
HOUSE BILL No. 1423

AM142325 has been incorporated into January 30, 2026 printing.

Synopsis: Indianapolis public education corporation.

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Reprinted
January 30, 2026

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

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

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

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

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HOUSE BILL No. 1423

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

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

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

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

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

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

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

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

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

25 SECTION 2. IC 5-14-1.5-2, AS AMENDED BY P.L.186-2025,
26 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 UPON PASSAGE]: Sec. 2. For the purposes of this chapter:

28 (a) "Public agency", except as provided in section 2.1 of this
29 chapter, means the following:

30 (1) Any board, commission, department, agency, authority, or
31 other entity, by whatever name designated, exercising a portion
32 of the executive, administrative, or legislative power of the state.

33 (2) Any county, township, school corporation, city, town,
34 political subdivision, or other entity, by whatever name
35 designated, exercising in a limited geographical area the
36 executive, administrative, or legislative power of the state or a
37 delegated local governmental power.

38 (3) Any entity which is subject to either:

39 (A) budget review by either the department of local
40 government finance or the governing body of a county, city,
41 town, township, or school corporation; or

42 (B) audit by the state board of accounts that is required by

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- 1 statute, rule, or regulation.
- 2 (4) Any building corporation of a political subdivision of the
- 3 state of Indiana that issues bonds for the purpose of constructing
- 4 public facilities.
- 5 (5) Any advisory commission, committee, or body created by
- 6 statute, ordinance, or executive order to advise the governing
- 7 body of a public agency, except medical staffs or the committees
- 8 of any such staff.
- 9 (6) The Indiana gaming commission established by IC 4-33,
- 10 including any department, division, or office of the commission.
- 11 (7) The Indiana horse racing commission established by IC 4-31,
- 12 including any department, division, or office of the commission.
- 13 **(8) The Indianapolis public education corporation**
- 14 **established by IC 20-25.3-3-1.**
- 15 (b) "Governing body" means two (2) or more individuals who are
- 16 any of the following:
- 17 (1) A public agency that:
- 18 (A) is a board, a commission, an authority, a council, a
- 19 committee, a body, or other entity; and
- 20 (B) takes official action on public business.
- 21 (2) The board, commission, council, or other body of a public
- 22 agency which takes official action upon public business.
- 23 (3) Any committee appointed directly by the governing body or
- 24 its presiding officer to which authority to take official action
- 25 upon public business has been delegated. However, the
- 26 following do not constitute a governing body for purposes of this
- 27 chapter:
- 28 (A) An agent or agents appointed by the governing body to
- 29 conduct collective bargaining on behalf of the governing
- 30 body.
- 31 (B) A committee appointed directly by the governing body
- 32 or a designee of the governing body:
- 33 (i) for the sole purpose of receiving information,
- 34 deliberating, or making recommendations to the
- 35 governing body; and
- 36 (ii) that has not more than one (1) member of the
- 37 governing body as a member.
- 38 (c) "Meeting" means a gathering of a majority of the governing
- 39 body of a public agency for the purpose of taking official action upon
- 40 public business. It does not include any of the following:
- 41 (1) Any social or chance gathering not intended to avoid this
- 42 chapter.

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- 1 (2) Any on-site inspection of any:
 2 (A) project;
 3 (B) program; or
 4 (C) facilities of applicants for incentives or assistance from
 5 the governing body.
 6 (3) Traveling to and attending meetings of organizations devoted
 7 to betterment of government.
 8 (4) A caucus.
 9 (5) A gathering to discuss an industrial or a commercial prospect
 10 that does not include a conclusion as to recommendations,
 11 policy, decisions, or final action on the terms of a request or an
 12 offer of public financial resources.
 13 (6) An orientation of members of the governing body on their
 14 role and responsibilities as public officials, but not for any other
 15 official action.
 16 (7) A gathering for the sole purpose of administering an oath of
 17 office to an individual.
 18 (8) Collective bargaining discussions that the governing body of
 19 a school corporation engages in directly with bargaining
 20 adversaries. This subdivision applies only to a governing body
 21 that has not appointed an agent or agents to conduct collective
 22 bargaining on behalf of the governing body as described in
 23 subsection (b)(3).
 24 (d) "Official action" means to:
 25 (1) receive information;
 26 (2) deliberate;
 27 (3) make recommendations;
 28 (4) establish policy;
 29 (5) make decisions; or
 30 (6) take final action.
 31 (e) "Public business" means any function upon which the public
 32 agency is empowered or authorized to take official action.
 33 (f) "Executive session" means a meeting from which the public is
 34 excluded, except the governing body may admit those persons
 35 necessary to carry out its purpose. The governing body may also admit
 36 an individual who has been elected to the governing body but has not
 37 been sworn in as a member of the governing body.
 38 (g) "Final action" means a vote by the governing body on any
 39 motion, proposal, resolution, rule, regulation, ordinance, or order.
 40 (h) "Caucus" means a gathering of members of a political party or
 41 coalition which is held for purposes of planning political strategy and
 42 holding discussions designed to prepare the members for taking official

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action.

(i) "Deliberate" means a discussion which may reasonably be expected to result in official action (defined under subsection (d)(3), (d)(4), (d)(5), or (d)(6)).

(j) "News media" means all newspapers qualified to receive legal advertisements under IC 5-3-1, all news services (as defined in IC 34-6-2.1-131), and all licensed commercial or public radio or television stations.

(k) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

(l) "State educational institution" has the meaning set forth in IC 21-7-13-32.

(m) "Charter school" has the meaning set forth in IC 20-24-1-4). The term includes a virtual charter school (as defined in IC 20-24-1-10).

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

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

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

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

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

(c) If:

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

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1 (A) the taxing unit was originally established by the city or
2 town; or

3 (B) the majority of the individuals serving on the governing
4 body of the taxing unit are appointed by the city or town;
5 the governing body shall submit its proposed budget and property tax
6 levy to the city or town fiscal body. The proposed budget and levy shall
7 be submitted to the city or town fiscal body in the manner prescribed
8 by the department of local government finance before September 2 of
9 a year.

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

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

20 (f) If a taxing unit fails to file the information required in
21 subsection (c) or (d), whichever applies, with the appropriate fiscal
22 body by the time prescribed by this section, when calculating the
23 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
24 the taxing unit for the ensuing budget year, instead of multiplying the
25 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)
26 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
27 maximum permissible ad valorem property tax levy for the preceding
28 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
29 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
30 maximum permissible ad valorem property tax levy for the preceding
31 calendar year must 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 taxing unit files the information as required in
41 subsection (c) or (d), whichever applies, for the budget year
42 immediately following the budget year for which the formula under this

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

6 (g) If the appropriate fiscal body fails to complete the requirements
 7 of subsection (e) before the adoption deadline in section 5 of this
 8 chapter for any taxing unit subject to this section, when calculating the
 9 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 10 the city, town, or county for the ensuing budget year, instead of
 11 multiplying the maximum levy growth quotient determined under
 12 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
 13 the city's, town's, or county's maximum permissible ad valorem
 14 property tax levy for the preceding calendar year as prescribed in STEP
 15 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
 16 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
 17 ad valorem property tax levy for the preceding calendar year must
 18 instead be multiplied by the result of the following:

19 STEP ONE: Determine:

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

23 STEP TWO: Multiply:

- 24 (A) the STEP ONE result; by
 25 (B) eight-tenths (0.8).

