaboration with the
- 27 school city and the nonprofit organization leading the
- 28 transportation and centralized school facilities pilot program in
- 29 Marion County, do the following:
- 30 (1) Complete a feasibility study to determine the best
- 31 approach for managing school property.
- 32 (2) Not later than November 30, 2026, submit to the
- 33 legislative council in an electronic format under IC 5-14-6 a
- 34 report that includes information regarding the corporation
- 35 board's progress in completing the feasibility study under
- 36 subdivision (1) and report under subdivision (3).
- 37 (3) Not later than November 30, 2027, prepare and submit a
- 38 report regarding the feasibility study under subdivision (1)
- 39 to the legislative council in an electronic format under
- 40 IC 5-14-6.
- 41 This subsection expires July 1, 2028.
- 42 Sec. 3. (a) The corporation board shall, in collaboration with

M
e
r
g
e
d



1 the school city and authorizers of charter schools described in
 2 IC 20-25.3-2-6, create a single school performance framework that
 3 applies beginning with the 2028-2029 school year to all
 4 participating schools.

5 (b) The school performance framework must:

6 (1) set clear expectation for school performance;

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

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

10 (B) student assessment outcomes;

11 (C) student discipline practices;

12 (D) student enrollment;

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

15 (F) short and long term financial health measures;

16 (G) organizational health and governance measures;

17 (H) replication of instructional models that are
 18 achieving the best results for students; and

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

21 (3) include both of the following:

22 (A) A process to close chronically low performing
 23 participating schools.

24 (B) A process to close inefficient school buildings.

25 (c) Before a participating school may be closed as described in
 26 subsection (b)(3), the corporation shall:

27 (1) consult with the department; and

28 (2) hold a public hearing within the geographic boundaries
 29 of the school city;

30 regarding the proposed closure of the participating school.

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

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

38 (2) Not later than November 30, 2027, the single school
 39 performance framework created under this section.

40 Sec. 4. The corporation board may establish an advisory
 41 committee to assist the corporation board in creating and
 42 implementing the school performance framework described in

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

section 3 of this chapter.

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

(1) Establish a unified transportation plan 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'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.

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

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 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. (a) Subject to subsection (b), 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

M
e
r
g
e
d



1 into, renew, or extend a contract that is not in compliance with:
 2 (1) this article;
 3 (2) a contract entered into by the school city or participating
 4 school under this article; or
 5 (3) any regulation, order, rule, or resolution adopted by the
 6 corporation board.
 7 (b) Notwithstanding subsection (a), the school city may
 8 continue to enter into, renew, or extend any contract with respect
 9 to the proceeds of bonds, leases, and other obligations issued or
 10 entered into by the school city before April 1, 2026, pursuant to
 11 IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The
 12 corporation may not impair any such contracts with respect to the
 13 existing proceeds.
 14 **Chapter 5. Financial and Administrative Powers and Duties**
 15 **Sec. 1. (a) Any indebtedness, liabilities, and obligations**
 16 **incurred before April 1, 2026, by the school city or any**
 17 **participating school, remain the debt, liability, or obligation of the**
 18 **school city or participating school and do not become the debt,**
 19 **liability, or obligation of and may not be assumed by the**
 20 **corporation. The rights of the bondholders remain unchanged.**
 21 **(b) Any indebtedness, liabilities, and obligations incurred after**
 22 **March 31, 2026, by the corporation are the debt, liability, or**
 23 **obligation of the corporation.**
 24 **Sec. 2. After March 31, 2026, the school city may not take any**
 25 **action under the procedures set forth in IC 5-1 and instead the**
 26 **corporation shall assume the powers and duties of the school city**
 27 **under IC 5-1.**
 28 **Sec. 3. After March 31, 2026, the corporation has all the**
 29 **powers and shall perform all the duties assigned to the school city**
 30 **under IC 6-1.1-17 related to the fixing and reviewing of budgets,**
 31 **tax rates, and tax levies. The school city shall provide records and**
 32 **information as necessary for the corporation to carry out its duties.**
 33 **Sec. 4. (a) Except as provided in subsections (b) and (c), after**
 34 **March 31, 2026, the school city may not take any action under the**
 35 **procedures set forth in IC 6-1.1-20 and instead the corporation**
 36 **shall assume the powers and duties of the school city under**
 37 **IC 6-1.1-20 in the territory of the school city.**
 38 **(b) Notwithstanding subsection (a), property tax revenue**
 39 **received from a referendum debt service tax levy that is approved**
 40 **by the voters after March 31, 2026, shall be distributed to the**
 41 **school city in the manner provided under IC 6-1.1-20.**
 42 **(c) A referendum debt service tax levy that is approved by the**

M
e
r
g
e
d



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

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

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

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

22 Sec. 6. (a) Subject to subsection (b), beginning July 1, 2026, the
 23 corporation shall assume the powers and duties of the school city
 24 under IC 20-46-7 with respect to imposition of a debt service levy.
 25 Beginning with the January 1, 2027, assessment date, and for each
 26 assessment date thereafter, the corporation shall impose both:

- 27 (1) an annual property tax levy in the territory of the school
 28 city sufficient to pay all obligations of the school city; and
 29 (2) an annual property tax levy in the territory of the school
 30 city sufficient to pay all obligations of the corporation.

31 Property tax revenue received from the tax levies shall be used to
 32 pay outstanding debts and obligations in the manner set forth in
 33 subsection (b) and IC 20-46-7-0.5.

34 (b) Property tax revenue received from the debt service levy
 35 described in IC 20-46-7-0.5(a)(2)(A) that is imposed for the
 36 purpose of paying all obligations of the school city must be
 37 deposited in the school city's debt service fund established under
 38 IC 20-40-9 and may be used only to pay the obligations of the
 39 school city. The school city shall use the revenue from the debt
 40 service levy to pay debt service on the same terms, for the same
 41 period of time, and for the same purposes for which the obligation
 42 was initially authorized.

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

1 **Sec. 7. (a) Except as provided in subsection (b), beginning July**
 2 **1, 2026, the corporation shall assume the powers and duties of the**
 3 **school city to impose a levy under IC 20-46-8. Beginning with the**
 4 **January 1, 2027, assessment date, and for each assessment date**
 5 **thereafter, the corporation shall impose an annual property tax**
 6 **levy in the territory of the school city.**

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

12 **Sec. 8. (a) Except as provided in subsection (b), after March**
 13 **31, 2026, the school city may not take any action under the**
 14 **procedures set forth in IC 20-46-9 and instead the corporation**
 15 **shall assume the powers and duties of the school city under**
 16 **IC 20-46-9 in the territory of the school city.**

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

22 **Chapter 6. Indianapolis Public Education Corporation**
 23 **Operations Fund**

24 **Sec. 1. The corporation shall create a corporation operations**
 25 **fund to be used by the corporation for the purposes of the**
 26 **corporation.**

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

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

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

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

40 **Sec. 5. The corporation may use money in the corporation**
 41 **operations fund to carry out the purposes of the corporation.**

42 **Chapter 7. Indianapolis Public Education Corporation Debt**

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

Service Fund

Sec. 1. As used in this chapter, "debt service" includes bonds and coupons, civil bond obligations, lease rental contracts, and interest cost on emergency and temporary loans.

Sec. 2. As used in this chapter, "fund" refers to a debt service fund established under section 3 of this chapter.

Sec. 3. The corporation shall establish a debt service fund for purposes of paying the obligations of the corporation.

Sec. 4. (a) The debt service fund shall be used to deposit revenue received from the debt service levy imposed under IC 20-46-7 for the purpose of paying all obligations of the corporation.

(b) Money in the debt service fund may be used for payment of the following:

(1) All debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction.

(2) A lease to provide capital construction.

(3) Interest on emergency and temporary loans.

(4) All debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-27-4-5, for that purpose.

(5) All debt and other obligations arising out of funds borrowed to pay judgments against the corporation.

(6) All debt and other obligations arising out of funds borrowed to purchase equipment.

Sec. 5. Money in the fund may not be used for payment of debt service, lease payments, or similar obligations for a controlled project that is approved by the voters in a referendum under IC 6-1.1-20.

Sec. 6. (a) Lease rental obligations on account of leases entered into under IC 20-47-2 or IC 20-47-3 may be paid by a corporation from the debt service fund.

(b) Payments described in subsection (a) must be provided for in the annual budget for the fund from which the payment is made.

