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HOUSE BILL No. 1423

Proposed Changes to January 30, 2026 printing by AM142324

DIGEST OF PROPOSED AMENDMENT

Corporation board elections. Requires the election (instead of the appointment) of the members of the Indianapolis public education corporation board upon the expiration of the initial appointed member's term.

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

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

1 [SECTION 1. IC 3-5-2.1-93, AS ADDED BY P.L.186-2025,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 93. "School board office" refers to an elected
4 position on the school board of a school corporation. **The term**
5 **includes an elected position on the Indianapolis public education**
6 **corporation board established by IC 20-25.3-3-2.**
7] SECTION ~~1~~². IC 5-13-6-3, AS AMENDED BY
8 P.L.166-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) All taxes collected by the
10 county treasurer shall be deposited as one (1) fund in the several
11 depositories selected for the deposit of county funds and, except as
12 provided in subsection (b), remain in the depositories until distributed
13 at the following semiannual distribution made by the county auditor.
14 (b) Every county treasurer who, by virtue of the treasurer's office,
15 is the collector of any taxes for any political subdivision wholly or
16 partly within the county shall, not later than thirty (30) days after
17 receipt of a written request for funds filed with the treasurer by a proper
18 officer of any political subdivision within the county, provide to the
19 county auditor the amount available for distribution, as certified for

HB 1423—LS 7118/DI 110



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1 each semiannual distribution under IC 6-1.1-27-2. The county auditor
 2 shall advance to that political subdivision a portion of the taxes
 3 collected before the semiannual distribution. The amount advanced
 4 may not exceed the lesser of:

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

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

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

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

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

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

34 SECTION \Leftrightarrow [4]. IC 6-1.1-17-20, AS AMENDED BY
 35 P.L.230-2025, SECTION 43, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This
 37 section:

- 38 (1) applies to each governing body of a taxing unit that is not
 39 comprised of a majority of officials who are elected to serve on
 40 the governing body; **and**
 41 (2) **does not apply to the public education corporation.**

42 For purposes of this section, an individual who qualifies to be

HB 1423—LS 7118/DI 110



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1 appointed to a governing body or serves on a governing body because
 2 of the individual's status as an elected official of another taxing unit
 3 shall be treated as an official who was not elected to serve on the
 4 governing body.

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

9 (c) If:

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

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

14 (A) the taxing unit was originally established by the city or
 15 town; or

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

18 the governing body shall submit its proposed budget and property tax
 19 levy to the city or town fiscal body. The proposed budget and levy shall
 20 be submitted to the city or town fiscal body in the manner prescribed
 21 by the department of local government finance before September 2 of
 22 a year.

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

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

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

HB 1423—LS 7118/DI 110



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1 maximum permissible ad valorem property tax levy for the preceding
2 calendar year must instead be multiplied by the result of the following:

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

7 STEP TWO: Multiply:
8 (A) the STEP ONE result; by
9 (B) eight-tenths (0.8).

10 STEP THREE: Add one (1) to the STEP TWO result.
11 However, if the taxing unit files the information as required in
12 subsection (c) or (d), whichever applies, for the budget year
13 immediately following the budget year for which the formula under this
14 subsection is applied, when calculating the maximum ad valorem
15 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
16 subsequent budget year, the taxing unit's maximum permissible ad
17 valorem property tax levy must be calculated as if the formula under
18 this subsection had not been applied for the affected budget year.

19 (g) If the appropriate fiscal body fails to complete the requirements
20 of subsection (e) before the adoption deadline in section 5 of this
21 chapter for any taxing unit subject to this section, when calculating the
22 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
23 the city, town, or county for the ensuing budget year, instead of
24 multiplying the maximum levy growth quotient determined under
25 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
26 the city's, town's, or county's maximum permissible ad valorem
27 property tax levy for the preceding calendar year as prescribed in STEP
28 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
29 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
30 ad valorem property tax levy for the preceding calendar year must
31 instead be multiplied by the result of the following:

32 STEP ONE: Determine:
33 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
34 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
35 (B) one (1).

36 STEP TWO: Multiply:
37 (A) the STEP ONE result; by
38 (B) eight-tenths (0.8).

39 STEP THREE: Add one (1) to the STEP TWO result.
40 However, if the city, town, or county files the information as required
41 in subsection (e) for the budget year immediately following the budget
42 year for which the formula under this subsection is applied, when

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HB 1423—LS 7118/DI 110



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

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

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

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

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

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

- 21 (1) a school corporation; or
- 22 (2) an entity whose tax levies are subject to review and
23 modification by a city-county legislative body under IC 36-3-6-9.

24 (c) If:

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

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

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

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HB 1423—LS 7118/DI 110



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1 are located outside the city or town does not apply to the issuance of
2 bonds or the execution of a lease:

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

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

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

12 SECTION ~~6~~[6]. IC 6-1.1-17-21.5 IS ADDED TO THE
13 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**
15 **the public education corporation has all the powers and shall**
16 **perform all the duties assigned to the school city (as defined in**
17 **IC 20-25-2-12) under this chapter related to the fixing and**
18 **reviewing of budgets, tax rates, and tax levies. However, in**
19 **exercising its powers and responsibilities under this chapter, the**
20 **public education corporation shall account for and include any**
21 **bonds, leases, and other indebtedness incurred or issued under any**
22 **law by the school city (as defined in IC 20-25-2-12) before April 1,**
23 **2026.**

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

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

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

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HB 1423—LS 7118/DI 110



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

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HB 1423—LS 7118/DI 110



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

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

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

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

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

11 STEP FIVE: Determine the lesser of:

12 (A) the STEP FOUR result; or

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

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

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

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

26 STEP THREE: Multiply the STEP TWO result by eight-tenths
 27 (0.8).

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

29 STEP FIVE: Determine the lesser of:

30 (A) the STEP FOUR result; or

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

32 SECTION ~~8~~[8]. IC 6-1.1-20-0.3 IS ADDED TO THE
 33 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: **Sec. 0.3. (a) Subject to subsection**
 35 **(b), after March 31, 2026, a school city (as defined in**
 36 **IC 20-25-2-12) may not exercise the powers and duties under this**
 37 **chapter and instead the public education corporation assumes the**
 38 **powers and duties of the school city as set forth in IC 20-25.3-5.**

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

42 SECTION ~~8~~[9]. IC 20-18-2-14.5 IS ADDED TO THE

HB 1423—LS 7118/DI 110



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

5 SECTION ~~10~~[10]. IC 20-24-3-20 IS ADDED TO THE
 6 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1,**
 8 **2026, a charter may not be granted or renewed by an authorizer**
 9 **for a charter school located within the geographic boundaries of**
 10 **the school city (as defined in IC 20-25-2-12) except by one (1) of the**
 11 **following:**

12 (1) The charter board.

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

15 (3) The school city.

16 (b) A charter school that was granted a charter before April
 17 1, 2026, by an authorizer other than an authorizer listed in
 18 subsection (a) may continue operating with that authorizer until
 19 the term of the charter expires or is terminated, whichever occurs
 20 earlier. After the termination or expiration of the charter, a
 21 charter for a charter school described in subsection (a) may only
 22 be granted or renewed by an authorizer described in subsection
 23 (a).

24 SECTION 1~~0.5~~[1]. IC 20-25-3-0.5 IS ADDED TO THE
 25 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. The board of**
 27 **commissioners has all of the powers and duties established under**
 28 **this article except for the powers and duties granted to the**
 29 **Indianapolis public education corporation under IC 20-25.3.**

30 SECTION 1~~4.23~~[2]. IC 20-25-4-23 IS ADDED TO THE
 31 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE UPON PASSAGE]: **Sec. 23. (a) Notwithstanding any**
 33 **other law, after March 31, 2026, the school city may not issue**
 34 **bonds or otherwise incur indebtedness payable in whole or in part**
 35 **from a pledge of property tax revenue, excise tax revenue, or local**
 36 **income tax revenue.**

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

42 SECTION 1~~25.3~~[3]. IC 20-25.3 IS ADDED TO THE INDIANA

HB 1423—LS 7118/DI 110



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1 CODE AS A NEW ARTICLE TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]:

3 ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION
4 CORPORATION

5 Chapter 1. Scope of Authority

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

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

20 Chapter 2. Definitions

21 Sec. 1. The definitions in:

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

25 apply throughout this article.