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

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

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

- 38 (1) applies to the governing body of a taxing unit unless a
 39 majority of the governing body is comprised of officials who are
 40 elected to serve on 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

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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:

7 (1) a school corporation; or

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

10 (c) If:

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

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

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

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

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

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

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

40 SECTION 6. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**

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1 the public education corporation has all the powers and shall
 2 perform all the duties assigned to the school city (as defined in
 3 IC 20-25-2-12) under this chapter related to the fixing and
 4 reviewing of budgets, tax rates, and tax levies. However, in
 5 exercising its powers and responsibilities under this chapter, the
 6 public education corporation shall account for and include any
 7 bonds, leases, and other indebtedness incurred or issued under any
 8 law by the school city (as defined in IC 20-25-2-12) before April 1,
 9 2026.

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

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

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

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

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

33 STEP FOUR: Determine the lesser of the following:

34 (A) The STEP THREE quotient.

35 (B) One and six-hundredths (1.06).

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

41 STEP ONE: Determine for each school corporation, the average
 42 annual growth in net assessed value using the three (3) calendar

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1 years immediately preceding the year in which a budget is
 2 adopted under IC 6-1.1-17-5 for the ensuing calendar year.
 3 STEP TWO: Determine the greater of:
 4 (A) zero (0); or
 5 (B) the STEP ONE amount minus the sum of:
 6 (i) the maximum levy growth quotient determined
 7 under subsection (b) minus one (1); plus
 8 (ii) two-hundredths (0.02).
 9 STEP THREE: Determine the lesser of:
 10 (A) the STEP TWO amount; or
 11 (B) four-hundredths (0.04).
 12 STEP FOUR: Determine the sum of:
 13 (A) the STEP THREE amount; plus
 14 (B) the maximum levy growth quotient determined under
 15 subsection (b).
 16 STEP FIVE: Determine the greater of:
 17 (A) the STEP FOUR amount; or
 18 (B) the maximum levy growth quotient determined under
 19 subsection (b).
 20 (d) The budget agency shall provide the maximum levy growth
 21 quotient for the ensuing year to civil taxing units, school corporations,
 22 **the public education corporation (in the case of a school city (as**
 23 **defined in IC 20-25-2-12)),** and the department of local government
 24 finance before July 1 of each year.
 25 (e) This subsection applies only for purposes of determining the
 26 maximum levy growth quotient to be used in determining a civil taxing
 27 unit's maximum permissible ad valorem property tax levy in calendar
 28 years 2024, 2025, and 2026. For purposes of determining the maximum
 29 levy growth quotient in calendar years 2024, 2025, and 2026, instead
 30 of the result determined in the last STEP in subsection (b), the
 31 maximum levy growth quotient is determined in the last STEP of the
 32 following STEPS:
 33 STEP ONE: Determine the result of STEP FOUR of subsection
 34 (b), calculated as if this subsection was not in effect.
 35 STEP TWO: Subtract one (1) from the STEP ONE result.
 36 STEP THREE: Multiply the STEP TWO result by eight-tenths
 37 (0.8).
 38 STEP FOUR: Add one (1) to the STEP THREE result.
 39 STEP FIVE: Determine the lesser of:
 40 (A) the STEP FOUR result; or
 41 (B) one and four-hundredths (1.04).
 42 (f) This subsection applies only for purposes of determining the

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1 maximum levy growth quotient to be used in determining a school
 2 corporation's, **or, in the case of a school city (as defined in**
 3 **IC 20-25-2-12), the public education corporation's**, operations fund
 4 maximum levy in calendar years 2024, 2025, and 2026. For purposes
 5 of determining the maximum levy growth quotient in calendar years
 6 2024, 2025, and 2026, instead of the result determined in the last STEP
 7 in subsection (c), the maximum levy growth quotient is determined in
 8 the last STEP of the following STEPS:

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

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

12 STEP THREE: Multiply the STEP TWO result by eight-tenths
 13 (0.8).

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

15 STEP FIVE: Determine the lesser of:

16 (A) the STEP FOUR result; or

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

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

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

28 SECTION 9. IC 20-18-2-14.5 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Public education**
 31 **corporation" refers to the Indianapolis public education**
 32 **corporation established by IC 20-25.3-3-1.**

33 SECTION 10. IC 20-24-3-20 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1,**
 36 **2026, a charter may not be granted or renewed by an authorizer**
 37 **for a charter school located within the geographic boundaries of**
 38 **the school city (as defined in IC 20-25-2-12) except by one (1) of the**
 39 **following:**

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

42 **(2) The school city.**

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1 (b) A charter school that was granted a charter before April
2 1, 2026, by an authorizer other than an authorizer listed in
3 subsection (a) may continue operating with that authorizer until
4 the term of the charter expires or is terminated, whichever occurs
5 earlier. After the termination or expiration of the charter, a
6 charter for a charter school described in subsection (a) may only
7 be granted or renewed by an authorizer described in subsection
8 (a).

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

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

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

27 SECTION 13. IC 20-25.3 IS ADDED TO THE INDIANA CODE
28 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]:

30 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION**
31 **CORPORATION**

32 **Chapter 1. Scope of Authority**

33 **Sec. 1. The Indianapolis public education corporation exists**
34 **and shall operate for the public purpose of establishing a unified**
35 **student transportation, school property, and school performance**
36 **system within the geographic boundaries of the school city that**
37 **maximizes the efficient use of taxpayer provided resources,**
38 **respects the decision making of individual public schools and the**
39 **school city, and creates the best conditions for student learning and**
40 **success.**

41 **Sec. 2. This article shall be liberally construed to effect the**
42 **purposes of this article. If any other law or rule is inconsistent with**

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1 this article, this article is controlling as to the administration and
 2 management of school property, transportation, and school
 3 performance within the geographic boundaries of the school city
 4 undertaken under this article.

5 **Chapter 2. Definitions**

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

- 7 (1) this chapter; and
 8 (2) except as provided in section 2 of this chapter,
 9 IC 20-25-2;

10 apply throughout this article.

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

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

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

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

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

- 19 (1) A school maintained by the school city.
 20 (2) The following that are located within the geographic
 21 boundaries of the school city:
 22 (A) A participating innovation network school.
 23 (B) A participating innovation network charter school.
 24 (C) A charter school.