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

(1) "Covered school building" has the meaning set forth in

M
e
r
g
e
d



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

M
e
r
g
e
d



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

M
e
r
g
e
d



1 However, to be an allowable use under this subdivision, the
 2 average number of full-time equivalent students using the school
 3 building in a school year for instructional purposes must be at
 4 least thirty percent (30%) of:
 5 (A) the known classroom design capacity of the school
 6 building; or
 7 (B) if the design capacity is not known, the average
 8 maximum full-time equivalent enrollment in any of the last
 9 twenty-five (25) years, as validated by records created or
 10 maintained by the department; and
 11 (if multiple school buildings are used for the same purposes)
 12 combining the student populations into fewer school buildings
 13 is not reasonably feasible.
 14 (3) The school corporation demonstrates through facts included
 15 in a resolution that the school building is being used and that it
 16 is financially prudent to continue to use the school building,
 17 considering all community resources, for administrative or other
 18 school offices. However, to be an allowable use under this
 19 subdivision, at least fifty percent (50%) of the square footage of
 20 the school building must be used for offices, the personnel
 21 headquartered in the school building must consistently use the
 22 space for office purposes, and the occupancy cost of using the
 23 school building cannot be more than comparable office space
 24 that is available in the school district.
 25 (4) The school corporation demonstrates through facts included
 26 in a resolution that the school building is being used and that it
 27 is financially prudent to continue to use the school building,
 28 considering all community resources, for storage. However, to be
 29 an allowable use under this subdivision, at least fifty percent
 30 (50%) of the square footage of the school building must be used
 31 for storage, on average the storage space must be used to
 32 capacity, and the cost of using the school building for storage
 33 must be less than comparable storage space that is available in
 34 the school district.
 35 (5) The school corporation demonstrates through facts included
 36 in a resolution that the school building is being used and that it
 37 is financially prudent to continue to use the school building,
 38 considering all community resources, for a combination of office
 39 space and storage. However, to be an allowable use under this
 40 subdivision, at least fifty percent (50%) of the square footage of
 41 the school building must be used for a combination of office
 42 space and storage and:

M
e
r
g
e
d



- 1 (A) the personnel headquartered in the school building must
- 2 consistently use the office space for office purposes, and the
- 3 occupancy cost of using the office space, calculated using
- 4 the costs of operating the school building, cannot be more
- 5 than comparable office space that is available in the school
- 6 district; and
- 7 (B) on average, the storage space must be used to capacity
- 8 and the cost of using the school building for storage must be
- 9 less than comparable storage space that is available in the
- 10 school district.
- 11 (f) Closure of a school building that is:
- 12 (1) owned by the school corporation or any other entity that is
- 13 related in any way to, or created by, the school corporation or the
- 14 governing body; or
- 15 (2) jointly owned in the same manner by two (2) or more school
- 16 corporations;
- 17 shall be carried out in conformity with IC 20-26-7.1.
- 18 (g) Before filing a petition under subsection (h), a charter school
- 19 or state educational institution that is interested in a school
- 20 corporation's school building must give written notice to the school
- 21 corporation to determine whether an agreement can be reached
- 22 regarding the school corporation making the school building available
- 23 for lease or purchase under IC 20-26-7.1.
- 24 (h) If an agreement is not reached within forty-five (45) days after
- 25 the date that the school corporation receives the notice under
- 26 subsection (g), the charter school or state educational institution may
- 27 petition the department to initiate or the department on its own may
- 28 initiate a proceeding for a determination as to whether a school
- 29 building meets the criteria for closure under this section or a covered
- 30 school building that is no longer used for classroom instruction by a
- 31 school corporation should be made available under IC 20-26-7.1. If a
- 32 charter school or state educational institution petitions the department
- 33 under this subsection, the charter school or state educational institution
- 34 must provide a copy of the petition to the applicable school
- 35 corporation.
- 36 (i) An interested person that is not otherwise a party to the
- 37 proceeding may intervene in the proceeding under subsection (h) as a
- 38 party. The school corporation has the burden of going forward with the
- 39 evidence and the burden of proof to demonstrate that the school
- 40 building does not meet the criteria for closure or the covered school
- 41 building is not required to be made available under IC 20-26-7.1.
- 42 (j) Not more than sixty (60) days after receiving notice of a

M
e
r
g
e
d



- 1 petition under subsection (h), the school corporation must:
- 2 (1) file a response to the petition that notifies the department that
- 3 the school corporation:
- 4 (A) is not contesting the petition; or
- 5 (B) is contesting the petition and states the facts upon which
- 6 the school corporation relies in contesting the petition; and
- 7 (2) provide a copy of the response to the petitioner and any
- 8 intervening party.
- 9 (k) If the school corporation:
- 10 (1) files a response that the school corporation is not contesting
- 11 the petition; or
- 12 (2) fails to submit a timely response under subsection (j);
- 13 the department shall issue an order granting the petition. A petition and
- 14 any response or reply are public documents.
- 15 (l) If a school corporation contests a petition under subsection (j),
- 16 a party to the proceeding has not more than sixty (60) days after the
- 17 date that the school corporation files a response under subsection (j) to
- 18 submit a reply to the school corporation's response.
- 19 (m) The department shall make a determination regarding a
- 20 petition under subsection (h) not more than one hundred twenty (120)
- 21 days after the date that the:
- 22 (1) petitioner and any intervening party have submitted a reply
- 23 under subsection (l); or
- 24 (2) time period to reply under subsection (l) has expired.
- 25 (n) A school corporation or another party to the proceeding may
- 26 file with the state board a petition requesting review of the department's
- 27 determination. Upon receipt of a petition under this subsection, the
- 28 state board shall review the department's determination. An appeal to
- 29 the state board shall be subject to the procedure described in
- 30 IC 20-26-11-15(b).
- 31 (o) Upon the issuance of a final unappealable order granting a
- 32 petition, the school corporation shall make the school building
- 33 available for lease or purchase in accordance with IC 20-26-7.1.
- 34 SECTION 14. IC 20-26-7-48, AS ADDED BY P.L.189-2023,
- 35 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 UPON PASSAGE]: Sec. 48. (a) The following definitions apply
- 37 throughout this section:
- 38 (1) "Current school year" refers to a year in which the governing
- 39 body is required to conduct a review of school building usage
- 40 under section 47(c) of this chapter.
- 41 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of
- 42 this chapter.

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

- 1 (b) This section:
- 2 (1) applies to a school corporation only if:
- 3 (⊕) **(A)** the total student enrollment for in-person instruction
- 4 in the school corporation in the current school year is at
- 5 least ten percent (10%) less than the student enrollment for
- 6 in-person instruction in the school corporation in a school
- 7 year that precedes the current school year by five (5); and
- 8 (⊖) **(B)** the school corporation in the current school year has
- 9 more than one (1) school building serving the same grade
- 10 level as a school building subject to closure under section
- 11 47 of this chapter; **and**
- 12 **(2) does not apply to a school city (as defined in**
- 13 **IC 20-25-2-12).**
- 14 (c) Each school corporation shall annually report to the
- 15 department, in the form and on the schedule specified by the
- 16 department, the following information:
- 17 (1) A listing of all buildings owned or leased by the school
- 18 corporation that were originally designed as a school building.
- 19 (2) The following information for each building listed in
- 20 subdivision (1):
- 21 (A) Designed occupancy, regardless of current use.
- 22 (B) Current use (and percentage of use) for classroom
- 23 instruction, as special use classrooms, as office space, or as
- 24 storage or alternatively the building's status as transitioning
- 25 from one (1) use or combination of uses to another.
- 26 (C) The following information:
- 27 (i) Current average full-time equivalent student
- 28 enrollment for in-person instruction in the school
- 29 building on instructional days (as determined under
- 30 IC 20-30-2) in a school year.
- 31 (ii) Percentage of instructional use.
- 32 (iii) Percentage of use for other purposes.
- 33 (D) Self-evaluation of whether the building qualifies for
- 34 closure under section 47 of this chapter or the school board
- 35 otherwise intends to close the building and the date closure
- 36 will occur (if applicable).
- 37 SECTION 15. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025,
- 38 SECTION 209, IS AMENDED TO READ AS FOLLOWS
- 39 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this
- 40 section, "charter school" does not include a virtual charter school or an
- 41 adult high school.
- 42 (b) This chapter does not apply to the following:

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



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

6 (2) A school corporation to which all of the following apply:
7 (A) The county auditor distributes revenue after May 10,
8 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to
9 each eligible charter school.
10 (B) If the school corporation listed in IC 20-46-9-22
11 receives revenue from a school safety referendum tax levy
12 under IC 20-46-9, the county auditor distributes revenue
13 after May 10, 2023, as required under IC 20-46-9-22 to
14 each charter school described in IC 20-46-9-22(b).