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

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

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

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

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

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

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

- 42 (1) leased or owned by the school city or a participating

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HB 1423—LS 7118/DI 110



1 school; and
 2 (2) located within the geographic boundaries of the school
 3 city.
 4 Chapter 3. Indianapolis Public Education Corporation
 5 Sec. 1. There is established in a county containing a
 6 consolidated city for the public purposes set forth in this article a
 7 distinct municipal corporation to be known as the Indianapolis
 8 Public Education Corporation.
 9 Sec. 2. (a) The corporation is governed by the Indianapolis ~~]~~
 10 ~~[~~public education corporation board appointed under this
 11 section ~~<->~~ [until:]
 12 [(1) the rolling expiration of each appointed member's term
 13 under section 12 of this chapter; and
 14 (2) the start of the general election of the members under
 15 section 3 of this chapter.
 16] (b) The [initial appointed]corporation board is comprised of
 17 the following nine (9) members:
 18 (1) Three (3) members appointed by the mayor who are
 19 leaders of participating innovation network charter schools
 20 or charter schools located within the geographic boundaries
 21 of the school city.
 22 (2) Three (3) members appointed by the mayor who are
 23 members of the board of school commissioners.
 24 (3) Three (3) members appointed by the mayor who have:
 25 (A) expertise in management, capital planning, facilities,
 26 transportation, or logistics; or
 27 (B) experience in working with vulnerable student
 28 populations and communities.
 29 (c) All members of the corporation board must reside within
 30 the geographic boundaries of the school city.
 31 (d) The mayor shall appoint one (1) of the members of the
 32 corporation board as chairperson of the corporation board.
 33 ~~<Sec. 3. (a) The term of office of an appointed member of the~~
 34 ~~corporation board is six (6) years. The member's term begins on~~
 35 ~~July 1 after the appointment.~~
 36 ~~—(b)>~~ [e] Each member holds office for the term of [the
 37] appointment and continues to serve <after expiration of the
 38 ~~appointment until a successor is appointed and qualified. A~~
 39 ~~member is eligible for reappointment.~~
 40 ~~—(c)>~~ [until replaced in a general election described under section
 41 4 of this chapter.
 42 [f] If there is a vacancy in the corporation board, the mayor

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1 shall fill the vacancy for the unexpired term.

2 (<d>[g]) A vacancy occurs if a member dies, resigns, changes
3 residence of the county, or ceases to be a:

- 4 (1) leader of a participating innovation network charter
- 5 school or charter school located within the geographic
- 6 boundaries of the school city; or
- 7 (2) member of the board of commissioners.

8 (<e>[h]) A member of the corporation board may be removed
9 for cause by the mayor.

10 [Sec. 3. (a) Subject to section 4 of this chapter, upon the:

- 11 (1) expiration of the corporation board members' initial
- 12 appointed terms described in section 12 of this chapter; and
- 13 (2) members' replacement described in section 4 of this
- 14 chapter;

15 the corporation is governed by the Indianapolis public education
16 corporation board elected under this section.

17 (b) The corporation board is comprised of nine (9) members
18 who:

- 19 (1) must reside within the geographic boundaries of the
- 20 school city; and
- 21 (2) are elected at large by the eligible voters from all of the
- 22 districts established under IC 20-25-3-4.

23 (c) Members of the corporation board shall be nominated and
24 elected in the same manner as school board candidates under IC 3.

25 Sec. 4. (a) The members of the corporation board shall be
26 elected for an initial term as follows:

- 27 (1) The three (3) candidates who are replacing the appointed
- 28 members described in section 12(a)(3)(A) of this chapter and
- 29 who receive the greatest number of votes are elected at the
- 30 2028 general election to a four (4) year term that begins
- 31 January 1 after the election.
- 32 (2) The three (3) candidates who are replacing the appointed
- 33 members described in section 12(a)(3)(B) of this chapter and
- 34 who receive the greatest number of votes are elected at the
- 35 2030 general election to a four (4) year term that beings
- 36 January 1 after the election.
- 37 (3) The three (3) candidates who are replacing the appointed
- 38 members described in section 12(a)(3)(C) of this chapter and
- 39 who receive the greatest number of votes are elected at the
- 40 2032 general election to a four (4) year term that begins
- 41 January 1 after the election.

42 (b) The successors of members elected under subsection (a)

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1 shall be elected to a four (4) year term at the general election
2 immediately preceding the expiration of the member's term.

3 (c) A member elected under this section holds office until a
4 successor is elected and qualified.

5 (d) A vacancy occurs on the corporation board if a member
6 dies, resigns, or ceases to be a resident of the school city. The
7 remaining members of the corporation board shall by majority
8 vote fill the vacancy by appointing a successor from within the
9 boundaries of the school city to serve for the balance of the term.

10 **1** Sec. ~~4~~**[5]**. (a) A majority of the corporation board members
11 constitutes a quorum for a meeting. The corporation board may
12 act by an affirmative vote of a majority of the corporation board.

13 (b) A vacancy in the membership of the corporation board
14 does not impair the right of a quorum to exercise all rights and
15 perform all duties of the corporation board.

16 Sec. ~~5~~**[6]**. Meetings of the members of the corporation board
17 shall be held at the call of the chairperson. The members shall meet
18 at least once every three (3) months to attend to the business of the
19 corporation.

20 Sec. ~~6~~**[7]**. The members of the corporation board are not
21 entitled to any salary, per diem, or other reimbursements or
22 compensation to serve on the corporation board.

23 Sec. ~~7~~**[8]**. The corporation board shall keep the corporation
24 board's documents in the office of the corporation or in an
25 electronic format. The corporation board shall record the aye and
26 nay vote on the final passage of any item of business and on any
27 other item if two (2) corporation board members request that the
28 votes be recorded by ayes and nays.

29 Sec. ~~8~~**[9]**. ~~(a)~~ (a) The corporation board shall adopt rules of
30 procedure for corporation board meetings. The corporation board
31 may suspend the rules of procedure by unanimous vote of the
32 members present at the meeting. The corporation board shall not
33 suspend the rules of procedure beyond the duration of the meeting
34 at which the suspension of rules occurs.

35 (b) The corporation board may exercise the powers to
36 supervise internal affairs common to municipal legislative and
37 administrative bodies.

38 Sec. ~~9~~**[10]**. The corporation board shall exercise the
39 executive and legislative powers of the corporation.

40 Sec. ~~10~~**[1]**. ~~(a)~~ (a) The corporation board shall appoint an
41 individual recommended by the mayor as the executive director of
42 the corporation.

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- (b) The executive director:
 - (1) serves at the pleasure of the corporation board; and
 - (2) shall do the following:
 - (A) Administer, manage, and direct the affairs and activities of the corporation and any employees of the corporation in accordance with the policies and under the control and direction of the members of the corporation board.
 - (B) Approve all allowable expenses of the corporation or of any employee or consultant, and expenses incidental to the operation of the corporation.
 - (C) Perform other duties as may be directed by the members of the corporation board in carrying out the purposes of this article.

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

Sec. 1~~4~~². (a) Notwithstanding section s] 3] and 4] of this chapter, the following applies to the members initially appointed to the corporation board:

- (1) The mayor shall appoint members to the corporation board not later than March 31, 2026.
- (2) The term of each member begins on the date that the member is appointed under subdivision (1).
- (3) The terms of the members are as follows:
 - (A) One (1) member appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter shall each serve until ~~July 1, 2029~~ [the members' replacement at the general election described in section 4(a)(1) of this chapter].
 - (B) One (1) member:
 - (i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter; and
 - (ii) who is not a member described in clause (A) or (C);
 shall each serve until ~~July 1, 2030~~ [the members' replacement at the general election described in section 4(a)(2) of this chapter].
 - (C) One (1) member:
 - (i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter; and
 - (ii) who is not a member described in clause (A) or (B);
 shall each serve until ~~July 1, 2031~~ [the members'

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replacement at the general election described in section 4(a)(3) of this chapter].

(b) This section expires January 1, 203~~2~~>[3].[]

[] Chapter 4. General Duties and Powers

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

- (1) Sue and be sued in a court of competent jurisdiction.
- (2) Enter into contracts.
- (3) Acquire and dispose of real, personal, and mixed property by deed, purchase, gift, grant, devise, lease, condemnation, or otherwise.
- (4) Make and adopt appropriate regulations, orders, rules, and resolutions.
- (5) Do all things reasonable or necessary to carry out the work and perform the corporation's duties under this chapter.

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

- (1) Beginning with the 2028-2029 school year and subject to section 6(b) of this chapter, control the management and operation of school property.
- (2) Establish, in collaboration with the nonprofit organization leading the transportation and centralized school facilities pilot program in Marion County and the school city, a unified transportation plan in accordance with section 5 of this chapter and, beginning with the 2028-2029 school year, lead and oversee the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.
- (3) Develop a single school performance framework in accordance with section 3 of this chapter that applies to all participating schools.
- (4) Manage a unified enrollment system applicable to all participating school students.
- (5) Ensure that, to the extent possible, school property is provided and made available to all participating schools that do not opt out under section 6(b) of this chapter on an equitable basis.
- (6) Develop and implement a formula that provides for the fair and equitable distribution of property taxes and other funds to the school city and participating schools.

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

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

(A) the management and operation of school property;

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

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

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

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

(11) Acquire personal property or an interest in personal

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

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

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

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

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

(16) To make budgets, to appropriate funds, and to disburse the money, as applicable, of the corporation in accordance with the formula established under subdivision (6). Subject to subsection (c), to borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1. Borrowing by the corporation, when considered in addition to indebtedness of the school city, may not equal an aggregate amount that exceeds the debt limitation described by IC 36-1-15-6 for the school city.

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

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

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

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

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

(21) Regularly conduct assessments of school property.

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

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

(c) The public education corporation may issue bonds, enter into leases, or otherwise incur indebtedness after March 31, 2026,

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and before July 1, 2027, only if the local board of school commissioners established by IC 20-25-3-1 first adopts a resolution approving the issuance of the bonds, entering into the lease, or incurring of indebtedness.