25 **Sec. 7. "School property"** means a building or real property
 26 that is:

- 27 (1) leased or owned by the school city or a participating
 28 school; and
 29 (2) located within the geographic boundaries of the school
 30 city.

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

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

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

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

- 40 (1) The seven (7) members of the board of school
 41 commissioners.
 42 (2) Two (2) members appointed by the mayor who have:



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1 (A) expertise in management, capital planning, facilities,
2 transportation, or logistics; or
3 (B) experience in working with vulnerable student
4 populations and communities.
5 (c) All members of the corporation board must reside within
6 the geographic boundaries of the school city.
7 (d) The mayor shall appoint one (1) of the members of the
8 corporation board as chairperson of the corporation board.
9 Sec. 3. (a) The term of office of an appointed member of the
10 corporation board is four (4) years. The member's term begins on
11 July 1 after the appointment.
12 (b) Each member holds office for the term of appointment and
13 continues to serve after expiration of the appointment until a
14 successor is appointed and qualified. A member is eligible for
15 reappointment.
16 (c) If there is a vacancy in the corporation board:
17 (1) the mayor shall fill the vacancy for the unexpired term of
18 a member described in section 2(b)(2) of this chapter; and
19 (2) the board of school commissioners shall fill the vacancy
20 for the unexpired term of a member described in section
21 2(b)(1) of this chapter in accordance with IC 20-25-3-4(h).
22 (d) A member of the corporation board appointed under
23 section 2(b)(2) of this chapter may be removed for cause by the
24 mayor.
25 Sec. 4. (a) A majority of the corporation board members
26 constitutes a quorum for a meeting. The corporation board may
27 act by an affirmative vote of a majority of the corporation board.
28 (b) A vacancy in the membership of the corporation board
29 does not impair the right of a quorum to exercise all rights and
30 perform all duties of the corporation board.
31 Sec. 5. Meetings of the members of the corporation board shall
32 be held at the call of the chairperson. The members shall meet at
33 least once every three (3) months to attend to the business of the
34 corporation.
35 Sec. 6. The members of the corporation board are not entitled
36 to any salary, per diem, or other reimbursements or compensation
37 to serve on the corporation board.
38 Sec. 7. The corporation board shall keep the corporation
39 board's documents in the office of the corporation or in an
40 electronic format. The corporation board shall record the aye and
41 nay vote on the final passage of any item of business and on any
42 other item if two (2) corporation board members request that the

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1 votes be recorded by ayes and nays.

2 Sec. 8. (a) The corporation board shall adopt rules of

3 procedure for corporation board meetings. The corporation board

4 may suspend the rules of procedure by unanimous vote of the

5 members present at the meeting. The corporation board shall not

6 suspend the rules of procedure beyond the duration of the meeting

7 at which the suspension of rules occurs.

8 (b) The corporation board may exercise the powers to

9 supervise internal affairs common to municipal legislative and

10 administrative bodies.

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

12 legislative powers of the corporation.

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

14 recommended by the mayor as the executive director of the

15 corporation.

16 (b) The executive director:

17 (1) serves at the pleasure of the corporation board; and

18 (2) shall do the following:

19 (A) Administer, manage, and direct the affairs and

20 activities of the corporation and any employees of the

21 corporation in accordance with the policies and under

22 the control and direction of the members of the

23 corporation board.

24 (B) Approve all allowable expenses of the corporation or

25 of any employee or contractor, and expenses incidental

26 to the operation of the corporation.

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

28 members of the corporation board in carrying out the

29 purposes of this article.

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

31 director and any employees of the corporation.

32 Sec. 11. (a) Notwithstanding section 3 of this chapter, the

33 following applies to the members initially appointed to the

34 corporation board:

35 (1) The mayor shall appoint members to the corporation

36 board not later than March 31, 2026.

37 (2) The term of each member begins on the date that the

38 member is appointed under subdivision (1).

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

40 (A) One (1) member appointed under section 2(b)(2) of

41 this chapter shall serve until July 1, 2029.

42 (B) One (1) member:

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1 (i) appointed under section 2(b)(2) of this chapter;
 2 and
 3 (ii) who is not a member described in clause (A);
 4 shall serve until July 1, 2030.

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

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

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

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

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

- 22 (1) Beginning with the 2028-2029 school year, control the
- 23 management and operation of school property.
- 24 (2) Establish, in collaboration with the nonprofit
- 25 organization leading the transportation and centralized
- 26 school facilities pilot program in Marion County and the
- 27 school city, a unified transportation plan in accordance with
- 28 section 5 of this chapter and, beginning with the 2028-2029
- 29 school year, lead and oversee the provision of transportation
- 30 of all students to and from participating schools within the
- 31 geographic boundaries of the school city.
- 32 (3) Develop a single school performance framework in
- 33 accordance with section 3 of this chapter that applies to all
- 34 participating schools.
- 35 (4) Manage a unified enrollment system applicable to all
- 36 participating school students.
- 37 (5) Ensure that, to the extent possible, school property is
- 38 provided and made available to all participating schools on
- 39 an equitable basis.
- 40 (6) Develop and implement a formula that provides for the
- 41 fair and equitable distribution of property taxes and other
- 42 funds to the school city and participating schools.

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- 1 **(7) Track qualitative and quantitative data to monitor**
- 2 **outcomes and publicly report data in a manner prescribed**
- 3 **by the mayor.**
- 4 **(8) Make, execute, and enforce contracts and all other**
- 5 **instruments necessary, convenient, or desirable for the**
- 6 **purposes of the corporation, including entering into a**
- 7 **contract with, as applicable, the school city and each**
- 8 **participating school regarding:**
 - 9 **(A) the management and operation of school property;**
 - 10 **(B) provision of transportation of all students to and**
 - 11 **from participating schools within the geographic**
 - 12 **boundaries of the school city; and**
 - 13 **(C) any other matters the corporation board determines**
 - 14 **is necessary to carry out the purposes of the**
 - 15 **corporation.**
- 16 **(9) Acquire, construct, erect, maintain, hold, and contract for**
- 17 **construction, erection, or maintenance of real estate, real**
- 18 **estate improvements, or an interest in real estate or real**
- 19 **estate improvements, as the corporation board considers**
- 20 **necessary for school purposes, including buildings, parts of**
- 21 **buildings, additions to buildings, rooms, gymnasiums,**
- 22 **auditoriums, playgrounds, playing and athletic fields,**
- 23 **facilities for physical training, buildings for administrative,**
- 24 **office, warehouse, repair activities, or housing school owned**
- 25 **buses, landscaping, walks, drives, parking areas, roadways,**
- 26 **easements and facilities for power, sewer, water, roadway,**
- 27 **access, storm and surface water, drinking water, gas,**
- 28 **electricity, other utilities and similar purposes, by purchase,**
- 29 **either outright for cash (or under conditional sales or**
- 30 **purchase money contracts providing for a retention of a**
- 31 **security interest by the seller until payment is made or by**
- 32 **notes where the contract, security retention, or note is**
- 33 **permitted by applicable law), by exchange, by gift, by devise,**
- 34 **by eminent domain, or by lease with or without option to**
- 35 **purchase, or by lease under IC 20-47-2 or IC 20-47-3.**
- 36 **(10) Repair, remodel, remove, or demolish, or to contract for**
- 37 **the repair, remodeling, removal, or demolition of the real**
- 38 **estate, real estate improvements, or interest in the real estate**
- 39 **or real estate improvements that the corporation owns, as**
- 40 **the corporation board considers necessary for school**
- 41 **purposes.**
- 42 **(11) Acquire personal property or an interest in personal**