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

18 (3) A school corporation to which all of the following apply:
19 (A) The school corporation approves a resolution after May
20 10, 2023, to impose an operating referendum tax levy under
21 IC 20-46-1 after May 10, 2023, that includes sharing the
22 revenue from the referendum tax levy in the amounts
23 described in clause (B) with each charter school that:
24 (i) a student who resides within the attendance area of
25 the school corporation attends; and
26 (ii) elects to participate in the referendum.

27 The above subdivisions are intended to apply retroactively. No
28 resolutions, referendums, or distributed revenue prior to May 10,
29 2023, are effective to provide exemption from this chapter.

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

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

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

40 (E) If the school corporation receives revenue from a school
41 safety referendum tax levy under IC 20-46-9, the school
42 corporation shares the revenue from the school safety

M
e
r
g
e
d



1 referendum tax levy with each charter school that:

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

4 (ii) elects to participate in the referendum;

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

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

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

14 SECTION 16. IC 20-46-1-0.5 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection**
17 **(b), after March 31, 2026, a school city (as defined in**
18 **IC 20-25-2-12) may not exercise the powers and duties under this**
19 **chapter and instead the public education corporation assumes the**
20 **powers and duties of the school city as set forth in IC 20-25.3-5.**

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

22 **(1) determine the amounts of revenue to be distributed to the**
23 **school city and any charter schools as provided in section 21**
24 **or 22 of this chapter, as applicable; and**

25 **(2) distribute revenue collected from a levy imposed under**
26 **this chapter to the school city and any charter schools as**
27 **provided in section 21 or 22 of this chapter, as applicable.**

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

32 **(1) a school city (as defined in IC 20-25-2-12) may not impose**
33 **the property tax levy or otherwise exercise the powers and**
34 **duties under this chapter; and**

35 **(2) the public education corporation shall impose both:**

36 **(A) an annual property tax levy in the territory of the**
37 **school city sufficient to pay all obligations of the school**
38 **city; and**

39 **(B) an annual property tax levy in the territory of the**
40 **school city sufficient to pay all obligations of the**
41 **corporation.**

42 **(b) Property tax revenue received from the:**

M
e
r
g
e
d



- 1 **(1) property tax levy described in subsection (a)(2)(A) shall**
- 2 **be deposited in the debt service fund established by the**
- 3 **school city under IC 20-40-9 and used to pay debt service on**
- 4 **the same terms, for the same period of time, and for the same**
- 5 **purposes for which the obligation was initially authorized;**
- 6 **and**
- 7 **(2) property tax levy described in subsection (a)(2)(B) shall**
- 8 **be deposited in the public education corporation's debt**
- 9 **service fund established by IC 20-25-7-3 and used for the**
- 10 **purposes of the fund.**

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

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

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

- 26 **(1) determine the amounts of revenue to be distributed to the**
- 27 **public education corporation, the school city, and any**
- 28 **charter schools as provided in section 11.2 or 12 of this**
- 29 **chapter, as applicable; and**
- 30 **(2) distribute revenue collected from a levy imposed under**
- 31 **this chapter to the public education corporation, the school**
- 32 **city, and any charter schools as provided in section 11.2 or**
- 33 **12 of this chapter, as applicable.**

34 SECTION 19. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025,
 35 SECTION 225, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: **Sec. 11.2. (a) This section applies**
 37 **only to revenue collected after June 30, 2024, and before January 1,**
 38 **2028, from a tax levy imposed under this chapter by a school**
 39 **corporation located in:**

- 40 **(1) Lake County;**
- 41 **(2) Marion County;**
- 42 **(3) St. Joseph County; or**

M
e
r
g
e
d



1 (4) Vanderburgh County.
 2 However, this section does not apply to, and distributions are not
 3 required for, a school corporation that is designated as a distressed
 4 political subdivision under IC 6-1.1-20.3.
 5 (b) For distributions made in:
 6 (1) calendar year 2025, and subject to subsection (c); and
 7 (2) calendar years 2026 and 2027, and subject to subsections (c),
 8 (h), and (i);
 9 the county auditor shall distribute to each charter school that is eligible
 10 for a distribution under subsection (d), and as provided under
 11 subsection (f), an amount of revenue received from a tax levy imposed
 12 by a school corporation under this chapter that is attributable to the
 13 territory of the school corporation that is located within the boundaries
 14 of a county listed in subsection (a).
 15 (c) The following schools are not eligible to receive a distribution
 16 under this section:
 17 (1) A virtual charter school.
 18 (2) An adult high school.
 19 (d) Not later than March 1, 2025, January 1, 2026, and January 1,
 20 2027, the department, in consultation with the department of local
 21 government finance, shall determine the corresponding percentages of
 22 revenue received from the tax levy that are attributable to the territory
 23 of the school corporation that is located within the boundaries of a
 24 county listed in subsection (a) and must be distributed among the
 25 school corporation and each eligible charter school according to the
 26 following formula:
 27 STEP ONE: Determine each charter school that:
 28 (A) is located in the same county as the school corporation;
 29 and
 30 (B) provides not more than fifty percent (50%) virtual
 31 instruction for its students.
 32 STEP TWO: Determine, for each charter school described in
 33 STEP ONE, the number of students who:
 34 (A) have legal settlement within the school corporation;
 35 (B) are currently included in the fall ADM for the charter
 36 school; and
 37 (C) receive not more than fifty percent (50%) virtual
 38 instruction.
 39 STEP THREE: Determine the sum of:
 40 (A) the aggregate of the STEP TWO results for all
 41 applicable charter schools; plus
 42 (B) the fall ADM count for the school corporation for

M
e
r
g
e
d



1 students receiving not more than fifty percent (50%) virtual
 2 instruction.
 3 STEP FOUR: For each charter school described in STEP ONE,
 4 determine the result of:
 5 (A) the applicable STEP TWO amount; divided by
 6 (B) the STEP THREE amount;
 7 expressed as a percentage.
 8 STEP FIVE: Determine the sum of all the amounts computed
 9 under STEP FOUR and subtract the result from one hundred
 10 percent (100%).
 11 (e) The department shall provide to the county auditor,
 12 immediately after calculation under subsection (d):
 13 (1) each charter school determined under STEP ONE of
 14 subsection (d) and the charter school's corresponding percentage
 15 calculated under STEP FOUR of subsection (d); and
 16 (2) the percentage calculated under STEP FIVE of subsection (d)
 17 for the school corporation.
 18 (f) **Except as provided in subsection (j), and** subject to
 19 subsection (i), the county auditor shall distribute to the school
 20 corporation and each applicable charter school the amount determined,
 21 for each settlement period described in IC 6-1.1-27-1, in the last STEP
 22 of the following STEPS:
 23 STEP ONE: For each school corporation, determine a base
 24 property tax levy amount calculated as:
 25 (A) the sum of the school corporation's operations fund
 26 property tax levies that are attributable to the territory of the
 27 school corporation that is located within the boundaries of
 28 a county listed in subsection (a) and collected under this
 29 chapter for the applicable settlement period as described in
 30 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023;
 31 divided by
 32 (B) three (3).
 33 STEP TWO: For each school corporation, determine an
 34 incremental property tax levy amount calculated as:
 35 (A) the school corporation's operations fund property tax
 36 levy collections that are attributable to the territory of the
 37 school corporation that is located within the boundaries of
 38 a county listed in subsection (a) for the applicable
 39 settlement period as described in IC 6-1.1-27-1 in the
 40 current calendar year; minus
 41 (B) the school corporation's base property tax levy
 42 collections determined for the applicable settlement period