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

- (1) Complete a feasibility study to determine the best approach for managing school property.
- (2) 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 feasibility study under subdivision (1) and report under subdivision (3).
- (3) Not later than November 30, 2027, prepare and submit a report regarding the feasibility study under subdivision (1) to the legislative council in an electronic format under IC 5-14-6.

This subsection expires July 1, 2028.

Sec. 3. (a) The corporation board shall, in collaboration with the school city and authorizers of charter schools described in IC 20-25.3-2-6, create a single school performance framework that applies beginning with the 2028-2029 school year to all participating schools.

- (b) The school performance framework must:
 - (1) set clear expectation for school performance;
 - (2) be based on multiple measures and metrics, including:
 - (A) academic performance measures, including the performance assessment results under IC 20-31-8;
 - (B) student assessment outcomes;
 - (C) student discipline practices;
 - (D) student enrollment;
 - (E) physical condition of school property, including deferred maintenance;
 - (F) short and long term financial health measures;
 - (G) organizational health and governance measures;
 - (H) replication of instructional models that are achieving the best results for students; and
 - (I) any additional measures relevant to student success as determined by the corporation board; and
 - (3) include both of the following:

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- 1 (A) A process to close chronically low performing
- 2 participating schools.
- 3 (B) A process to close inefficient school buildings.
- 4 (c) Before a participating school may be closed as described in
- 5 subsection (b)(3), the corporation shall:
- 6 (1) consult with the department; and
- 7 (2) hold a public hearing within the geographic boundaries
- 8 of the school city;
- 9 regarding the proposed closure of the participating school.
- 10 (d) Except as provided under subsection (e), a participating
- 11 school may not be closed as described in subsection (b)(3)(A) unless
- 12 the following occurs:
- 13 (1) If the participating school is a charter school, the
- 14 authorizer of the participating school approves the closure.
- 15 (2) If the participating school is not a charter school, the
- 16 board of school commissioners approves the closure.
- 17 (e) If an authorizer or the board of school commissioners,
- 18 whichever is applicable, does not approve the closure of a
- 19 participating school under subsection (d), the corporation board
- 20 may appeal to the state board to request that the participating
- 21 school be closed. Not later than sixty (60) days after receiving an
- 22 appeal from the corporation board under this subsection, the state
- 23 board shall approve or decline the closure of the participating
- 24 school.
- 25 (f) The corporation board shall submit to the legislative
- 26 council in an electronic format under IC 5-14-6 the following:
- 27 (1) Not later than August 1, 2026, a report that includes
- 28 information regarding the corporation board's progress in
- 29 creating a single school performance framework under this
- 30 section, including information related to the progress on the
- 31 plan to close inefficient school buildings.
- 32 (2) Not later than November 30, 2027, the single school
- 33 performance framework created under this section.
- 34 Sec. 4. The corporation board may establish an advisory
- 35 committee to assist the corporation board in creating and
- 36 implementing the school performance framework described in
- 37 section 3 of this chapter.
- 38 Sec. 5. (a) The corporation board shall do the following:
- 39 (1) Establish a unified transportation plan regarding the
- 40 provision of transportation of all students to and from
- 41 participating schools within the geographic boundaries of the
- 42 school city.

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- 1 (2) Include in the unified transportation plan the amount
- 2 needed to fully fund the plan.
- 3 (3) Not later than November 30, 2026, submit to the
- 4 legislative council in an electronic format under IC 5-14-6 a
- 5 report that includes information regarding the corporation
- 6 board's progress in completing the unified transportation
- 7 plan.
- 8 (4) Not later than November 30, 2027, submit the unified
- 9 transportation plan to the legislative council in an electronic
- 10 format under IC 5-14-6.

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

13 Sec. 6. (a) The school city and all participating schools:

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

20 (b) A participating school that is a charter school, including a
 21 participating innovation network charter school, may elect to opt
 22 out of participation in the management and control of school
 23 property by the corporation board. If a participating school elects
 24 to opt out under this subsection, the:

- 25 (1) corporation board may not manage or control school
- 26 property owned or leased by the participating school; and
- 27 (2) participating school may not receive any money that is
- 28 attributable to the following:

- 29 (A) A debt service levy under IC 20-46-7.
- 30 (B) A levy imposed under IC 6-1.1-20 for controlled
- 31 projects.

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

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

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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 into, renew, or extend a contract that is not in compliance with:

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

(b) Notwithstanding subsection (a), the school city may continue to enter into, renew, or extend any contract with respect to the proceeds of bonds, leases, and other obligations issued or entered into by the school city before April 1, 2026, pursuant to IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The corporation may not impair any such contracts with respect to the existing proceeds.

Chapter 5. Financial and Administrative Powers and Duties

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

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

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

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

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

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1 IC 6-1.1-20 in the territory of the school city.

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

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

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

17 (b) Notwithstanding subsection (a), property tax revenue
18 received from an operating 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 20-46-1.

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

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

33 (1) an annual property tax levy in the territory of the school
34 city sufficient to pay all obligations of the school city; and

35 (2) an annual property tax levy in the territory of the school
36 city sufficient to pay all obligations of the corporation.

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

40 (b) Property tax revenue received from the debt service levy
41 described in IC 20-46-7-0.5(a)(2)(A) that is imposed for the
42 purpose of paying all obligations of the school city must be

HB 1423—LS 7118/DI 110



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1 deposited in the school city's debt service fund established under
 2 IC 20-40-9 and may be used only to pay the obligations of the
 3 school city. The school city shall use the revenue from the debt
 4 service levy to pay debt service on the same terms, for the same
 5 period of time, and for the same purposes for which the obligation
 6 was initially authorized.

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

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

18 Sec. 8. (a) Except as provided in subsection (b), after March
 19 31, 2026, the school city may not take any action under the
 20 procedures set forth in IC 20-46-9 and instead the corporation
 21 shall assume the powers and duties of the school city under
 22 IC 20-46-9 in the territory of the school city.

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

28 **Chapter 6. Indianapolis Public Education Corporation**
 29 **Operations Fund**

30 Sec. 1. The corporation shall create a corporation operations
 31 fund to be used by the corporation for the purposes of the
 32 corporation.

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

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

39 Sec. 4. (a) Any balance in the corporation operations fund may
 40 be invested in the manner provided for investment of money by a
 41 political subdivision. The net proceeds from the investment become
 42 a part of the corporation operations fund.

HB 1423—LS 7118/DI 110



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1 (b) Any balance, or a part of the balance, remaining in the
2 corporation operations fund at the end of a year may be retained
3 in the corporation operations fund.

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

6 Chapter 7. Indianapolis Public Education Corporation Debt
7 Service Fund

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

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

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

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

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

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

24 (2) A lease to provide capital construction.

25 (3) Interest on emergency and temporary loans.

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

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

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

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

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

42 (b) Payments described in subsection (a) must be provided for

HB 1423—LS 7118/DI 110



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1 **in the annual budget for the fund from which the payment is made.**

2 SECTION 1 ~~↔~~ [4]. IC 20-26-7-47, AS AMENDED BY
3 P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: Sec. 47. (a) The following
5 definitions apply throughout this section:

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

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

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

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

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

19 (i) have entered into an agreement with the school
20 corporation to participate as a participating innovation
21 network charter school under IC 20-25.7-5; and

22 (ii) are included in the school corporation's fall ADM
23 count.

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

26 (b) This section:

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

28 ~~(+)~~ (A) the total student enrollment for in-person instruction
29 in the school corporation in the current school year is at
30 least ten percent (10%) less than the student enrollment for
31 in-person instruction in the school corporation in a school
32 year that precedes the current school year by five (5); and

33 ~~(-)~~ (B) the school corporation in the current school year has
34 more than one (1) school building serving the same grade
35 level as the school building subject to closure under this
36 section; **and**

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

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

HB 1423—LS 7118/DI 110



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

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HB 1423—LS 7118/DI 110



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

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

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

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

20 (3) The school corporation demonstrates through facts included
 21 in a resolution that the school building is being used and that it
 22 is financially prudent to continue to use the school building,
 23 considering all community resources, for administrative or other
 24 school offices. However, to be an allowable use under this
 25 subdivision, at least fifty percent (50%) of the square footage of
 26 the school building must be used for offices, the personnel
 27 headquartered in the school building must consistently use the
 28 space for office purposes, and the occupancy cost of using the
 29 school building cannot be more than comparable office space
 30 that is available in the school district.

31 (4) The school corporation demonstrates through facts included
 32 in a resolution that the school building is being used and that it
 33 is financially prudent to continue to use the school building,
 34 considering all community resources, for storage. However, to be
 35 an allowable use under this subdivision, at least fifty percent
 36 (50%) of the square footage of the school building must be used
 37 for storage, on average the storage space must be used to
 38 capacity, and the cost of using the school building for storage
 39 must be less than comparable storage space that is available in
 40 the school district.