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

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

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

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

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

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

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

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- 1 **(18) To make all applications, to enter into all contracts, and**
- 2 **to sign all documents necessary for the receipt of aid, money,**
- 3 **or property from the state, the federal government, or from**
- 4 **any other source.**
- 5 **(19) To defend a member of the corporation board or any**
- 6 **employee of the corporation in any suit arising out of the**
- 7 **performance of the member's or employee's duties for or**
- 8 **employment with, the corporation, if the corporation board**
- 9 **by resolution determined that the action was taken in good**
- 10 **faith. To save any member or employee harmless from any**
- 11 **liability, cost, or damage in connection with the performance,**
- 12 **including the payment of legal fees, except where the**
- 13 **liability, cost, or damage is predicated on or arises out of the**
- 14 **bad faith of the member or employee, or is a claim or**
- 15 **judgment based on the member's or employee's malfeasance**
- 16 **as a member or in employment.**
- 17 **(20) To prepare, make, enforce, amend, or repeal rules,**
- 18 **regulations, orders, and procedures:**
- 19 **(A) to carry out the purposes of the corporation; and**
- 20 **(B) that may be designated by an appropriate title such**
- 21 **as "policy handbook", "bylaws", or "rules and**
- 22 **regulations".**
- 23 **(21) Regularly conduct assessments of school property.**
- 24 **(22) To exercise any other power and make any expenditure**
- 25 **in carrying out the general powers and purposes provided in**
- 26 **this article or in carrying out the powers delineated in this**
- 27 **section which is reasonable from a business or educational**
- 28 **standpoint in carrying out purposes of the corporation,**
- 29 **including the acquisition of property or the employment or**
- 30 **contracting for services, even though the power or**
- 31 **expenditure is not specifically set out in this chapter.**
- 32 **(b) The corporation board shall determine the percentage of**
- 33 **property tax revenue that the county auditor is required to**
- 34 **distribute to the corporation under IC 20-46-8-11.2(j) or**
- 35 **IC 20-46-8-12(m), as applicable. The amount determined under**
- 36 **this subsection may not exceed three percent (3%) of the total**
- 37 **amount of revenue to be distributed under IC 20-46-8-11.2(f),**
- 38 **IC 20-46-8-12(h), or IC 20-46-8-12(l), as applicable, to the school**
- 39 **city and to each charter school described in IC 20-46-8-12(m)(2)**
- 40 **for each settlement period described in IC 6-1.1-27-1.**
- 41 **(c) The public education corporation may issue bonds, enter**
- 42 **into leases, or otherwise incur indebtedness after March 31, 2026,**

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

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

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

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

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

20 This subsection expires July 1, 2028.

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

26 (b) The school performance framework must:

27 (1) set clear expectation for school performance;

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

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

31 (B) student assessment outcomes;

32 (C) student discipline practices;

33 (D) student enrollment;

34 (E) physical condition of school property, including
35 deferred maintenance;

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

37 (G) organizational health and governance measures;

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

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

42 (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) The corporation board shall submit to the legislative
- 11 council in an electronic format under IC 5-14-6 the following:
- 12 (1) Not later than August 1, 2026, a report that includes
- 13 information regarding the corporation board's progress in
- 14 creating a single school performance framework under this
- 15 section, including information related to the progress on the
- 16 plan to close inefficient school buildings.
- 17 (2) Not later than November 30, 2027, the single school
- 18 performance framework created under this section.
- 19 Sec. 4. The corporation board may establish an advisory
- 20 committee to assist the corporation board in creating and
- 21 implementing the school performance framework described in
- 22 section 3 of this chapter.
- 23 Sec. 5. (a) The corporation board shall do the following:
- 24 (1) Establish a unified transportation plan regarding the
- 25 provision of transportation of all students to and from
- 26 participating schools within the geographic boundaries of the
- 27 school city.
- 28 (2) Include in the unified transportation plan the amount
- 29 needed to fully fund the plan.
- 30 (3) Not later than November 30, 2026, submit to the
- 31 legislative council in an electronic format under IC 5-14-6 a
- 32 report that includes information regarding the corporation
- 33 board's progress in completing the unified transportation
- 34 plan.
- 35 (4) Not later than November 30, 2027, submit the unified
- 36 transportation plan to the legislative council in an electronic
- 37 format under IC 5-14-6.
- 38 (b) The corporation board shall implement the unified
- 39 transportation plan beginning in the 2028-2029 school year.
- 40 Sec. 6. The school city and all participating schools:
- 41 (1) are required to provide transportation to the students of
- 42 the school city or participating schools through the unified

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

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

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

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

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

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

35 Chapter 5. Financial and Administrative Powers and Duties

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

42 (b) Any indebtedness, liabilities, and obligations incurred after

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1 March 31, 2026, by the corporation are the debt, liability, or
2 obligation of the corporation.

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

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

12 Sec. 4. (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 6-1.1-20 and instead the corporation
15 shall assume the powers and duties of the school city under
16 IC 6-1.1-20 in the territory of the school city.

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

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

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

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

37 (c) An operating referendum tax levy that is approved by the
38 voters before April 1, 2026, shall continue to be imposed after
39 March 31, 2026, through the end of the term and the school city
40 shall continue to use the revenue from the operating referendum
41 tax levy for the same purposes for which it was originally approved
42 by the voters through the end of the term of the referendum.