M
e
r
g
e
d



1 as described in IC 6-1.1-27-1 under STEP ONE.
 2 STEP THREE: For the school corporation and each applicable
 3 charter school, determine the result of:
 4 (A) the sum of:
 5 (i) the incremental amount determined under STEP
 6 TWO; plus
 7 (ii) any distribution amount withheld under subsection
 8 (i); multiplied by
 9 (B) the following percentage:
 10 (i) In the case of an applicable charter school, the
 11 charter school's percentage under STEP FOUR of
 12 subsection (d).
 13 (ii) In the case of the school corporation, the school
 14 corporation's percentage under STEP FIVE of
 15 subsection (d).
 16 (g) Before August 15, 2025, and August 15, 2026, the department
 17 shall provide to each school corporation and each eligible charter
 18 school an estimate of the amount of property tax levy revenue the
 19 school corporation and charter school are expected to receive under
 20 this section based on the most recent fall ADM count.
 21 (h) This subsection applies to distributions of property tax revenue
 22 under this section in 2026 and 2027. In order to receive a distribution
 23 under this section in 2026 and 2027, the governing body of an eligible
 24 charter school shall, before October 15, 2025, and October 15, 2026,
 25 adopt a budget for the current school year. Not later than ten (10) days
 26 before its adoption, the budget must be fixed and presented to the
 27 charter board in a public meeting in the county in which the charter
 28 school is incorporated. A budget that is adopted under this subsection
 29 must be submitted to the charter authorizer for review and to the
 30 department of local government finance to be posted publicly on the
 31 computer gateway under IC 6-1.1-17-3 not later than:
 32 (1) to receive distributions in 2026, November 1, 2025; and
 33 (2) to receive distributions in 2027, November 1, 2026.
 34 In addition to the adopted budget, the governing body of the charter
 35 school shall also submit to the charter authorizer, and to the department
 36 of local government finance to be posted publicly on the computer
 37 gateway under IC 6-1.1-17-3, the dates on which each requirement
 38 under this subsection was met and a statement from the governing body
 39 of the charter school attesting that those dates are true and accurate and
 40 that the budget was properly adopted under this subsection.
 41 (i) This subsection applies to distributions of property tax revenue
 42 under this section in 2026 and 2027. If an eligible charter school does

M
e
r
g
e
d



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

- 12 (1) calendar year 2026 shall be added to the incremental amount
 13 as described in STEP TWO of subsection (f) and distributed
 14 among the school corporation and remaining charter schools
 15 according to subsection (f) in calendar year 2027; and
 16 (2) calendar year 2027 shall be added to the incremental amount
 17 as described in STEP TWO of subsection (f) and distributed
 18 among the school corporation and remaining charter schools
 19 according to subsection (f) in calendar year 2027.

20 **(j) This subsection applies only to distributions of property tax**
 21 **revenue in 2026 and to distributions of property tax revenue in**
 22 **2027 to:**

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

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

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

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

- 1 greater of:
- 2 (1) one hundred (100) students; or
- 3 (2) two percent (2%) of the school corporation's spring ADM
- 4 count, excluding students who receive more than fifty percent
- 5 (50%) virtual instruction.
- 6 (b) As used in this section, "eligible charter school" means a
- 7 charter school attended by a student who:
- 8 (1) has legal settlement in a school corporation that imposes a
- 9 tax levy under this chapter; and
- 10 (2) receives not more than fifty percent (50%) virtual instruction.
- 11 However, the term does not include a virtual charter school or an adult
- 12 high school.
- 13 (c) The following schools are not eligible to receive, and may not
- 14 be considered in a calculation made for purposes of, a distribution
- 15 under this section:
- 16 (1) A virtual charter school.
- 17 (2) An adult high school.
- 18 (d) Beginning in calendar year 2028, and in each calendar year
- 19 thereafter, and subject to subsection (j), the county auditor shall
- 20 distribute to each eligible charter school in the manner provided under
- 21 this section an amount of revenue received from a tax levy imposed by
- 22 a school corporation under this chapter.
- 23 (e) For the purposes of the calculations made in this section, each
- 24 eligible charter school that has entered into an agreement with a school
- 25 corporation to participate as a participating innovation network charter
- 26 school under IC 20-25.7-5 is considered to have an ADM that is
- 27 separate from the school corporation.
- 28 (f) Not later than January 1, 2028, and not later than January 1 of
- 29 each year thereafter, the department, in consultation with the
- 30 department of local government finance, shall determine, for each
- 31 school corporation, the corresponding percentages of revenue received
- 32 from the tax levy that must be distributed among the school corporation
- 33 and each eligible charter school according to the following formula:
- 34 STEP ONE: Determine, for each eligible charter school, the
- 35 number of students who:
- 36 (A) have legal settlement within the school corporation;
- 37 (B) are currently included in the fall ADM count for the
- 38 charter school; and
- 39 (C) receive not more than fifty percent (50%) virtual
- 40 instruction.
- 41 STEP TWO: Determine the sum of:
- 42 (A) the aggregate of the STEP ONE results for all eligible

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 charter schools with respect to the school corporation; plus
 2 (B) the fall ADM count for the school corporation for
 3 students receiving not more than fifty percent (50%) virtual
 4 instruction.
 5 STEP THREE: For each eligible charter school, determine the
 6 result of:
 7 (A) the applicable STEP ONE amount; divided by
 8 (B) the STEP TWO amount;
 9 expressed as a percentage.
 10 STEP FOUR: Determine the sum of all the amounts computed
 11 under STEP THREE and subtract the result from one hundred
 12 percent (100%).
 13 (g) The department shall provide to the county auditor,
 14 immediately after calculation under subsection (f):
 15 (1) each eligible charter school and the eligible charter school's
 16 corresponding percentage calculated under STEP THREE of
 17 subsection (f); and
 18 (2) the percentage calculated under STEP FOUR of subsection
 19 (f) for the school corporation.
 20 (h) **Except as provided in subsection (m), and** subject to
 21 subsections (j) and (l), the county auditor shall distribute to the school
 22 corporation and each eligible charter school the amount determined in
 23 the last STEP of the following STEPS:
 24 STEP ONE: Determine the amount collected in the most recent
 25 installment period by the school corporation from the school
 26 corporation's operations fund levy imposed under this chapter.
 27 STEP TWO: To determine the distribution for the school
 28 corporation and each eligible charter school, determine the result
 29 of:
 30 (A) the sum of:
 31 (i) the STEP ONE result; plus
 32 (ii) any amount withheld in the previous year under
 33 subsection (k); multiplied by
 34 (B) the following percentage:
 35 (i) In the case of an eligible charter school, the charter
 36 school's percentage under STEP THREE of subsection
 37 (f).
 38 (ii) In the case of the school corporation, the school
 39 corporation's percentage under STEP FOUR of
 40 subsection (f).
 41 (i) Not later than August 15, 2027, and not later than August 15 of
 42 each calendar year thereafter, the department shall provide to each

M
e
r
g
e
d



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

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

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

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

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

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

40 in the calendar year that immediately follows the calendar year in
 41 which the distribution amount was withheld.

- 42 (l) This subsection applies only to distributions under subsection

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

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

16 (B) five-tenths (0.5).

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

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

21 (B) seventy-five hundredths (0.75).

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

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

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

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

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

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

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

41 SECTION 21. IC 20-46-9-0.5 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

HB 1423—LS 7118/DI 110



1 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection**
2 **(b), after March 31, 2026, a school city (as defined in**
3 **IC 20-25-2-12) may not exercise the powers and duties under this**
4 **chapter and instead, the public education corporation assumes the**
5 **powers and duties of the school city as set forth in IC 20-25.3-5.**

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

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

13 SECTION 22. IC 20-47-2-2.5 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. 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 23. IC 20-47-2-3.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. 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 24. IC 20-47-2-5, AS AMENDED BY P.L.233-2015,
24 SECTION 304, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: **Sec. 5. (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 thirty (30) 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 the corporation board, after investigation, determines that a need**
35 **exists for the school building and that the school corporation or public**
36 **education corporation cannot provide the necessary funds to pay the**
37 **cost or its proportionate share of the cost of the school building or**
38 **buildings required to meet the present needs.**

39 (c) If two (2) or more school corporations propose to jointly enter
40 into a lease under this section, joint meetings of the governing bodies
41 of the school corporations may be held, but action taken at a joint
42 meeting is not binding on any of those school corporations unless

M
e
r
g
e
d



1 approved by a majority of the governing body of those school
2 corporations. A lease executed by two (2) or more school corporations
3 as joint lessees must:

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

6 (2) provide that:

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

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

11 SECTION 25. IC 20-47-2-6, AS ADDED BY P.L.2-2006,
12 SECTION 170, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, **or**
14 **school** corporations, **or the public education corporation** may enter
15 into a lease under this chapter only with a corporation organized under
16 Indiana law solely for the purpose of acquiring a site, erecting a
17 suitable school building or buildings on that site, leasing the building
18 or buildings to the school corporation, **or school** corporations, **or**
19 **public education corporation** collecting the rentals under the lease,
20 and applying the proceeds of the lease in the manner provided in this
21 chapter.