41 (5) The school corporation demonstrates through facts included
 42 in a resolution that the school building is being used and that it

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HB 1423—LS 7118/DI 110



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1 is financially prudent to continue to use the school building,
 2 considering all community resources, for a combination of office
 3 space and storage. However, to be an allowable use under this
 4 subdivision, at least fifty percent (50%) of the square footage of
 5 the school building must be used for a combination of office
 6 space and storage and:
 7 (A) the personnel headquartered in the school building must
 8 consistently use the office space for office purposes, and the
 9 occupancy cost of using the office space, calculated using
 10 the costs of operating the school building, cannot be more
 11 than comparable office space that is available in the school
 12 district; and
 13 (B) on average, the storage space must be used to capacity
 14 and the cost of using the school building for storage must be
 15 less than comparable storage space that is available in the
 16 school district.
 17 (f) Closure of a school building that is:
 18 (1) owned by the school corporation or any other entity that is
 19 related in any way to, or created by, the school corporation or the
 20 governing body; or
 21 (2) jointly owned in the same manner by two (2) or more school
 22 corporations;
 23 shall be carried out in conformity with IC 20-26-7.1.
 24 (g) Before filing a petition under subsection (h), a charter school
 25 or state educational institution that is interested in a school
 26 corporation's school building must give written notice to the school
 27 corporation to determine whether an agreement can be reached
 28 regarding the school corporation making the school building available
 29 for lease or purchase under IC 20-26-7.1.
 30 (h) If an agreement is not reached within forty-five (45) days after
 31 the date that the school corporation receives the notice under
 32 subsection (g), the charter school or state educational institution may
 33 petition the department to initiate or the department on its own may
 34 initiate a proceeding for a determination as to whether a school
 35 building meets the criteria for closure under this section or a covered
 36 school building that is no longer used for classroom instruction by a
 37 school corporation should be made available under IC 20-26-7.1. If a
 38 charter school or state educational institution petitions the department
 39 under this subsection, the charter school or state educational institution
 40 must provide a copy of the petition to the applicable school
 41 corporation.
 42 (i) An interested person that is not otherwise a party to the

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HB 1423—LS 7118/DI 110



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

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

8 (1) file a response to the petition that notifies the department that
9 the school corporation:

10 (A) is not contesting the petition; or

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

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

15 (k) If the school corporation:

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

18 (2) fails to submit a timely response under subsection (j);
19 the department shall issue an order granting the petition. A petition and
20 any response or reply are public documents.

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

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

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

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

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

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

40 SECTION 1 4 [5]. IC 20-26-7-48, AS ADDED BY
41 P.L.189-2023, SECTION 10, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) The

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HB 1423—LS 7118/DI 110



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following definitions apply throughout this section:

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

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

(b) This section:

(1) applies to a school corporation only if:

(+) (A) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and

(-) (B) the school corporation in the current school year has more than one (1) school building serving the same grade level as a school building subject to closure under section 47 of this chapter; and

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

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

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

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

(A) Designed occupancy, regardless of current use.

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

(C) The following information:

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

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

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

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1 SECTION 1 ~~1~~ 6. IC 20-26-7.1-1, AS AMENDED BY
2 P.L.68-2025, SECTION 209, IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes
4 of this section, "charter school" does not include a virtual charter
5 school or an adult high school.

6 (b) This chapter does not apply to the following:
7 (1) A school building that since July 1, 2011, is leased or loaned
8 by the school corporation that owns the school building to
9 another entity, if the entity is not a building corporation or other
10 entity that is related in any way to, or created by, the school
11 corporation or the governing body.

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

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

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

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

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

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

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- 1 (D) The school corporation distributes the amounts
- 2 described in clause (B) to each charter school described in
- 3 clause (A).
- 4 (E) If the school corporation receives revenue from a school
- 5 safety referendum tax levy under IC 20-46-9, the school
- 6 corporation shares the revenue from the school safety
- 7 referendum tax levy with each charter school that:
- 8 (i) a student who resides within the attendance area of
- 9 the school corporation attends; and
- 10 (ii) elects to participate in the referendum;
- 11 in an amount equal to the amount determined applying the
- 12 formula under IC 20-46-9-22(d).

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

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

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

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

SECTION 1 ~~7~~ [8]. IC 20-46-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Beginning with property taxes first due and payable after December 31, 2027:**

- (1) a school city (as defined in IC 20-25-2-12) may not impose the property tax levy or otherwise exercise the powers and duties under this chapter; and
- (2) the public education corporation shall impose both:
 - (A) an annual property tax levy in the territory of the

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1 school city sufficient to pay all obligations of the school
2 city; and
3 (B) an annual property tax levy in the territory of the
4 school city sufficient to pay all obligations of the
5 corporation.

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

17 SECTION 1<8>[9]. IC 20-46-8-0.5 IS ADDED TO THE
18 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection
20 (b), beginning with property taxes first due and payable after
21 December 31, 2027:

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

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

32 (1) determine the amounts of revenue to be distributed to the
33 public education corporation, the school city, and any
34 charter schools as provided in section 11.2 or 12 of this
35 chapter, as applicable; and
36 (2) distribute revenue collected from a levy imposed under
37 this chapter to the public education corporation, the school
38 city, and any charter schools as provided in section 11.2 or
39 12 of this chapter, as applicable.

40 SECTION <19>[20]. IC 20-46-8-11.2, AS AMENDED BY
41 P.L.68-2025, SECTION 225, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This

HB 1423—LS 7118/DI 110



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1 section applies only to revenue collected after June 30, 2024, and
2 before January 1, 2028, from a tax levy imposed under this chapter by
3 a school corporation located in:

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

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

- 11 (b) For distributions made in:
 - 12 (1) calendar year 2025, and subject to subsection (c); and
 - 13 (2) calendar years 2026 and 2027, and subject to subsections (c),
 - 14 (h), and (i);

15 the county auditor shall distribute to each charter school that is eligible
16 for a distribution under subsection (d), and as provided under
17 subsection (f), an amount of revenue received from a tax levy imposed
18 by a school corporation under this chapter that is attributable to the
19 territory of the school corporation that is located within the boundaries
20 of a county listed in subsection (a).

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

- 23 (1) A virtual charter school.
- 24 (2) An adult high school.

25 (d) Not later than March 1, 2025, January 1, 2026, and January 1,
26 2027, the department, in consultation with the department of local
27 government finance, shall determine the corresponding percentages of
28 revenue received from the tax levy that are attributable to the territory
29 of the school corporation that is located within the boundaries of a
30 county listed in subsection (a) and must be distributed among the
31 school corporation and each eligible charter school according to the
32 following formula:

- 33 STEP ONE: Determine each charter school that:
 - 34 (A) is located in the same county as the school corporation;
 - 35 and
 - 36 (B) provides not more than fifty percent (50%) virtual
 - 37 instruction for its students.

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

- 40 (A) have legal settlement within the school corporation;
- 41 (B) are currently included in the fall ADM for the charter
- 42 school; and

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

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HB 1423—LS 7118/DI 110



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school corporation that is located within the boundaries of a county listed in subsection (a) for the applicable settlement period as described in IC 6-1.1-27-1 in the current calendar year; minus
(B) the school corporation's base property tax levy collections determined for the applicable settlement period as described in IC 6-1.1-27-1 under STEP ONE.

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

- (A) the sum of:
 - (i) the incremental amount determined under STEP TWO; plus
 - (ii) any distribution amount withheld under subsection (i); multiplied by
- (B) the following percentage:
 - (i) In the case of an applicable charter school, the charter school's percentage under STEP FOUR of subsection (d).
 - (ii) In the case of the school corporation, the school corporation's percentage under STEP FIVE of subsection (d).

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

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

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

In addition to the adopted budget, the governing body of the charter school shall also submit to the charter authorizer, and to the department of local government finance to be posted publicly on the computer

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HB 1423—LS 7118/DI 110



1 gateway under IC 6-1.1-17-3, the dates on which each requirement
2 under this subsection was met and a statement from the governing body
3 of the charter school attesting that those dates are true and accurate and
4 that the budget was properly adopted under this subsection.

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

18 (1) calendar year 2026 shall be added to the incremental amount
19 as described in STEP TWO of subsection (f) and distributed
20 among the school corporation and remaining charter schools
21 according to subsection (f) in calendar year 2027; and

22 (2) calendar year 2027 shall be added to the incremental amount
23 as described in STEP TWO of subsection (f) and distributed
24 among the school corporation and remaining charter schools
25 according to subsection (f) in calendar year 2027.

26 **(j) This subsection applies only to distributions of property tax
27 revenue in 2026 and to distributions of property tax revenue in
28 2027 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 (f), the county**
36 **auditor shall first distribute to the public education corporation for**
37 **deposit in the public education corporation operations fund created**
38 **under IC 20-25.3-6-1 an amount equal to the percentage**
39 **determined by the Indianapolis public education corporation**
40 **board under IC 20-25.3-4-2(b).**

41 SECTION 2 ~~226~~ 1. IC 20-46-8-12, AS ADDED BY P.L.68-2025,
42 SECTION 226, IS AMENDED TO READ AS FOLLOWS

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HB 1423—LS 7118/DI 110



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1 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to
2 revenue collected after December 31, 2027, from a tax levy imposed
3 under this chapter only if the number of students who have legal
4 settlement in a school corporation but attend a charter school,
5 excluding virtual charter schools and adult high schools, and receive
6 not more than fifty percent (50%) virtual instruction, is at least the
7 greater of:

- 8 (1) one hundred (100) students; or
- 9 (2) two percent (2%) of the school corporation's spring ADM
10 count, excluding students who receive more than fifty percent
11 (50%) virtual instruction.