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

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

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

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

13 **(b) Property tax revenue received from the debt service levy**
 14 **described in IC 20-46-7-0.5(a)(2)(A) that is imposed for the**
 15 **purpose of paying all obligations of the school city must be**
 16 **deposited in the school city's debt service fund established under**
 17 **IC 20-40-9 and may be used only to pay the obligations of the**
 18 **school city. The school city shall use the revenue from the debt**
 19 **service levy to pay debt service on the same terms, for the same**
 20 **period of time, and for the same purposes for which the obligation**
 21 **was initially authorized.**

22 **Sec. 7. (a) Except as provided in subsection (b), beginning July**
 23 **1, 2026, the corporation shall assume the powers and duties of the**
 24 **school city to impose a levy under IC 20-46-8. Beginning with the**
 25 **January 1, 2027, assessment date, and for each assessment date**
 26 **thereafter, the corporation shall impose an annual property tax**
 27 **levy in the territory of the school city.**

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

33 **Sec. 8. (a) Except as provided in subsection (b), after March**
 34 **31, 2026, the school city may not take any action under the**
 35 **procedures set forth in IC 20-46-9 and instead the corporation**
 36 **shall assume the powers and duties of the school city under**
 37 **IC 20-46-9 in the territory of the school city.**

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

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

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

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

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

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

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

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

Chapter 7. Indianapolis Public Education Corporation Debt Service Fund

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

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

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

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

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

- (1) All debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction.**
- (2) A lease to provide capital construction.**
- (3) Interest on emergency and temporary loans.**
- (4) All debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school**

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1 buses when purchased or leased from the proceeds of a bond
2 issue, or from money obtained from a loan made under
3 IC 20-27-4-5, for that purpose.

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

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

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

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

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

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

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

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

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

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

30 (B) With regard to a school corporation, students counted in
31 a school corporation's fall count of ADM minus all students
32 counted in the fall count of ADM who are enrolled in
33 eligible schools that:

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

37 (ii) are included in the school corporation's fall ADM
38 count.

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

41 (b) This section:

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

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

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

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

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

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

20 (2) in the current school year and the two (2) school years
 21 immediately preceding the current school year the school
 22 building was underutilized for classroom instruction purposes or
 23 other allowable uses specified by this section;

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

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

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

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

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

42 (e) For purposes of this section, a school building is underutilized

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1 in a school year if the school building is not used for any of the
 2 following allowable uses:
 3 (1) The number of full-time equivalent students enrolled for
 4 in-person instruction in the school building on instructional days
 5 (as determined under IC 20-30-2) for instructional purposes,
 6 averaged over the current school year and the two (2) school
 7 years immediately preceding the current school year, is at least
 8 fifty percent (50%) of:
 9 (A) the known classroom design capacity of the school
 10 building; or
 11 (B) if the design capacity is not known, the average
 12 maximum full-time equivalent enrollment in any of the last
 13 twenty-five (25) years, as validated by records created or
 14 maintained by the department.
 15 (2) The school corporation demonstrates through facts included
 16 in a resolution that the school building is being used and that it
 17 is financially prudent to continue to use the school building,
 18 considering all community resources, for a distinct student
 19 population that reasonably cannot be served through integration
 20 with the general school population, such as students attending an
 21 alternative education program (as defined in IC 20-30-8-1).
 22 However, to be an allowable use under this subdivision, the
 23 average number of full-time equivalent students using the school
 24 building in a school year for instructional purposes must be at
 25 least thirty percent (30%) of:
 26 (A) the known classroom design capacity of the school
 27 building; or
 28 (B) if the design capacity is not known, the average
 29 maximum full-time equivalent enrollment in any of the last
 30 twenty-five (25) years, as validated by records created or
 31 maintained by the department; and
 32 (if multiple school buildings are used for the same purposes)
 33 combining the student populations into fewer school buildings
 34 is not reasonably feasible.
 35 (3) The school corporation demonstrates through facts included
 36 in a resolution that the school building is being used and that it
 37 is financially prudent to continue to use the school building,
 38 considering all community resources, for administrative or other
 39 school offices. However, to be an allowable use under this
 40 subdivision, at least fifty percent (50%) of the square footage of
 41 the school building must be used for offices, the personnel
 42 headquartered in the school building must consistently use the

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1 space for office purposes, and the occupancy cost of using the
 2 school building cannot be more than comparable office space
 3 that is available in the school district.
 4 (4) The school corporation demonstrates through facts included
 5 in a resolution that the school building is being used and that it
 6 is financially prudent to continue to use the school building,
 7 considering all community resources, for storage. However, to be
 8 an allowable use under this subdivision, at least fifty percent
 9 (50%) of the square footage of the school building must be used
 10 for storage, on average the storage space must be used to
 11 capacity, and the cost of using the school building for storage
 12 must be less than comparable storage space that is available in
 13 the school district.
 14 (5) The school corporation demonstrates through facts included
 15 in a resolution that the school building is being used and that it
 16 is financially prudent to continue to use the school building,
 17 considering all community resources, for a combination of office
 18 space and storage. However, to be an allowable use under this
 19 subdivision, at least fifty percent (50%) of the square footage of
 20 the school building must be used for a combination of office
 21 space and storage and:
 22 (A) the personnel headquartered in the school building must
 23 consistently use the office space for office purposes, and the
 24 occupancy cost of using the office space, calculated using
 25 the costs of operating the school building, cannot be more
 26 than comparable office space that is available in the school
 27 district; and
 28 (B) on average, the storage space must be used to capacity
 29 and the cost of using the school building for storage must be
 30 less than comparable storage space that is available in the
 31 school district.
 32 (f) Closure of a school building that is:
 33 (1) owned by the school corporation or any other entity that is
 34 related in any way to, or created by, the school corporation or the
 35 governing body; or
 36 (2) jointly owned in the same manner by two (2) or more school
 37 corporations;
 38 shall be carried out in conformity with IC 20-26-7.1.
 39 (g) Before filing a petition under subsection (h), a charter school
 40 or state educational institution that is interested in a school
 41 corporation's school building must give written notice to the school
 42 corporation to determine whether an agreement can be reached

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1 regarding the school corporation making the school building available
2 for lease or purchase under IC 20-26-7.1.

3 (h) If an agreement is not reached within forty-five (45) days after
4 the date that the school corporation receives the notice under
5 subsection (g), the charter school or state educational institution may
6 petition the department to initiate or the department on its own may
7 initiate a proceeding for a determination as to whether a school
8 building meets the criteria for closure under this section or a covered
9 school building that is no longer used for classroom instruction by a
10 school corporation should be made available under IC 20-26-7.1. If a
11 charter school or state educational institution petitions the department
12 under this subsection, the charter school or state educational institution
13 must provide a copy of the petition to the applicable school
14 corporation.