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

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

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

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

35 SECTION 26. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
36 SECTION 170, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
38 under this chapter must include the following provisions:

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

42 (2) An option for the school corporation, **or school** corporations,

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

37 SECTION 28. IC 20-47-2-11, AS ADDED BY P.L.2-2006,
38 SECTION 170, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor
40 corporation and the school corporation, **or school** corporations, **or the**
41 **public education corporation** have agreed upon the terms and
42 conditions of a lease proposed to be entered into under this chapter, and

M
e
r
g
e
d



1 before the final execution of the lease, a notice shall be given by
 2 publication to all persons interested of a hearing or joint hearing to be
 3 held before the governing body or governing bodies of the school
 4 corporation or corporations **or the corporation board** authorized to
 5 approve the lease. The hearing must be not earlier than:

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

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

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

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

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

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

16 (C) if no such paper is published in the school corporation,
 17 in any newspaper of general circulation published in the
 18 county;

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

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

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

23 (B) name of the proposed lessor corporation;

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

25 (D) rental to be paid; and

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

27 The cost of publishing the notice shall be borne by the lessor
 28 corporation.

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

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

42 (b) Within thirty (30) days following the termination of the

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 hearing, the governing body or bodies of the school corporation or
 2 corporations **or the corporation board** may by a majority vote of all
 3 members of the governing body or bodies **or corporation board**:

- 4 (1) authorize the execution of the proposed lease as originally
 5 agreed upon; or
 6 (2) make modifications to the proposed lease that are agreed
 7 upon with the lessor corporation.

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

10 SECTION 30. IC 20-47-2-13, AS AMENDED BY P.L.38-2021,
 11 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as
 13 originally agreed upon or as modified by agreement is authorized by
 14 the governing body or bodies of the school corporation or corporations
 15 **or the corporation board**, the governing body **or corporation board**
 16 shall give notice of the signing of the lease by publication one (1) time
 17 in:

- 18 (1) a newspaper of general circulation printed in the English
 19 language in the school corporation;
 20 (2) a newspaper described in subdivision (1) in each school
 21 corporation if the proposed lease is a joint lease; or
 22 (3) if no such newspaper is published in the school corporation,
 23 in any newspaper of general circulation published in the county.

24 (b) This subsection does not apply to a lease for which a school
 25 corporation **or the public education corporation** after June 30, 2008,
 26 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
 27 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
 28 case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
 29 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
 30 after June 30, 2008. Within thirty (30) days after the publication of
 31 notice under subsection (a), fifty (50) or more taxpayers in the school
 32 corporation or corporations who:

- 33 (1) will be affected by the proposed lease; and
 34 (2) are of the opinion that:
 35 (A) necessity does not exist for the execution of the lease;
 36 or
 37 (B) the proposed rental provided for in the lease is not a fair
 38 and reasonable rental;

39 may file a petition in the office of the county auditor of the county in
 40 which the school corporation or corporations are located. The petition
 41 must set forth the taxpayers' objections to the lease and facts showing
 42 that the execution of the lease is unnecessary or unwise or that the lease

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 rental is not fair and reasonable, as the case may be.
 2 (c) Upon the filing of a petition under subsection (b), the county
 3 auditor shall immediately certify a copy of the petition, together with
 4 any other data that is necessary to present the questions involved, to the
 5 department of local government finance. Upon receipt of the certified
 6 petition and data, if any, the department of local government finance
 7 shall fix a time, date, and place for the hearing of the matter, which
 8 may not be less than five (5) nor more than thirty (30) days thereafter.

9 The department of local government finance shall:
 10 (1) conduct the hearing in the school corporation or corporations,
 11 in the county where the school corporation or corporations are
 12 located, or through electronic means; and
 13 (2) give notice of the hearing to the members of the governing
 14 body or bodies of the school corporation or corporations **or the**
 15 **corporation board** and to the first fifty (50) taxpayers who
 16 signed the petition under subsection (b) by a letter signed by the
 17 commissioner or deputy commissioner of the department of local
 18 government finance and enclosed with full prepaid postage
 19 addressed to the taxpayer petitioners at their usual place of
 20 residence, at least five (5) days before the hearing.

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

24 SECTION 31. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,
 25 SECTION 516, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the
 27 validity of the lease or to enjoin the performance of any of the terms
 28 and conditions of the lease may not be instituted at any time later than:

29 (1) thirty (30) days after publication of notice of the execution of
 30 the lease by the governing body or bodies of the school
 31 corporation or corporations **or the corporation board;** or
 32 (2) if an appeal is allowed under section 13 of this chapter and
 33 has been taken to the department of local government finance,
 34 thirty (30) days after the decision of the department of local
 35 government finance.

36 SECTION 32. IC 20-47-2-15, AS ADDED BY P.L.113-2006,
 37 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]: Sec. 15. (a) **Except as provided in subsection (b),**
 39 the lessor corporation shall acquire, own, and hold in fee simple the
 40 land on which a school building or buildings are to be erected under
 41 this chapter.

42 (b) **The lessor corporation may acquire, own, and hold in fee**

M
e
r
g
e
d



1 **simple the land by agreement and conveyance with a school**
 2 **corporation or with the public education corporation subject to the**
 3 **conditions of this section. The lessor corporation may lease such a**
 4 **school building directly to the public education corporation or to**
 5 **a school corporation. If the lessor corporation leases such a school**
 6 **building to a school corporation, the school corporation may assign**
 7 **or sublet its lease to the public education corporation.**

8 (c) A school corporation **or the public education corporation**
 9 that proposes to lease such a school building, either alone or jointly
 10 with another school corporation, and owns the land on which it desires
 11 that the building or buildings be erected may sell and transfer that land
 12 to the lessor corporation in fee simple, subject to the following
 13 conditions:

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

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

20 (B) two (2) disinterested appraisers licensed under
 21 IC 25-34.1;

22 who are residents of Indiana to determine the fair market value
 23 of the land. One (1) of the appraisers described in clause (B)
 24 must reside not more than fifty (50) miles from the land.

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

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

40 SECTION 33. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
 41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 "bonds" includes bonds, debentures, or other evidences of
2 indebtedness.

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

- 8 (1) the principal amount of the outstanding bonds;
9 (2) any premium required to be paid upon redemption of the
10 outstanding bonds; and
11 (3) the estimated expenses to be incurred in connection with the
12 issuance of the refunding bonds.

13 (c) The sum of the net interest cost to the lessor corporation of the
14 refunding bonds plus the premium required to be paid in connection
15 with the redemption of the outstanding bonds and the estimated
16 expenses to be incurred in connection with the issuance of the
17 refunding bonds may not exceed the total interest that would have been
18 payable by the lessor corporation on the bonds being refunded from the
19 date of redemption to the maturity of the bonds being refunded. Net
20 interest cost on the refunding bonds is the amount determined by
21 computing the total interest on all the refunding bonds to their
22 maturities and deducting from that amount the premium bid, if any.

23 (d) Refunding bonds issued under this section:
24 (1) are legal and proper investments;
25 (2) are exempt from taxation; and
26 (3) may be sold without registration with or approval of the
27 securities division of the office of the secretary of state or
28 securities commissioner;

29 in the same manner, under the same conditions, and subject to the same
30 limitations as any other bonds issued by lessor corporations under
31 section 16 of this chapter. However, no proceedings or actions by the
32 lessee nor approval by any board, commission, or agency are required
33 in connection with the refunding, and the refunding authorized in this
34 section does not affect the obligation of the lessee to pay the lease
35 rental under the lease of the building or buildings.

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

39 (f) In connection with the issuance of refunding bonds, the lessee
40 school corporation, ~~or~~ school corporations, **or public education**
41 **corporation** may enter into an amendment to the lease with the lessor
42 corporation providing for an extension of the time set forth in the lease

M
e
r
g
e
d



1 before the option of the lessee or lessees to purchase may be exercised
 2 to a time agreed upon between the lessee school corporation, ~~or~~ school
 3 corporations, **or public education corporation** and the lessor
 4 corporation.

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

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

11 (1) Construction of a school building.