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

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

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

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

- 22 (1) A virtual charter school.
- 23 (2) An adult high school.

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

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

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

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

- 42 (A) have legal settlement within the school corporation;

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

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HB 1423—LS 7118/DI 110



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- 1 (f).
 2 (ii) In the case of the school corporation, the school
 3 corporation's percentage under STEP FOUR of
 4 subsection (f).
 5 (i) Not later than August 15, 2027, and not later than August 15 of
 6 each calendar year thereafter, the department shall provide to each
 7 school corporation and each eligible charter school an estimate of the
 8 amount of property tax levy revenue the school corporation and eligible
 9 charter school are expected to receive under this section in the
 10 subsequent calendar year based on the most recent fall ADM count.
 11 (j) Beginning with distributions of property tax revenue under this
 12 section in 2028 and thereafter, in order to receive a distribution under
 13 this section, the governing body of an eligible charter school shall, not
 14 later than October 15, 2027, and not later than October 15 of each
 15 calendar year thereafter, adopt a budget for the current school year. Not
 16 later than ten (10) days before its adoption, the budget must be fixed
 17 and presented to the charter board in a public meeting in the county in
 18 which the eligible charter school is incorporated. Not later than
 19 November 1, 2027, and not later than November 1 of each calendar
 20 year thereafter, the governing body of the charter school shall submit:
 21 (1) the budget that is adopted under this subsection;
 22 (2) the dates on which each requirement under this subsection
 23 was met; and
 24 (3) a statement from the governing body of the charter school
 25 attesting that the dates provided in subdivision (2) are true and
 26 accurate and that the budget was properly adopted under this
 27 subsection;
 28 to the charter authorizer for review and to the department of local
 29 government finance to be posted publicly on the computer gateway
 30 under IC 6-1.1-17-3.
 31 (k) If an eligible charter school does not satisfy the requirements
 32 of subsection (j) to receive distributions under this section during a
 33 calendar year, as determined by the department of local government
 34 finance, the eligible charter school may not receive a distribution of
 35 property tax revenue in that calendar year and the county auditor shall
 36 withhold the eligible charter school's distribution amount. The
 37 department of local government finance's determination of compliance
 38 consists only of a confirmation that the adopted budget and attestation
 39 statement are submitted not later than the applicable date under
 40 subsection (j). Any distribution amount withheld under this subsection
 41 shall be:
 42 (1) added to the property tax revenue collections as described in

HB 1423—LS 7118/DI 110



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1 STEP TWO of subsection (h); and
 2 (2) distributed among the school corporation and remaining
 3 eligible charter schools according to subsection (h);
 4 in the calendar year that immediately follows the calendar year in
 5 which the distribution amount was withheld.

6 (l) This subsection applies only to distributions under subsection
 7 (h) in calendar years 2028, 2029, and 2030 to an eligible charter
 8 school. **Except as provided in subsection (m)**, instead of the amount
 9 determined under subsection (h) for a distribution to a particular
 10 eligible charter school from the revenue collected from the tax levy
 11 imposed under this chapter by a particular school corporation, the
 12 county auditor shall make distributions according to the following:

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

- 15 (A) the applicable result of STEP TWO of subsection (h)
 16 for the eligible charter school; multiplied by
- 17 (B) twenty-five hundredths (0.25).

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

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

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

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

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

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

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

41 **Before making any distribution under subsection (h) or (l), the**
 42 **county auditor shall first distribute to the public education**

HB 1423—LS 7118/DI 110



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1 corporation for deposit in the public education corporation
2 operations fund created under IC 20-25.3-6-1 an amount equal to
3 the percentage determined by the Indianapolis public corporation
4 board under IC 20-25.3-4-2(b).

5 SECTION 24[2]. IC 20-46-9-0.5 IS ADDED TO THE
6 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) Subject to subsection
8 (b), after March 31, 2026, a school city (as defined in
9 IC 20-25-2-12) may not exercise the powers and duties under this
10 chapter and instead, the public education corporation assumes the
11 powers and duties of the school city as set forth in IC 20-25.3-5.

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

19 SECTION 24[3]. IC 20-47-2-2.5 IS ADDED TO THE
20 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
21 [EFFECTIVE UPON PASSAGE]: Sec. 2.5. As used in this chapter,
22 "corporation board" refers to the Indianapolis public education
23 corporation board established by IC 20-25.3-3-2.

24 SECTION 24[4]. IC 20-47-2-3.5 IS ADDED TO THE
25 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 3.5. As used in this chapter,
27 "public education corporation" refers to the Indianapolis public
28 education corporation established by IC 20-25.3-3-1.

29 SECTION 24[5]. IC 20-47-2-5, AS AMENDED BY
30 P.L.233-2015, SECTION 304, IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A school
32 corporation or the public education corporation may lease a school
33 building or buildings for the use of:

- 34 (1) the school corporation or public education corporation; or
- 35 (2) a joint or consolidated school district of which the school
36 corporation is a part or to which it contributes;

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

38 (b) A school corporation or the public education corporation
39 may not enter into a lease under this section unless the governing body
40 or the corporation board, after investigation, determines that a need
41 exists for the school building and that the school corporation or public
42 education corporation cannot provide the necessary funds to pay the

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1 cost or its proportionate share of the cost of the school building or
2 buildings required to meet the present needs.

3 (c) If two (2) or more school corporations propose to jointly enter
4 into a lease under this section, joint meetings of the governing bodies
5 of the school corporations may be held, but action taken at a joint
6 meeting is not binding on any of those school corporations unless
7 approved by a majority of the governing body of those school
8 corporations. A lease executed by two (2) or more school corporations
9 as joint lessees must:

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

12 (2) provide that:

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

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

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

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

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

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

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

41 SECTION 2 ~~6~~ [7]. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
42 SECTION 170, IS AMENDED TO READ AS FOLLOWS

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HB 1423—LS 7118/DI 110



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1 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
2 under this chapter must include the following provisions:

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

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

12 (A) must be equal to the amount required to enable the
13 lessor corporation owning the property to liquidate by
14 paying all indebtedness, with accrued and unpaid interest,
15 redeeming and retiring any stock at par, and paying the
16 expenses and charges of liquidation; and

17 (B) may not exceed the capital actually invested in the
18 property by the lessor corporation represented by
19 outstanding securities or existing indebtedness, plus the cost
20 of transferring the property and liquidating the lessor
21 corporation.

22 (b) A lease entered into under this chapter may not provide or be
23 construed to provide that a school corporation **or the public education**
24 **corporation** is under any obligation to purchase a leased school
25 building or buildings, or under any obligation in respect to any
26 creditors, shareholders, or other security holders of the lessor
27 corporation.

28 SECTION 2 ~~↔~~ [8]. IC 20-47-2-10, AS ADDED BY P.L.2-2006,
29 SECTION 170, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, ~~or~~
31 **school** corporations, **or the public education corporation** may, in
32 anticipation of the acquisition of a site and the construction and
33 erection of a school building or buildings, enter into a lease with a
34 lessor corporation before the actual acquisition of the site and the
35 construction and erection of the building or buildings. However, a lease
36 entered into under this section may not provide for the payment of any
37 lease rental by the lessee or lessees until the building or buildings are
38 ready for occupancy, at which time the stipulated lease rental may
39 begin. The contractor must furnish to the lessor corporation a bond
40 satisfactory to the lessor corporation conditioned upon the final
41 completion of the building or buildings within the period specified in
42 the contract.

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HB 1423—LS 7118/DI 110



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1 SECTION 2-8-9. IC 20-47-2-11, AS ADDED BY P.L.2-2006,
 2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor
 4 corporation and the school corporation, **or school corporations, or the**
 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 corporation or corporations **or the corporation board** authorized to
 11 approve the lease. The hearing must be not earlier than:

12 (1) ten (10) days after 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 publishing the notice shall be borne 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 12
 39 of this chapter.

40 SECTION 2-9-30. IC 20-47-2-12, AS ADDED BY P.L.2-2006,
 41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) At the hearing, all

HB 1423—LS 7118/DI 110



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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) Within 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 corporation board**:

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

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

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

16 SECTION 3 ~~↔~~ [1]. IC 20-47-2-13, AS AMENDED BY
 17 P.L.38-2021, SECTION 67, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If the execution of the
 19 lease as originally agreed upon or as modified by agreement is
 20 authorized by the governing body or bodies of the school corporation
 21 or corporations **or the corporation board**, the governing body **or**
 22 **corporation board** ~~↔~~ [] shall give notice of the signing of the lease by
 23 publication one (1) time 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 a lease 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 a lease 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), fifty (50) 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) necessity does not exist for the execution of the lease;

42 or

HB 1423—LS 7118/DI 110



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

8 (c) Upon the filing of a petition under subsection (b), the county
 9 auditor shall immediately certify a copy of the petition, together with
 10 any other data that is necessary to present the questions involved, to the
 11 department of local government finance. Upon receipt of the certified
 12 petition and data, if any, the department of local government finance
 13 shall fix a time, date, and place for the hearing of the matter, which
 14 may not be less than five (5) nor more than thirty (30) days thereafter.
 15 The department of local government 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 fifty (50) taxpayers who
 22 signed the petition under subsection (b) by a letter signed by the
 23 commissioner or deputy commissioner of the department of local
 24 government finance and enclosed with full prepaid postage
 25 addressed to the taxpayer petitioners at their usual place of
 26 residence, at least five (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 3 ~~←~~ [2]. IC 20-47-2-14, AS AMENDED BY
 31 P.L.146-2008, SECTION 516, IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to
 33 contest the validity of the lease or to enjoin the performance of any of
 34 the terms and conditions of the lease may not be instituted at any time
 35 later than:

- 36 (1) thirty (30) days after publication of notice of the execution of
 37 the lease by the governing body or bodies of the school
 38 corporation or corporations **or the corporation board**; or
 39 (2) if an appeal is allowed under section 13 of this chapter and
 40 has been taken to the department of local government finance,
 41 thirty (30) days after the decision of the department of local
 42 government finance.