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

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

23 (1) file a response to the petition that notifies the department that
24 the school corporation:

25 (A) is not contesting the petition; or

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

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

30 (k) If the school corporation:

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

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

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

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

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

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1 (1) petitioner and any intervening party have submitted a reply
 2 under subsection (l); or
 3 (2) time period to reply under subsection (l) has expired.
 4 (n) A school corporation or another party to the proceeding may
 5 file with the state board a petition requesting review of the department's
 6 determination. Upon receipt of a petition under this subsection, the
 7 state board shall review the department's determination. An appeal to
 8 the state board shall be subject to the procedure described in
 9 IC 20-26-11-15(b).
 10 (o) Upon the issuance of a final unappealable order granting a
 11 petition, the school corporation shall make the school building
 12 available for lease or purchase in accordance with IC 20-26-7.1.
 13 SECTION 15. IC 20-26-7-48, AS ADDED BY P.L.189-2023,
 14 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 48. (a) The following definitions apply
 16 throughout this section:
 17 (1) "Current school year" refers to a year in which the governing
 18 body is required to conduct a review of school building usage
 19 under section 47(c) of this chapter.
 20 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of
 21 this chapter.
 22 (b) This section:
 23 (1) applies to a school corporation only if:
 24 (1) (A) the total student enrollment for in-person instruction
 25 in the school corporation in the current school year is at
 26 least ten percent (10%) less than the student enrollment for
 27 in-person instruction in the school corporation in a school
 28 year that precedes the current school year by five (5); and
 29 (2) (B) the school corporation in the current school year has
 30 more than one (1) school building serving the same grade
 31 level as a school building subject to closure under section
 32 47 of this chapter; **and**
 33 (2) **does not apply to a school city (as defined in**
 34 **IC 20-25-2-12).**
 35 (c) Each school corporation shall annually report to the
 36 department, in the form and on the schedule specified by the
 37 department, the following information:
 38 (1) A listing of all buildings owned or leased by the school
 39 corporation that were originally designed as a school building.
 40 (2) The following information for each building listed in
 41 subdivision (1):
 42 (A) Designed occupancy, regardless of current use.

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- 1 (B) Current use (and percentage of use) for classroom
- 2 instruction, as special use classrooms, as office space, or as
- 3 storage or alternatively the building's status as transitioning
- 4 from one (1) use or combination of uses to another.
- 5 (C) The following information:
- 6 (i) Current average full-time equivalent student
- 7 enrollment for in-person instruction in the school
- 8 building on instructional days (as determined under
- 9 IC 20-30-2) in a school year.
- 10 (ii) Percentage of instructional use.
- 11 (iii) Percentage of use for other purposes.
- 12 (D) Self-evaluation of whether the building qualifies for
- 13 closure under section 47 of this chapter or the school board
- 14 otherwise intends to close the building and the date closure
- 15 will occur (if applicable).

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

- 21 (b) This chapter does not apply to the following:
- 22 (1) A school building that since July 1, 2011, is leased or loaned
- 23 by the school corporation that owns the school building to
- 24 another entity, if the entity is not a building corporation or other
- 25 entity that is related in any way to, or created by, the school
- 26 corporation or the governing body.
- 27 (2) A school corporation to which all of the following apply:
- 28 (A) The county auditor distributes revenue after May 10,
- 29 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to
- 30 each eligible charter school.
- 31 (B) If the school corporation listed in IC 20-46-9-22
- 32 receives revenue from a school safety referendum tax levy
- 33 under IC 20-46-9, the county auditor distributes revenue
- 34 after May 10, 2023, as required under IC 20-46-9-22 to
- 35 each charter school described in IC 20-46-9-22(b).

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

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

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

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

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

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

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

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

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

- 23 (i) a student who resides within the attendance area of
24 the school corporation attends; and
25 (ii) elects to participate in the referendum;

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

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

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

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

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

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- 1 **(1) determine the amounts of revenue to be distributed to the**
- 2 **school city and any charter schools as provided in section 21**
- 3 **or 22 of this chapter, as applicable; and**
- 4 **(2) distribute revenue collected from a levy imposed under**
- 5 **this chapter to the school city and any charter schools as**
- 6 **provided in section 21 or 22 of this chapter, as applicable.**

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

- 11 **(1) a school city (as defined in IC 20-25-2-12) may not impose**
- 12 **the property tax levy or otherwise exercise the powers and**
- 13 **duties under this chapter; and**
- 14 **(2) the public education corporation shall impose both:**
- 15 **(A) an annual property tax levy in the territory of the**
- 16 **school city sufficient to pay all obligations of the school**
- 17 **city; and**
- 18 **(B) an annual property tax levy in the territory of the**
- 19 **school city sufficient to pay all obligations of the**
- 20 **corporation.**

- 21 **(b) Property tax revenue received from the:**
- 22 **(1) property tax levy described in subsection (a)(2)(A) shall**
- 23 **be deposited in the debt service fund established by the**
- 24 **school city under IC 20-40-9 and used to pay debt service on**
- 25 **the same terms, for the same period of time, and for the same**
- 26 **purposes for which the obligation was initially authorized;**
- 27 **and**
- 28 **(2) property tax levy described in subsection (a)(2)(B) shall**
- 29 **be deposited in the public education corporation's debt**
- 30 **service fund established by IC 20-25-7-3 and used for the**
- 31 **purposes of the fund.**

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

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

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1 city under this chapter as set forth in IC 20-25.3-5.
2 **(b) Notwithstanding subsection (a), beginning with property**
3 **taxes first due and payable after December 31, 2025, the county**
4 **auditor shall:**
5 **(1) determine the amounts of revenue to be distributed to the**
6 **public education corporation, the school city, and any**
7 **charter schools as provided in section 11.2 or 12 of this**
8 **chapter, as applicable; and**
9 **(2) distribute revenue collected from a levy imposed under**
10 **this chapter to the public education corporation, the school**
11 **city, and any charter schools as provided in section 11.2 or**
12 **12 of this chapter, as applicable.**
13 SECTION 20. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025,
14 SECTION 225, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies
16 only to revenue collected after June 30, 2024, and before January 1,
17 2028, from a tax levy imposed under this chapter by a school
18 corporation located in:
19 (1) Lake County;
20 (2) Marion County;
21 (3) St. Joseph County; or
22 (4) Vanderburgh County.
23 However, this section does not apply to, and distributions are not
24 required for, a school corporation that is designated as a distressed
25 political subdivision under IC 6-1.1-20.3.
26 (b) For distributions made in:
27 (1) calendar year 2025, and subject to subsection (c); and
28 (2) calendar years 2026 and 2027, and subject to subsections (c),
29 (h), and (i);
30 the county auditor shall distribute to each charter school that is eligible
31 for a distribution under subsection (d), and as provided under
32 subsection (f), an amount of revenue received from a tax levy imposed
33 by a school corporation under this chapter that is attributable to the
34 territory of the school corporation that is located within the boundaries
35 of a county listed in subsection (a).
36 (c) The following schools are not eligible to receive a distribution
37 under this section:
38 (1) A virtual charter school.
39 (2) An adult high school.
40 (d) Not later than March 1, 2025, January 1, 2026, and January 1,
41 2027, the department, in consultation with the department of local
42 government finance, shall determine the corresponding percentages of

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1 revenue received from the tax levy that are attributable to the territory
2 of the school corporation that is located within the boundaries of a
3 county listed in subsection (a) and must be distributed among the
4 school corporation and each eligible charter school according to the
5 following formula:

6 STEP ONE: Determine each charter school that:

7 (A) is located in the same county as the school corporation;
8 and

9 (B) provides not more than fifty percent (50%) virtual
10 instruction for its students.