12 (2) An addition to a school building owned by a lessor
 13 corporation or owned by the school corporation **or public**
 14 **education corporation** to which a lessor corporation has leased
 15 property under this chapter, and any remodeling incidental to
 16 that addition.

17 (3) Remodeling of or construction of appurtenances to a school
 18 building owned by a lessor corporation.

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

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

24 (1) are legal and proper investments;

25 (2) are exempt from taxation; and

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

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

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

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

41 (2) an extension of the term of the lease, not to exceed ten (10)
 42 years, to include the improvements in the description of the

M
e
r
g
e
d



1 leased property; and
 2 (3) increased lease rental payments after the completion of the
 3 improvements.
 4 (f) No proceedings or actions by the lessee nor approval by any
 5 board, commission, or agency are required in connection with a
 6 refunding under this section, and the refunding does not affect the
 7 obligation of the lessee to pay the lease rental under the lease of the
 8 building or buildings. However, all provisions, restrictions, and
 9 limitations of this chapter that are not inconsistent with this section,
 10 including the petition of school patrons, notice of hearing, hearing,
 11 notice of execution, and right to file an objecting petition, apply to an
 12 amendment of the lease increasing the lease rental payments as if the
 13 amendment were an original lease.
 14 (g) An action to contest the validity of refunding and improvement
 15 bonds issued under this section may not be brought after the fifteenth
 16 day following the receipt of bids for the bonds.
 17 SECTION 35. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
 18 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
 20 **public education corporation** that decides to exercise an option to
 21 purchase a school building under this chapter may issue general
 22 obligation bonds to procure funds to pay the cost of acquisition.
 23 General obligation bonds issued under this section must be authorized,
 24 issued, and sold in the manner provided for the authorization, issuance,
 25 and sale of bonds by school corporations **or the public education**
 26 **corporation** for school building purposes.
 27 SECTION 36. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,
 28 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**
 30 **public education corporation** that executes a lease under this chapter
 31 shall annually appropriate from its debt service fund or ~~general fund~~
 32 ~~(before January 1, 2019)~~ or operations fund ~~(after December 31, 2018)~~
 33 an amount sufficient to pay the lease rental required under the lease.
 34 The appropriation is reviewable by other bodies vested by law with
 35 such authority to ascertain that the specified amount is sufficient to
 36 meet the lease rental required under the lease. The first specific
 37 appropriation shall be made at the first budget period following the
 38 date of the execution of the lease, and the first annual appropriation
 39 must be sufficient to pay the estimated amount of the first annual lease
 40 rental payment to be made under the lease. Thereafter, the annual
 41 appropriations provided for in this section shall be made, and payments
 42 shall be made from the debt service fund.

M
e
r
g
e
d



1 SECTION 37. IC 20-47-2-21, AS AMENDED BY P.L.79-2017,
 2 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 21. Property owned by a lessor corporation
 4 entering into a lease with a school corporation, **or school** corporations,
 5 **or the public education school corporation** under this chapter, and
 6 all stock and other securities (including the interest or dividends)
 7 issued by a lessor corporation, are exempt from all state, county, and
 8 other taxes, except the financial institutions tax (IC 6-5.5).

9 SECTION 38. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
 10 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
 12 construed as being supplemental to all other laws covering the
 13 acquisition, use, and maintenance of school buildings by school
 14 corporations **or the public education corporation**. However, as to
 15 school buildings constructed, acquired, leased, or purchased under this
 16 chapter, it is not necessary to comply with other laws concerning the
 17 acquisition, use, and maintenance of school buildings by school
 18 corporations **or the public education corporation** except as
 19 specifically required in this chapter.

20 SECTION 39. IC 20-47-2-23, AS AMENDED BY P.L.244-2017,
 21 SECTION 109, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the termination of
 23 a lease entered into under this chapter, the lessor corporation shall
 24 return to the school corporation **or the public education corporation**
 25 any money held by the lessor corporation that exceeds the amount
 26 needed to retire bonds issued under this chapter and to dissolve the
 27 lessor corporation.

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

31 SECTION 40. IC 20-47-3-1.3 IS ADDED TO THE INDIANA
 32 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter,**
 34 **"corporation board" refers to the Indianapolis public education**
 35 **corporation board established by IC 20-25.3-3-2.**

36 SECTION 41. IC 20-47-3-1.5 IS ADDED TO THE INDIANA
 37 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**
 39 **"public education corporation" refers to the Indianapolis public**
 40 **education corporation established by IC 20-25.3-3-1.**

41 SECTION 42. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,
 42 SECTION 305, IS AMENDED TO READ AS FOLLOWS

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**
 2 **the public education corporation** may lease a school building or
 3 buildings for the use of:

4 (1) the school corporation **or public education corporation;** or

5 (2) a joint or consolidated school district of which the school
 6 corporation is a part or to which it contributes;

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

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

12 (c) If two (2) or more school corporations propose to jointly enter
 13 into a lease under this section, joint meetings of the governing bodies
 14 of the school corporations may be held, but action taken at a joint
 15 meeting is not binding on any of those school corporations unless
 16 approved by a majority of the governing body of each of those school
 17 corporations. A lease executed by two (2) or more school corporations
 18 as joint lessees must:

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

21 (2) provide that:

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

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

26 SECTION 43. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
 27 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or**
 29 **school corporations, or the public education corporation** may enter
 30 into a lease or lease with option to purchase under this chapter only
 31 with:

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

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

37 SECTION 44. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,
 38 SECTION 517, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
 40 subsections (d) and (e), a lease must provide that the school
 41 corporation, **or school corporations, or the public education**
 42 **corporation** have an option to:

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

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

6 (b) If the option to purchase the property covered by the lease is
 7 exercised, the school corporation, **or school corporations, or public**
 8 **education corporation** to procure funds to pay the purchase price, may
 9 issue and sell bonds under the provisions of the general statute
 10 governing the issue and sale of bonds of the school corporation, **or**
 11 **school corporations, or public education corporation.** The purchase
 12 price may not be more than the purchase price set forth in the lease
 13 plus:

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

17 (2) one percent (1%) of the purchase price as prepayment
 18 penalty for purchase in the second five (5) years of the lease
 19 term;

20 and thereafter the purchase shall be without prepayment penalty.

21 (c) However:

22 (1) if the school corporation, **or school corporations, or the**
 23 **public education corporation** have not exercised an option to
 24 purchase the property covered by the lease at the expiration of
 25 the lease; and

26 (2) upon the full discharge and performance by the school
 27 corporation, **or school corporations, or public education**
 28 **corporation** of their obligations under the lease;

29 the property covered by the lease becomes the absolute property of the
 30 school corporation, **or school corporations, or public education**
 31 **corporation,** and the lessor corporation shall execute proper
 32 instruments conveying to the school corporation, **or school**
 33 **corporations, or public education corporation** good and merchantable
 34 title to that property.

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

39 (1) The lease is not required to include on behalf of the school
 40 corporation an option to purchase the property covered by the
 41 lease.

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

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

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

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

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

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

12 the terms and conditions of the purchase that are specified in the lease
 13 are not subject to the approval of the department of local government
 14 finance.

15 SECTION 45. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,
 16 SECTION 518, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
 18 subsection (b), a school corporation, ~~or school corporations,~~ **or the**
 19 **public education corporation** may, in anticipation of the acquisition
 20 of a site and the construction and erection of a school building or
 21 buildings, and, subject to the approval of the department of local
 22 government finance, enter into a lease with a lessor corporation before
 23 the actual acquisition of the site and the construction and erection of
 24 the building or buildings. However, the lease entered into by the school
 25 corporation, ~~or school corporations,~~ **or public education corporation**
 26 may not provide for the payment of any lease rental by the lessee or
 27 lessees until the building or buildings are ready for occupancy, at
 28 which time the stipulated lease rental may begin. The lessor
 29 corporation shall furnish a bond to the approval of the lessee or lessees
 30 conditioned on the final completion of the building or buildings within
 31 a period not to exceed one (1) year from the date of the execution of the
 32 lease, unavoidable delays excepted.

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

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

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

41 the approval of the department of local government finance is not
 42 required.