HB 1423—LS 7118/DI 110



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1 SECTION 3-~~2~~[3]. IC 20-47-2-15, AS ADDED BY
 2 P.L.113-2006, SECTION 15, IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) **Except as**
 4 **provided in subsection (b),**~~2~~[]the lessor corporation shall acquire,
 5 own, and hold in fee simple the land on which a school building or
 6 buildings are to be erected under this chapter.

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

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

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

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

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

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

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

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

HB 1423—LS 7118/DI 110



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1 three (3) years immediately preceding the date of the filing of the
 2 petition with the circuit court, the land may not be sold for an
 3 amount less than the amount paid by the school corporation **or**
 4 **public education corporation** for the land.
 5 SECTION 3 ↔ [4]. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
 6 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,
 8 "bonds" includes bonds, debentures, or other evidences of
 9 indebtedness.
 10 (b) A lessor corporation having outstanding bonds that by their
 11 terms are redeemable before their maturities may issue bonds in the
 12 manner provided by section 16 of this chapter to refund the outstanding
 13 bonds. The refunding bonds may be issued in an amount not exceeding
 14 the sum of:
 15 (1) the principal amount of the outstanding bonds;
 16 (2) any premium required to be paid upon redemption of the
 17 outstanding bonds; and
 18 (3) the estimated expenses to be incurred in connection with the
 19 issuance of the refunding bonds.
 20 (c) The sum of the net interest cost to the lessor corporation of the
 21 refunding bonds plus the premium required to be paid in connection
 22 with the redemption of the outstanding bonds and the estimated
 23 expenses to be incurred in connection with the issuance of the
 24 refunding bonds may not exceed the total interest that would have been
 25 payable by the lessor corporation on the bonds being refunded from the
 26 date of redemption to the maturity of the bonds being refunded. Net
 27 interest cost on the refunding bonds is the amount determined by
 28 computing the total interest on all the refunding bonds to their
 29 maturities and deducting from that amount the premium bid, if any.
 30 (d) Refunding bonds issued under this section:
 31 (1) are legal and proper investments;
 32 (2) are exempt from taxation; and
 33 (3) may be sold without registration with or approval of the
 34 securities division of the office of the secretary of state or
 35 securities commissioner;
 36 in the same manner, under the same conditions, and subject to the same
 37 limitations as any other bonds issued by lessor corporations under
 38 section 16 of this chapter. However, no proceedings or actions by the
 39 lessee nor approval by any board, commission, or agency are required
 40 in connection with the refunding, and the refunding authorized in this
 41 section does not affect the obligation of the lessee to pay the lease
 42 rental under the lease of the building or buildings.

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HB 1423—LS 7118/DI 110



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

4 (f) In connection with the issuance of refunding bonds, the lessee
5 school corporation, ~~or~~ school corporations, **or public education**
6 **corporation** may enter into an amendment to the lease with the lessor
7 corporation providing for an extension of the time set forth in the lease
8 before the option of the lessee or lessees to purchase may be exercised
9 to a time agreed upon between the lessee school corporation, ~~or~~ school
10 corporations, **or public education corporation** and the lessor
11 corporation.

12 SECTION 3 ~~4~~ [5]. IC 20-47-2-18, AS ADDED BY P.L.2-2006,
13 SECTION 170, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section,
15 "bonds" means bonds, debentures, or other evidences of indebtedness.

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

- 18 (1) Construction of a school building.
- 19 (2) An addition to a school building owned by a lessor
20 corporation or owned by the school corporation **or public**
21 **education corporation** to which a lessor corporation has leased
22 property under this chapter, and any remodeling incidental to
23 that addition.
- 24 (3) Remodeling of or construction of appurtenances to a school
25 building owned by a lessor corporation.

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

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

- 31 (1) are legal and proper investments;
- 32 (2) are exempt from taxation; and
- 33 (3) may be sold without registration with or approval of the
34 securities division of the office of the secretary of state or the
35 securities commissioner;

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

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

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HB 1423—LS 7118/DI 110



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- 1 (1) an extension of the time set forth in the lease before the
- 2 option of the lessee or lessees to purchase may be exercised to a
- 3 time agreed upon between the lessee school corporation, ~~or~~
- 4 school corporations, **or public education corporation** and the
- 5 lessor corporation;
- 6 (2) an extension of the term of the lease, not to exceed ten (10)
- 7 years, to include the improvements in the description of the
- 8 leased property; and
- 9 (3) increased lease rental payments after the completion of the
- 10 improvements.

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

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

24 SECTION 3 ~~↔~~ [6]. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
 25 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
 27 **public education corporation** that decides to exercise an option to
 28 purchase a school building under this chapter may issue general
 29 obligation bonds to procure funds to pay the cost of acquisition.
 30 General obligation bonds issued under this section must be authorized,
 31 issued, and sold in the manner provided for the authorization, issuance,
 32 and sale of bonds by school corporations **or the public education**
 33 **corporation** for school building purposes.

34 SECTION 3 ~~↔~~ [7]. IC 20-47-2-20, AS AMENDED BY
 35 P.L.244-2017, SECTION 108, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. A school
 37 corporation **or the public education corporation** that executes a lease
 38 under this chapter shall annually appropriate from its debt service fund
 39 or ~~general fund (before January 1, 2019)~~ or operations fund (~~after~~
 40 ~~December 31, 2018~~) an amount sufficient to pay the lease rental
 41 required under the lease. The appropriation is reviewable by other
 42 bodies vested by law with such authority to ascertain that the specified

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HB 1423—LS 7118/DI 110



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1 amount is sufficient to meet the lease rental required under the lease.
 2 The first specific appropriation shall be made at the first budget period
 3 following the date of the execution of the lease, and the first annual
 4 appropriation must be sufficient to pay the estimated amount of the first
 5 annual lease rental payment to be made under the lease. Thereafter, the
 6 annual appropriations provided for in this section shall be made, and
 7 payments shall be made from the debt service fund.

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

16 SECTION 3 ~~8~~ [9]. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
 17 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
 19 construed as being supplemental to all other laws covering the
 20 acquisition, use, and maintenance of school buildings by school
 21 corporations **or the public education corporation**. However, as to
 22 school buildings constructed, acquired, leased, or purchased under this
 23 chapter, it is not necessary to comply with other laws concerning the
 24 acquisition, use, and maintenance of school buildings by school
 25 corporations **or the public education corporation** except as
 26 specifically required in this chapter.

27 SECTION ~~39~~ [40]. IC 20-47-2-23, AS AMENDED BY
 28 P.L.244-2017, SECTION 109, IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the
 30 termination of a lease entered into under this chapter, the lessor
 31 corporation shall return to the school corporation **or the public**
 32 **education corporation** any money held by the lessor corporation that
 33 exceeds the amount needed to retire bonds issued under this chapter
 34 and to dissolve the lessor corporation.

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

38 SECTION 4 ~~1~~ [1]. IC 20-47-3-1.3 IS ADDED TO THE
 39 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter,**
 41 **"corporation board" refers to the Indianapolis public education**
 42 **corporation board established by IC 20-25.3-3-2.**

HB 1423—LS 7118/DI 110



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1 SECTION 44<ins>[2]</ins>. IC 20-47-3-1.5 IS ADDED TO THE
2 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**
4 **"public education corporation" refers to the Indianapolis public**
5 **education corporation established by IC 20-25.3-3-1.**

6 SECTION 44<ins>[3]</ins>. IC 20-47-3-3, AS AMENDED BY
7 P.L.233-2015, SECTION 305, IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school
9 corporation **or the public education corporation** may lease a school
10 building or buildings for the use of:

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

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

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

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

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

33 SECTION 44<ins>[4]</ins>. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
34 SECTION 170, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, ~~or~~
36 **school corporations, or the public education corporation** may enter
37 into a lease or lease with option to purchase under this chapter only
38 with:

- 39 (1) a corporation organized under Indiana law or admitted to do
40 business in Indiana; or
- 41 (2) a religious organization (or the organization's agent) that is
42 exempt from federal income taxation under Section 501 of the