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

13 (A) have legal settlement within the school corporation;

14 (B) are currently included in the fall ADM for the charter
15 school; and

16 (C) receive not more than fifty percent (50%) virtual
17 instruction.

18 STEP THREE: Determine the sum of:

19 (A) the aggregate of the STEP TWO results for all
20 applicable charter schools; plus

21 (B) the fall ADM count for the school corporation for
22 students receiving not more than fifty percent (50%) virtual
23 instruction.

24 STEP FOUR: For each charter school described in STEP ONE,
25 determine the result of:

26 (A) the applicable STEP TWO amount; divided by

27 (B) the STEP THREE amount;

28 expressed as a percentage.

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

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

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

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

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

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- 1 of the following STEPS:
- 2 STEP ONE: For each school corporation, determine a base
- 3 property tax levy amount calculated as:
- 4 (A) the sum of the school corporation's operations fund
- 5 property tax levies that are attributable to the territory of the
- 6 school corporation that is located within the boundaries of
- 7 a county listed in subsection (a) and collected under this
- 8 chapter for the applicable settlement period as described in
- 9 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023;
- 10 divided by
- 11 (B) three (3).
- 12 STEP TWO: For each school corporation, determine an
- 13 incremental property tax levy amount calculated as:
- 14 (A) the school corporation's operations fund property tax
- 15 levy collections that are attributable to the territory of the
- 16 school corporation that is located within the boundaries of
- 17 a county listed in subsection (a) for the applicable
- 18 settlement period as described in IC 6-1.1-27-1 in the
- 19 current calendar year; minus
- 20 (B) the school corporation's base property tax levy
- 21 collections determined for the applicable settlement period
- 22 as described in IC 6-1.1-27-1 under STEP ONE.
- 23 STEP THREE: For the school corporation and each applicable
- 24 charter school, determine the result of:
- 25 (A) the sum of:
- 26 (i) the incremental amount determined under STEP
- 27 TWO; plus
- 28 (ii) any distribution amount withheld under subsection
- 29 (i); multiplied by
- 30 (B) the following percentage:
- 31 (i) In the case of an applicable charter school, the
- 32 charter school's percentage under STEP FOUR of
- 33 subsection (d).
- 34 (ii) In the case of the school corporation, the school
- 35 corporation's percentage under STEP FIVE of
- 36 subsection (d).
- 37 (g) Before August 15, 2025, and August 15, 2026, the department
- 38 shall provide to each school corporation and each eligible charter
- 39 school an estimate of the amount of property tax levy revenue the
- 40 school corporation and charter school are expected to receive under
- 41 this section based on the most recent fall ADM count.
- 42 (h) This subsection applies to distributions of property tax revenue

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

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

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

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

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

41 **(j) This subsection applies only to distributions of property tax**
 42 **revenue in 2026 and to distributions of property tax revenue in**

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- 1 **2027 to:**
 2 **(1) a school city (as defined in IC 20-25-2-12); and**
 3 **(2) a charter school that:**
 4 **(A) is located in the territory of a school city (as defined**
 5 **in IC 20-25-2-12); and**
 6 **(B) would otherwise receive a share of property tax**
 7 **revenue from the school city under this section.**

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

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

- 23 (1) one hundred (100) students; or
 24 (2) two percent (2%) of the school corporation's spring ADM
 25 count, excluding students who receive more than fifty percent
 26 (50%) virtual instruction.

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

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

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

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

- 37 (1) A virtual charter school.
 38 (2) An adult high school.

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

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1 a school corporation under this chapter.

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

3 eligible charter school that has entered into an agreement with a school

4 corporation to participate as a participating innovation network charter

5 school under IC 20-25.7-5 is considered to have an ADM that is

6 separate from the school corporation.

7 (f) Not later than January 1, 2028, and not later than January 1 of

8 each year thereafter, the department, in consultation with the

9 department of local government finance, shall determine, for each

10 school corporation, the corresponding percentages of revenue received

11 from the tax levy that must be distributed among the school corporation

12 and each eligible charter school according to the following formula:

13 STEP ONE: Determine, for each eligible charter school, the

14 number of students who:

15 (A) have legal settlement within the school corporation;

16 (B) are currently included in the fall ADM count for the

17 charter school; and

18 (C) receive not more than fifty percent (50%) virtual

19 instruction.

20 STEP TWO: Determine the sum of:

21 (A) the aggregate of the STEP ONE results for all eligible

22 charter schools with respect to the school corporation; plus

23 (B) the fall ADM count for the school corporation for

24 students receiving not more than fifty percent (50%) virtual

25 instruction.

26 STEP THREE: For each eligible charter school, determine the

27 result of:

28 (A) the applicable STEP ONE amount; divided by

29 (B) the STEP TWO amount;

30 expressed as a percentage.

31 STEP FOUR: Determine the sum of all the amounts computed

32 under STEP THREE and subtract the result from one hundred

33 percent (100%).

34 (g) The department shall provide to the county auditor,

35 immediately after calculation under subsection (f):

36 (1) each eligible charter school and the eligible charter school's

37 corresponding percentage calculated under STEP THREE of

38 subsection (f); and

39 (2) the percentage calculated under STEP FOUR of subsection

40 (f) for the school corporation.

41 (h) **Except as provided in subsection (m), and** subject to

42 subsections (j) and (l), the county auditor shall distribute to the school

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1 corporation and each eligible charter school the amount determined in
2 the last STEP of the following STEPS:

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

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

9 (A) the sum of:

10 (i) the STEP ONE result; plus

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

13 (B) the following percentage:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (B) five-tenths (0.5).

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

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

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

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

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

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

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

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

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

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

20 SECTION 22. IC 20-46-9-0.5 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection**
 23 **(b), after March 31, 2026, a school city (as defined in**
 24 **IC 20-25-2-12) may not exercise the powers and duties under this**
 25 **chapter and instead, the public education corporation assumes the**
 26 **powers and duties of the school city as set forth in IC 20-25.3-5.**

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

28 **(1) determine the amounts of revenue to be distributed to the**
 29 **school city and any charter schools as provided in this**
 30 **chapter; and**

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

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

39 SECTION 24. IC 20-47-2-3.5 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
 42 **"public education corporation" refers to the Indianapolis public**

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

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

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

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

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

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

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

27 (2) provide that:

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

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

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

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

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

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

37 (b) A lease entered into under this chapter may not provide or be
 38 construed to provide that a school corporation **or the public education**
 39 **corporation** is under any obligation to purchase a leased school
 40 building or buildings, or under any obligation in respect to any
 41 creditors, shareholders, or other security holders of the lessor
 42 corporation.