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 SECTION 46. IC 20-47-3-9, AS ADDED BY P.L.2-2006,
 2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor
 4 corporation and the school corporation, **or school** corporations, **or**
 5 **public education corporation** have agreed upon the terms and
 6 conditions of a lease proposed to be entered into under this chapter, and
 7 before the final execution of the lease, a notice shall be given by
 8 publication to all persons interested of a hearing or joint hearing to be
 9 held before the governing body or governing bodies of the school
 10 corporations **or the corporation board** authorized to approve the
 11 lease. The hearing must be not earlier than:

- 12 (1) ten (10) days afer publication of the notice, if new
 13 construction is proposed; or
 14 (2) thirty (30) days after publication of the notice, if
 15 improvement or expansion is proposed.
- 16 (b) The notice required by subsection (a) must:
- 17 (1) be published one (1) time in:
- 18 (A) a newspaper of general circulation printed in the
 19 English language in the school corporation;
 20 (B) a newspaper described in clause (A) in each school
 21 corporation if the proposed lease is a joint lease; or
 22 (C) if no such paper is published in the school corporation,
 23 in any newspaper of general circulation published in the
 24 county;
- 25 (2) name the date, time, and place of the hearing; and
 26 (3) set forth a brief summary of the principal terms of the lease
 27 agreed upon, including the:
- 28 (A) location of the property to be leased;
 29 (B) name of the proposed lessor corporation;
 30 (C) character of the property to be leased;
 31 (D) rental to be paid; and
 32 (E) number of years the lease is to be in effect.

33 The cost of publication of the notice shall be paid by the lessor
 34 corporation.

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

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

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

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

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

10 (1) authorize the execution of the lease as originally agreed
 11 upon; or

12 (2) make modifications to the proposed lease as agreed upon
 13 with the lessor corporation.

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

16 SECTION 48. IC 20-47-3-11, AS AMENDED BY P.L.38-2021,
 17 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as
 19 originally agreed upon or as modified by agreement is authorized by
 20 the governing body or bodies of the school corporation or corporations
 21 **or the corporation board**, the governing body **or corporation board**
 22 shall give notice of the signing of the lease by publication one (1) time
 23 in:

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

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

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

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

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

40 (2) are of the opinion that:

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

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

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 and reasonable rental;
 2 may file a petition in the office of the county auditor of the county in
 3 which the school corporation or corporations are located. The petition
 4 must set forth the taxpayers' objections to the lease and facts showing
 5 that the execution of the lease is unnecessary or unwise, or that the
 6 lease rental is not fair and reasonable, as the case may be.

7 (c) Upon the filing of a petition under subsection (b), the county
 8 auditor shall immediately certify a copy of the petition and any other
 9 data that is necessary to present the questions involved to the
 10 department of local government finance. Upon receipt of the certified
 11 petition and data, if any, the department of local government finance
 12 shall fix a date, time, and place for the hearing of the matter, which
 13 may not be less than five (5) nor more than thirty (30) days after receipt
 14 of the petition and data, if any. The department of local government
 15 finance shall:

16 (1) conduct the hearing in the school corporation or corporations,
 17 in the county where the school corporation or corporations are
 18 located, or through electronic means; and

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

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

30 SECTION 49. IC 20-47-3-12, AS AMENDED BY P.L.146-2008,
 31 SECTION 520, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to contest the
 33 validity of the lease or to enjoin the performance of any of the terms
 34 and conditions of the lease may not be instituted at any time later than:

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

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

42 SECTION 50. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 13. **(a) Except as provided in subsection (b),**
3 the lessor corporation shall acquire, own, and hold in fee simple the
4 land on which a school building or buildings are to be erected under
5 this chapter.

6 **(b) The lessor corporation may acquire, own, and hold in fee**
7 **simple the land by agreement and conveyance with a school**
8 **corporation or with the public education corporation subject to the**
9 **conditions of this section. The lessor corporation may lease such a**
10 **school building directly to the public education corporation or to**
11 **a school corporation. If the lessor corporation leases such a school**
12 **building to a school corporation, the school corporation may assign**
13 **or sublet its lease to the public education corporation.**

14 **(c) A school corporation or the public education corporation**
15 that proposes to lease a school building, either alone or jointly with
16 another school corporation, and owns the land on which it desires to be
17 erected the building or buildings may sell and transfer that land to the
18 lessor corporation in fee simple, subject to the following conditions:

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

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

25 (B) two (2) disinterested appraisers licensed under
26 IC 25-34.1;

27 who are residents of Indiana to determine the fair market value
28 of the land. One (1) of the appraisers described in clause (B)
29 must reside not more than fifty (50) miles from the land.

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

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

M
e
r
g
e
d



1 may not be sold for an amount less than the amount paid by the
2 school corporation **or public education corporation** for the
3 land.

4 SECTION 51. IC 20-47-3-14, AS ADDED BY P.L.2-2006,
5 SECTION 170, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation **or the**
7 **public education corporation** that executes a lease under this chapter
8 shall annually appropriate and pay out of the debt service fund an
9 amount sufficient to pay the lease rental required under the lease. The
10 appropriation and rate are reviewable by other bodies vested by law
11 with the authority to determine that the levy is sufficient to raise the
12 amount required to meet the rental required under the lease.

13 SECTION 52. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
14 SECTION 170, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
16 a lessor corporation entering into a lease with a school corporation, **or**
17 **school corporations, or the public education corporation** under this
18 chapter are exempt from all state, county, and other taxes. However,
19 the rental payments to a lessor corporation under the terms of such a
20 lease are subject to all applicable taxes under Indiana law.

21 SECTION 53. IC 20-47-3-16, AS ADDED BY P.L.2-2006,
22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
24 construed as being supplemental to all other laws covering the
25 acquisition, use, and maintenance of school buildings by school
26 corporations **or the public education corporation.** However, as to
27 school buildings constructed or leased under this chapter, it is not
28 necessary to comply with the provisions of other laws concerning the
29 acquisition, use, and maintenance of school buildings by school
30 corporations **or the public education corporation** except as
31 specifically required in this chapter.

32 SECTION 54. IC 20-47-3-18, AS AMENDED BY P.L.244-2017,
33 SECTION 110, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the termination of
35 a lease entered into under this chapter, the lessor corporation shall
36 return to the school corporation **or public education corporation** any
37 money held by the lessor corporation that exceeds the amount needed
38 to retire bonds issued under this chapter and to dissolve the lessor
39 corporation.

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

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 SECTION 55. IC 20-47-4-1, AS ADDED BY P.L.2-2006,
 2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the
 4 lease by a school corporation **or the public education corporation** of
 5 an existing school building or improved school building under
 6 IC 20-47-2 or IC 20-47-3.

7 SECTION 56. IC 20-47-4-3.5 IS ADDED TO THE INDIANA
 8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
 10 **"public education corporation" refers to the Indianapolis public**
 11 **education corporation established by IC 20-25.3-3-1.**

12 SECTION 57. IC 20-47-4-5, AS ADDED BY P.L.2-2006,
 13 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation
 15 qualified or formed to acquire a site, erect a school building on the site,
 16 and lease the school building to a school corporation **or the public**
 17 **education corporation** under IC 20-47-2 or IC 20-47-3 may:

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

26 SECTION 58. IC 20-47-4-6, AS AMENDED BY P.L.146-2008,
 27 SECTION 521, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may
 29 acquire and finance an existing school building, other than as provided
 30 in section 5 of this chapter, and lease the existing school building to a
 31 school corporation **or the public education corporation**. A school
 32 corporation **or the public education corporation** shall comply with:

- 33 (1) IC 20-47-2 or IC 20-47-3;
- 34 (2) the petition and remonstrance provisions under IC 6-1.1-20
 35 (if required); and
- 36 (3) the local public question provisions under IC 6-1.1-20 (if
 37 required).

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

41 (c) Lease rental payments made under the lease do not constitute
 42 a debt of the school corporation **or public education corporation** for

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

1 purposes of the Constitution of the State of Indiana.

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

7 SECTION 59. IC 20-47-4-7, AS ADDED BY P.L.2-2006,
8 SECTION 170, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the**
10 **public education corporation** may not pay a legal or other
11 professional fee as the result of an exchange or a substitution under
12 section 5 or 6 of this chapter.