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HB 1423—LS 7118/DI 110



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1 Internal Revenue Code.
2 SECTION 4~~4~~[5]. IC 20-47-3-5, AS AMENDED BY
3 P.L.146-2008, SECTION 517, IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as
5 provided in subsections (d) and (e), a lease must provide that the school
6 corporation, ~~or school~~ corporations, **or the public education**
7 **corporation** have an option to:
8 (1) renew the lease for a further term on like conditions; and
9 (2) purchase the property covered by the lease;
10 with the terms and conditions of the purchase to be specified in the
11 lease, subject to the approval of the department of local government
12 finance.
13 (b) If the option to purchase the property covered by the lease is
14 exercised, the school corporation, ~~or school~~ corporations, **or public**
15 **education corporation** to procure funds to pay the purchase price, may
16 issue and sell bonds under the provisions of the general statute
17 governing the issue and sale of bonds of the school corporation, ~~or~~
18 **school** corporations, **or public education corporation**. The purchase
19 price may not be more than the purchase price set forth in the lease
20 plus:
21 (1) two percent (2%) of the purchase price as prepayment
22 penalty for purchase within the first five (5) years of the lease
23 term; or
24 (2) one percent (1%) of the purchase price as prepayment
25 penalty for purchase in the second five (5) years of the lease
26 term;
27 and thereafter the purchase shall be without prepayment penalty.
28 (c) However:
29 (1) if the school corporation, ~~or school~~ corporations, **or the**
30 **public education corporation** have not exercised an option to
31 purchase the property covered by the lease at the expiration of
32 the lease; and
33 (2) upon the full discharge and performance by the school
34 corporation, ~~or school~~ corporations, **or public education**
35 **corporation** of their obligations under the lease;
36 the property covered by the lease becomes the absolute property of the
37 school corporation, ~~or school~~ corporations, **or public education**
38 **corporation**, and the lessor corporation shall execute proper
39 instruments conveying to the school corporation, ~~or school~~
40 **corporations, or public education corporation** good and
41 merchantable title to that property.
42 (d) The following provisions apply to a school corporation that is

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HB 1423—LS 7118/DI 110



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1 located in Dubois County and enters into a lease with a religious
2 organization or the organization's agent as authorized under section 4
3 of this chapter:

4 (1) The lease is not required to include on behalf of the school
5 corporation an option to purchase the property covered by the
6 lease.

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

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

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

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

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

19 the terms and conditions of the purchase that are specified in the lease
20 are not subject to the approval of the department of local government
21 finance.

22 SECTION 4~~4~~⁶. IC 20-47-3-8, AS AMENDED BY
23 P.L.146-2008, SECTION 518, IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as
25 provided in subsection (b), a school corporation, **or school**
26 **corporations, or the public education corporation** may, in
27 anticipation of the acquisition of a site and the construction and
28 erection of a school building or buildings, and, subject to the approval
29 of the department of local government finance, enter into a lease with
30 a lessor corporation before the actual acquisition of the site and the
31 construction and erection of the building or buildings. However, the
32 lease entered into by the school corporation, **or school corporations, or**
33 **public education corporation** may not provide for the payment of any
34 lease rental by the lessee or lessees until the building or buildings are
35 ready for occupancy, at which time the stipulated lease rental may
36 begin. The lessor corporation shall furnish a bond to the approval of the
37 lessee or lessees conditioned on the final completion of the building or
38 buildings within a period not to exceed one (1) year from the date of
39 the execution of the lease, unavoidable delays excepted.

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

42 (1) after June 30, 2008, makes a preliminary determination as

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1 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 2 described in IC 6-1.1-20-5; or
 3 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
 4 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or
 5 ordinance authorizing the lease after June 30, 2008;
 6 the approval of the department of local government finance is not
 7 required.

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

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

40 The cost of publication of the notice shall be paid by the lessor
 41 corporation.

42 (c) The proposed lease, drawings, plans, specifications, and

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HB 1423—LS 7118/DI 110



1 estimates for the school building or buildings must be available for
2 inspection by the public during the ten (10) day or thirty (30) day
3 period described in subsection (a) and at the hearing under section 10
4 of this chapter.

5 SECTION 4~~8~~[8]. IC 20-47-3-10, AS ADDED BY P.L.2-2006,
6 SECTION 170, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all
8 interested persons have a right to be heard upon the necessity for the
9 execution of the proposed lease and whether the rental to be paid to the
10 lessor corporation under the proposed lease is a fair and reasonable
11 rental for the proposed building. The hearing may be adjourned to a
12 later date or dates.

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

- 17 (1) authorize the execution of the lease as originally agreed
18 upon; or
- 19 (2) make modifications to the proposed lease as agreed upon
20 with the lessor corporation.

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

23 SECTION 4~~8~~[9]. IC 20-47-3-11, AS AMENDED BY
24 P.L.38-2021, SECTION 68, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If the execution of the
26 lease as originally agreed upon or as modified by agreement is
27 authorized by the governing body or bodies of the school corporation
28 or corporations **or the corporation board**, the governing body **or**
29 **corporation board** shall give notice of the signing of the lease by
30 publication one (1) time in:

- 31 (1) a newspaper of general circulation printed in the English
32 language in the school corporation;
- 33 (2) a newspaper described in subdivision (1) in each school
34 corporation if the proposed lease is a joint lease; or
- 35 (3) if no such newspaper is published in the school corporation,
36 in any newspaper of general circulation published in the county.

37 (b) This subsection does not apply to leases for which a school
38 corporation **or the public education corporation** after June 30, 2008,
39 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
40 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
41 case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
42 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease

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HB 1423—LS 7118/DI 110



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1 after June 30, 2008. Within thirty (30) days after the publication of
2 notice under subsection (a), ten (10) or more taxpayers in the school
3 corporation or corporations who:

- 4 (1) will be affected by the proposed lease; and
- 5 (2) are of the opinion that:
 - 6 (A) no necessity exists for the execution of the lease; or
 - 7 (B) the proposed rental provided for in the lease is not a fair
8 and reasonable rental;

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

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

- 23 (1) conduct the hearing in the school corporation or corporations,
24 in the county where the school corporation or corporations are
25 located, or through electronic means; and
- 26 (2) give notice of the hearing to the members of the governing
27 body or bodies of the school corporation or corporations **or the**
28 **corporation board** and to the first ten (10) taxpayer petitioners
29 upon the petition by a letter signed by the commissioner or
30 deputy commissioner of the department of local government
31 finance, and enclosed with full prepaid postage addressed to the
32 taxpayer petitioners at their usual place of residence, at least five
33 (5) days before the hearing.

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

37 SECTION ~~49~~[50]. IC 20-47-3-12, AS AMENDED BY
38 P.L.146-2008, SECTION 520, IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to
40 contest the validity of the lease or to enjoin the performance of any of
41 the terms and conditions of the lease may not be instituted at any time
42 later than:

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HB 1423—LS 7118/DI 110



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

8 SECTION 5[1]. IC 20-47-3-13, AS AMENDED BY
 9 P.L.113-2006, SECTION 16, IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. **(a) Except as**
 11 **provided in subsection (b),**[] the lessor corporation shall acquire,
 12 own, and hold in fee simple the land on which a school building or
 13 buildings are to be erected under this chapter.

14 **(b) The lessor corporation may acquire, own, and hold in fee**
 15 **simple the land by agreement and conveyance with a school**
 16 **corporation or with the public education corporation subject to the**
 17 **conditions of this section. The lessor corporation may lease such a**
 18 **school building directly to the public education corporation or to**
 19 **a school corporation. If the lessor corporation leases such a school**
 20 **building to a school corporation, the school corporation may assign**
 21 **or sublet its lease to the public education corporation.**

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

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

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

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

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

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

42 (3) The school corporation **or the public education corporation**

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

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

21 SECTION 5 ~~↔~~ [3]. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
 22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
 24 a lessor corporation entering into a lease with a school corporation, **or**
 25 **school corporations, or the public education corporation** under this
 26 chapter are exempt from all state, county, and other taxes. However,
 27 the rental payments to a lessor corporation under the terms of such a
 28 lease are subject to all applicable taxes under Indiana law.

29 SECTION 5 ~~↔~~ [4]. IC 20-47-3-16, AS ADDED BY P.L.2-2006,
 30 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
 32 construed as being supplemental to all other laws covering the
 33 acquisition, use, and maintenance of school buildings by school
 34 corporations **or the public education corporation.** However, as to
 35 school buildings constructed or leased under this chapter, it is not
 36 necessary to comply with the provisions of other laws concerning the
 37 acquisition, use, and maintenance of school buildings by school
 38 corporations **or the public education corporation** except as
 39 specifically required in this chapter.

40 SECTION 5 ~~↔~~ [5]. IC 20-47-3-18, AS AMENDED BY
 41 P.L.244-2017, SECTION 110, IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the

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HB 1423—LS 7118/DI 110



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1 termination of a lease entered into under this chapter, the lessor
2 corporation shall return to the school corporation **or public education**
3 **corporation** any money held by the lessor corporation that exceeds the
4 amount needed to retire bonds issued under this chapter and to dissolve
5 the lessor corporation.

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

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

15 SECTION 5<=>[7]. IC 20-47-4-3.5 IS ADDED TO THE
16 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 3.5. As used in this chapter,
18 **"public education corporation" refers to the Indianapolis public**
19 **education corporation established by IC 20-25.3-3-1.**

20 SECTION 5<=>[8]. IC 20-47-4-5, AS ADDED BY P.L.2-2006,
21 SECTION 170, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation
23 qualified or formed to acquire a site, erect a school building on the site,
24 and lease the school building to a school corporation **or the public**
25 **education corporation** under IC 20-47-2 or IC 20-47-3 may:

- 26 (1) be qualified or formed to acquire, improve, or expand an
27 existing school building;
- 28 (2) acquire, improve, or expand an existing school building;
- 29 (3) finance an existing school building or improved school
30 building; and
- 31 (4) lease an existing school building or improved school building
32 to a school corporation **or the public education corporation**<
33 >[]under applicable law.