13 SECTION 60. IC 20-47-4-8, AS ADDED BY P.L.2-2006,
14 SECTION 170, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
16 subsection (b), the lease or contract of lease of an existing school
17 building or improved school building to a school corporation **or the**
18 **public education corporation** as authorized by this chapter must
19 comply with all applicable terms of IC 20-47-2 or IC 20-47-3,
20 including:

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

22 (2) public hearing;

23 (3) notice of execution of lease; and

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

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

34 SECTION 61. IC 20-47-4-9, AS ADDED BY P.L.2-2006,
35 SECTION 170, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE UPON PASSAGE]: Sec. 9. The sale price of an existing
37 school building must be determined under the provisions of IC 20-47-2
38 or IC 20-47-3 relating to the sale of land to a lessor corporation. Except
39 as provided in this section, IC 20-26-7 and any other law relating to the
40 sale of the property of school corporations **or the public education**
41 **corporation** or other public property do not apply to the sale of an
42 existing school building to a lessor corporation under this chapter.

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 SECTION 62. IC 20-47-4-10, AS AMENDED BY P.L.244-2017,
 2 SECTION 111, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation **or the**
 4 **public education corporation** that sells an existing school building
 5 under section 6 of this chapter shall deposit the proceeds of the sale in
 6 the school corporation's **or the public education corporation's**
 7 operations fund and use the proceeds only for:

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

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

16 SECTION 63. IC 20-48-1-11, AS AMENDED BY P.L.9-2024,
 17 SECTION 403, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) ~~As used in this section;~~
 19 **The following definitions apply throughout this section:**

20 (1) "Debt service obligations" refers to the principal and interest
 21 payable:

22 (1) ~~(A)~~ **(A)** on a school corporation's general obligation bonds
 23 and lease rentals under IC 20-47-2 and IC 20-47-3; or

24 ~~(2)~~ **(B)** to a school corporation's designated paying agent
 25 under a written agreement entered into in connection with
 26 the issuance of the school corporation's general obligation
 27 bonds.

28 **(2) Beginning April 1, 2026, and ending June 30, 2027, and**
 29 **subject to subsection (f), "school corporation" means the**
 30 **following:**

31 **(A) A school corporation (as defined in**
 32 **IC 20-18-2-16(a)).**

33 **(B) The Indianapolis public education corporation**
 34 **established by IC 20-25.3-3-1.**

35 **This subdivision expires July 1, 2027.**

36 (b) Before the end of each calendar year, the department of local
 37 government finance shall review the bond and lease rental levies, or
 38 any levies that replace bond and lease rental levies, of each school
 39 corporation that are payable in the next succeeding calendar year and
 40 the appropriations from the levies from which the school corporation
 41 is to pay the amount, if any, of the school corporation's debt service
 42 obligations for that next succeeding calendar year. If the levies and

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 appropriations of the school corporation are not sufficient to pay the
 2 debt service obligations for the next succeeding calendar year, the
 3 department of local government finance shall establish for each school
 4 corporation:

5 (1) bond or lease rental levies, or any levies that replace the bond
 6 and lease rental levies; and

7 (2) appropriations;

8 that are sufficient to pay the debt service obligations for that next
 9 succeeding calendar year.

10 (c) Upon the failure of a school corporation to pay any of the
 11 school corporation's debt service obligations when due, the treasurer of
 12 state, upon being notified of the failure by a claimant, shall within five
 13 (5) days, excluding Saturdays, Sundays, and legal holidays, pay the
 14 unpaid debt service obligations that are due from the funds of the state
 15 in an amount equal to the amount of the unpaid debt service obligations
 16 that are due to the claimant, but only to the extent that amounts
 17 described in subsection (d) are available to the treasurer of state to
 18 fulfill the requirements of this subsection. Notwithstanding
 19 IC 4-13-2-18, IC 20-43-2-1, or any other law, administrative rule,
 20 policy, or schedule to the contrary, upon the treasurer of state receiving
 21 a request from a claimant as described in this subsection the treasurer
 22 of state shall immediately contact the school corporation and the
 23 claimant to confirm whether the school corporation is unable to make
 24 the required payment on the date on which it is due, and, if confirmed,
 25 the treasurer of state shall provide notice of the request to the budget
 26 director, the state comptroller, and any department or agency of the
 27 state responsible for distributing funds appropriated by the general
 28 assembly for distribution to the school corporation from state funds. A
 29 department or agency of the state shall, not later than three (3) days
 30 after receiving the treasurer of state's notice, excluding Saturdays,
 31 Sundays, or legal holidays, transfer the funds and make the funds
 32 available to the treasurer of state in order for the treasurer of state to
 33 fulfill the obligations of this subsection.

34 (d) Notwithstanding any other law to the contrary, amounts made
 35 available to the treasurer of state for purposes of subsection (c) shall be
 36 made from the following sources, in the following amounts, and in the
 37 following order of priority:

38 (1) First, from amounts appropriated by the general assembly for
 39 the state fiscal year for distribution to the school corporation
 40 from state funds.

41 (2) Second, and to the extent that the amounts described in
 42 subdivision (1) are insufficient, from any remaining amounts

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 appropriated by the general assembly for distribution for tuition
 2 support in each state fiscal year in excess of the aggregate
 3 amount of tuition support needed for distribution to school
 4 corporations in accordance with the schedule set and approved
 5 in accordance with IC 20-43-2-1.

6 (3) Third, and to the extent that the amounts described in
 7 subdivisions (1) and (2) are insufficient and the general
 8 assembly has adopted a biennial budget appropriating amounts
 9 in the immediately succeeding state fiscal year for distribution
 10 to the school corporation from state funds, then from such fund
 11 or account, as determined by the state budget director, from
 12 which fund or account there is appropriated to the treasurer of
 13 state in the current state fiscal year an amount equal to the lesser
 14 of:

15 (A) the unpaid debt service obligations not paid from
 16 sources described in subdivisions (1) and (2); or

17 (B) the amount appropriated by the general assembly for the
 18 immediately succeeding state fiscal year for distribution to
 19 the school corporation from state funds, subject to
 20 IC 4-13-2-18(i).

21 (e) Notwithstanding any other law to the contrary, if any amounts
 22 are transferred to the treasurer of state under subsection (c), the
 23 applicable department or agency shall recover those amounts by:

24 (1) deducting an amount equal to the transfer from any future
 25 amounts to be distributed to the school corporation from state
 26 funds appropriated by the general assembly; and

27 (2) transferring any amount deducted under subdivision (1) to
 28 the treasurer of state for the purpose of allowing the treasurer of
 29 state to reimburse the fund or account from which the transfer
 30 was made.

31 (f) A reduction of distributions to a school corporation under
 32 subsection (e) must be made:

33 (1) first, from all funds except state tuition support; and
 34 (2) second, from state tuition support.

35 (g) This section shall be interpreted liberally so that the state shall
 36 to the extent legally valid ensure that the debt service obligations of
 37 each school corporation are paid. However, this section does not create
 38 a debt of the state.

39 **(h) Notwithstanding subsections (e) and (f), beginning April 1,**
 40 **2026, and ending June 30, 2027, the reduction of distributions**
 41 **under subsections (e) and (f) to pay for debt service obligations**
 42 **issued by the Indianapolis public education corporation must be**

HB 1423—LS 7118/DI 110



M
e
r
g
e
d

1 **made from the reduction of distributions to the school city (as**
 2 **defined in IC 20-25-2-12). This subsection expires July 1, 2027.**

3 SECTION 64. IC 20-48-3-0.5 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**
 6 **public education corporation may exercise the same powers, duties,**
 7 **and responsibilities granted to the school city under this chapter as**
 8 **set forth in IC 20-25.3.**

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

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

18 (1) An airport authority operating under IC 8-22-3.

19 (2) A public library operating under IC 36-12.

20 (3) A capital improvement board of managers operating under
 21 IC 36-10.

22 (4) A public transportation corporation operating under
 23 IC 36-9-4.

24 (5) A health and hospital corporation established under
 25 IC 16-22-8.

26 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
 27 located in the county and has a governing body that is not
 28 comprised of a majority of officials who are elected to serve on
 29 the governing body.

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

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

36 ~~(e)~~ (d) The city-county legislative body or, when subsection ~~(d)~~ (e)
 37 applies, the fiscal body of an excluded city or town shall review the
 38 issuance of bonds of an entity listed in subsection ~~(a)~~ (b). Approval of
 39 the city-county legislative body or, when subsection ~~(d)~~ (e) applies, the
 40 fiscal body of an excluded city or town is required for the issuance of
 41 bonds. The city-county legislative body or the fiscal body of an
 42 excluded city or town may not reduce or modify a budget or tax levy of

M
e
r
g
e
d

HB 1423—LS 7118/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

M
e
r
g
e
d