34 SECTION 5<=>[9]. IC 20-47-4-6, AS AMENDED BY
35 P.L.146-2008, SECTION 521, IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor
37 corporation may acquire and finance an existing school building, other
38 than as provided in section 5 of this chapter, and lease the existing
39 school building to a school corporation **or the public education**
40 **corporation**. A school corporation **or the public education**
41 **corporation** shall comply with:

- 42 (1) IC 20-47-2 or IC 20-47-3;

HB 1423—LS 7118/DI 110



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1 (2) the petition and remonstrance provisions under IC 6-1.1-20
 2 (if required); and
 3 (3) the local public question provisions under IC 6-1.1-20 (if
 4 required).
 5 (b) A lease made under this section may provide for the payment
 6 of lease rentals by the school corporation **or public education**
 7 **corporation** for the use of the existing school building.
 8 (c) Lease rental payments made under the lease do not constitute
 9 a debt of the school corporation **or public education corporation** for
 10 purposes of the Constitution of the State of Indiana.
 11 (d) A new school building may be substituted for the existing
 12 school building under the lease if the substitution was included in the
 13 notices given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new
 14 school building must be substituted for the existing school building
 15 upon completion of the new school building.
 16 SECTION ~~6-59~~[60]. IC 20-47-4-7, AS ADDED BY P.L.2-2006,
 17 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the**
 19 **public education corporation** may not pay a legal or other
 20 professional fee as the result of an exchange or a substitution under
 21 section 5 or 6 of this chapter.
 22 SECTION 6~~60~~[1]. IC 20-47-4-8, AS ADDED BY P.L.2-2006,
 23 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
 25 subsection (b), the lease or contract of lease of an existing school
 26 building or improved school building to a school corporation **or the**
 27 **public education corporation** as authorized by this chapter must
 28 comply with all applicable terms of IC 20-47-2 or IC 20-47-3,
 29 including:
 30 (1) the notice of hearing on the lease;
 31 (2) public hearing;
 32 (3) notice of execution of lease; and
 33 (4) the submission of plans and specifications for the
 34 improvement or expansion of the existing school building for
 35 approval by the state agencies designated in IC 20-47-2 or
 36 IC 20-47-3 or otherwise required by law or rule.
 37 (b) If a school corporation **or the public education corporation**
 38 is occupying and using an existing school building during the
 39 renovation, remodeling, or expansion of the building, the lease or
 40 contract of lease may provide for the payment of lease rental by the
 41 school corporation **or public education corporation** for the use of the
 42 building during renovation, remodeling, or expansion.

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HB 1423—LS 7118/DI 110



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1 SECTION 6↔[2]. IC 20-47-4-9, AS ADDED BY P.L.2-2006,
 2 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 9. The sale price of an existing
 4 school building must be determined under the provisions of IC 20-47-2
 5 or IC 20-47-3 relating to the sale of land to a lessor corporation. Except
 6 as provided in this section, IC 20-26-7 and any other law relating to the
 7 sale of the property of school corporations **or the public education**
 8 **corporation** or other public property do not apply to the sale of an
 9 existing school building to a lessor corporation under this chapter.

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

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

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

26 SECTION 6↔[4]. IC 20-48-1-11, AS AMENDED BY
 27 P.L.9-2024, SECTION 403, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) ~~As used in this section;~~
 29 **The following definitions apply throughout this section:**

30 (1) "Debt service obligations" refers to the principal and interest
 31 payable:

- 32 (⊕) (A) on a school corporation's general obligation bonds
 33 and lease rentals under IC 20-47-2 and IC 20-47-3; or
- 34 (⊖) (B) to a school corporation's designated paying agent
 35 under a written agreement entered into in connection with
 36 the issuance of the school corporation's general obligation
 37 bonds.

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

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

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

This subdivision expires July 1, 2027.

(b) Before the end of each calendar year, the department of local government finance shall review the bond and lease rental levies, or any levies that replace bond and lease rental levies, of each school corporation that are payable in the next succeeding calendar year and the appropriations from the levies from which the school corporation is to pay the amount, if any, of the school corporation's debt service obligations for that next succeeding calendar year. If the levies and appropriations of the school corporation are not sufficient to pay the debt service obligations for the next succeeding calendar year, the department of local government finance shall establish for each school corporation:

- (1) bond or lease rental levies, or any levies that replace the bond and lease rental levies; and
- (2) appropriations;

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

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

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HB 1423—LS 7118/DI 110



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fulfill the obligations of this subsection.

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

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

(2) Second, and to the extent that the amounts described in subdivision (1) are insufficient, from any remaining amounts appropriated by the general assembly for distribution for tuition support in each state fiscal year in excess of the aggregate amount of tuition support needed for distribution to school corporations in accordance with the schedule set and approved in accordance with IC 20-43-2-1.

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

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

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

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

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

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

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

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HB 1423—LS 7118/DI 110



1 (1) first, from all funds except state tuition support; and
 2 (2) second, from state tuition support.
 3 (g) This section shall be interpreted liberally so that the state shall
 4 to the extent legally valid ensure that the debt service obligations of
 5 each school corporation are paid. However, this section does not create
 6 a debt of the state.
 7 **(h) Notwithstanding subsections (e) and (f), beginning April 1,**
 8 **2026, and ending June 30, 2027, the reduction of distributions**
 9 **under subsections (e) and (f) to pay for debt service obligations**
 10 **issued by the Indianapolis public education corporation must be**
 11 **made from the reduction of distributions to the school city (as**
 12 **defined in IC 20-25-2-12). This subsection expires July 1, 2027.**
 13 SECTION 6~~4~~[5]. IC 20-48-3-0.5 IS ADDED TO THE
 14 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**
 16 **public education corporation may exercise the same powers, duties,**
 17 **and responsibilities granted to the school city under this chapter as**
 18 **set forth in IC 20-25.3.**
 19 SECTION 6~~5~~[6]. IC 36-3-6-9, AS AMENDED BY
 20 P.L.137-2012, SECTION 118, IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **This section**
 22 **does not apply to the Indianapolis public education corporation**
 23 **established by IC 20-25.3-3-1.**
 24 **(b) Except as provided in subsection (~~d~~), (e), the city-county**
 25 **legislative body shall review the proposed operating and maintenance**
 26 **budgets and tax levies and adopt final operating and maintenance**
 27 **budgets and tax levies for each of the following entities in the county:**
 28 (1) An airport authority operating under IC 8-22-3.
 29 (2) A public library operating under IC 36-12.
 30 (3) A capital improvement board of managers operating under
 31 IC 36-10.
 32 (4) A public transportation corporation operating under
 33 IC 36-9-4.
 34 (5) A health and hospital corporation established under
 35 IC 16-22-8.
 36 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
 37 located in the county and has a governing body that is not
 38 comprised of a majority of officials who are elected to serve on
 39 the governing body.
 40 Except as provided in subsection (~~e~~), (d), the city-county legislative
 41 body may reduce or modify but not increase a proposed operating and
 42 maintenance budget or tax levy under this section.

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HB 1423—LS 7118/DI 110



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1 ~~(b)~~ (c) The board of each entity listed in subsection ~~(a)~~ (b) shall,
 2 after adoption of its proposed budget and tax levies, submit them, along
 3 with detailed accounts, to the city clerk before September 2.
 4 ~~(e)~~ (d) The city-county legislative body or, when subsection ~~(d)~~
 5 (e) ~~applies~~, the fiscal body of an excluded city or town shall
 6 review the issuance of bonds of an entity listed in subsection ~~(a)~~: (b).
 7 Approval of the city-county legislative body or, when subsection ~~(d)~~ (e)
 8 applies, the fiscal body of an excluded city or town is required for the
 9 issuance of bonds. The city-county legislative body or the fiscal body
 10 of an excluded city or town may not reduce or modify a budget or tax
 11 levy of an entity listed in subsection ~~(a)~~ (b) in a manner that would:
 12 (1) limit or restrict the rights vested in the entity to fulfill the
 13 terms of any agreement made with the holders of the entity's
 14 bonds; or
 15 (2) in any way impair the rights or remedies of the holders of the
 16 entity's bonds.
 17 ~~(d)~~ (e) If the assessed valuation of a taxing unit is entirely
 18 contained within an excluded city or town (as described in IC 36-3-1-7)
 19 that is located in a county having a consolidated city, the governing
 20 body of the taxing unit shall submit its proposed operating and
 21 maintenance budget and tax levies to the city or town fiscal body for
 22 approval and not the city-county legislative body. Except as provided
 23 in subsection ~~(e)~~ (d), the fiscal body of the excluded city or town
 24 may reduce or modify but not increase a proposed operating and
 25 maintenance budget or tax levy under this section.
 26 SECTION 6 ~~(6)~~ [7]. **An emergency is declared for this act.**

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HB 1423—LS 7118/DI 110



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