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

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

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

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

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

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

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

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

37 (C) if no such paper is published in the school corporation,
 38 in any newspaper of general circulation published in the
 39 county;

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

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

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- 1 (A) location of the property to be leased;
- 2 (B) name of the proposed lessor corporation;
- 3 (C) character of the property to be leased;
- 4 (D) rental to be paid; and
- 5 (E) number of years the lease is to be in effect.

6 The cost of publishing the notice shall be borne by the lessor
7 corporation.

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

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

21 (b) Within thirty (30) days following the termination of the
22 hearing, the governing body or bodies of the school corporation or
23 corporations **or the corporation board** may by a majority vote of all
24 members of the governing body or bodies **or corporation board**:

- 25 (1) authorize the execution of the proposed lease as originally
- 26 agreed upon; or
- 27 (2) make modifications to the proposed lease that are agreed
- 28 upon with the lessor corporation.

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

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

- 39 (1) a newspaper of general circulation printed in the English
- 40 language in the school corporation;
- 41 (2) a newspaper described in subdivision (1) in each school
- 42 corporation if the proposed lease is a joint lease; or

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

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1 appeal upon the necessity for the execution of the lease and as to
2 whether the rental is fair and reasonable, is final.

3 SECTION 32. IC 20-47-2-14, AS AMENDED BY P.L.146-2008,
4 SECTION 516, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 14. An action to contest the
6 validity of the lease or to enjoin the performance of any of the terms
7 and conditions of the lease may not be instituted at any time later than:

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

11 (2) if an appeal is allowed under section 13 of this chapter and
12 has been taken to the department of local government finance,
13 thirty (30) days after the decision of the department of local
14 government finance.

15 SECTION 33. IC 20-47-2-15, AS ADDED BY P.L.113-2006,
16 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 15. **(a) Except as provided in subsection (b)**,
18 the lessor corporation shall acquire, own, and hold in fee simple the
19 land on which a school building or buildings are to be erected under
20 this chapter.

21 **(b) The lessor corporation may acquire, own, and hold in fee**
22 **simple the land by agreement and conveyance with a school**
23 **corporation or with the public education corporation subject to the**
24 **conditions of this section. The lessor corporation may lease such a**
25 **school building directly to the public education corporation or to**
26 **a school corporation. If the lessor corporation leases such a school**
27 **building to a school corporation, the school corporation may assign**
28 **or sublet its lease to the public education corporation.**

29 **(c) A school corporation or the public education corporation**
30 that proposes to lease such a school building, either alone or jointly
31 with another school corporation, and owns the land on which it desires
32 that the building or buildings be erected may sell and transfer that land
33 to the lessor corporation in fee simple, subject to the following
34 conditions:

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

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

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

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

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

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

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

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

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

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

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1 maturities and deducting from that amount the premium bid, if any.

2 (d) Refunding bonds issued under this section:

3 (1) are legal and proper investments;

4 (2) are exempt from taxation; and

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

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

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

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

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

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

32 (1) Construction of a school building.

33 (2) An addition to a school building owned by a lessor
34 corporation or owned by the school corporation **or public**
35 **education corporation** to which a lessor corporation has leased
36 property under this chapter, and any remodeling incidental to
37 that addition.

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

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

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- 1 outstanding bonds and construction of improvements.
- 2 (d) Refunding and improvement bonds issued under this section:
- 3 (1) are legal and proper investments;
- 4 (2) are exempt from taxation; and
- 5 (3) may be sold without registration with or approval of the
- 6 securities division of the office of the secretary of state or the
- 7 securities commissioner;
- 8 in the same manner, under the same conditions, and subject to the same
- 9 limitations as any other bonds issued by lessor corporations under
- 10 section 16 of this chapter.
- 11 (e) In connection with the issuance of refunding and improvement
- 12 bonds, the lessee school corporation, ~~or~~ school corporations, **or public**
- 13 **education corporation** may enter into an amendment to the lease with
- 14 the lessor corporation providing for:
- 15 (1) an extension of the time set forth in the lease before the
- 16 option of the lessee or lessees to purchase may be exercised to a
- 17 time agreed upon between the lessee school corporation, ~~or~~
- 18 school corporations, **or public education corporation** and the
- 19 lessor corporation;
- 20 (2) an extension of the term of the lease, not to exceed ten (10)
- 21 years, to include the improvements in the description of the
- 22 leased property; and
- 23 (3) increased lease rental payments after the completion of the
- 24 improvements.
- 25 (f) No proceedings or actions by the lessee nor approval by any
- 26 board, commission, or agency are required in connection with a
- 27 refunding under this section, and the refunding does not affect the
- 28 obligation of the lessee to pay the lease rental under the lease of the
- 29 building or buildings. However, all provisions, restrictions, and
- 30 limitations of this chapter that are not inconsistent with this section,
- 31 including the petition of school patrons, notice of hearing, hearing,
- 32 notice of execution, and right to file an objecting petition, apply to an
- 33 amendment of the lease increasing the lease rental payments as if the
- 34 amendment were an original lease.
- 35 (g) An action to contest the validity of refunding and improvement
- 36 bonds issued under this section may not be brought after the fifteenth
- 37 day following the receipt of bids for the bonds.
- 38 SECTION 36. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
- 39 SECTION 170, IS AMENDED TO READ AS FOLLOWS
- 40 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**
- 41 **public education corporation** that decides to exercise an option to
- 42 purchase a school building under this chapter may issue general

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

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

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

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

41 SECTION 40. IC 20-47-2-23, AS AMENDED BY P.L.244-2017,
 42 SECTION 109, IS AMENDED TO READ AS FOLLOWS

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

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

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

15 SECTION 42. IC 20-47-3-1.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. 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 43. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,
 21 SECTION 305, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**
 23 **the public education corporation** may lease a school building or
 24 buildings for the use of:

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

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

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

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

- 40 (1) set out the amount of the total lease rental to be paid by each
 41 lessee, which may be as agreed upon; and
 42 (2) provide that:

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

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

5 SECTION 44. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
6 SECTION 170, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, ~~or~~
8 **school corporations, or the public education corporation** may enter
9 into a lease or lease with option to purchase under this chapter only
10 with:

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

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

16 SECTION 45. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,
17 SECTION 517, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
19 subsections (d) and (e), a lease must provide that the school
20 corporation, ~~or school corporations, or the public education~~
21 **corporation** have an option to:

22 (1) renew the lease for a further term on like conditions; and

23 (2) purchase the property covered by the lease;

24 with the terms and conditions of the purchase to be specified in the
25 lease, subject to the approval of the department of local government
26 finance.

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

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

38 (2) one percent (1%) of the purchase price as prepayment
39 penalty for purchase in the second five (5) years of the lease
40 term;

41 and thereafter the purchase shall be without prepayment penalty.

42 (c) However:

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1 (1) if the school corporation, ~~or school~~ corporations, **or the**
2 **public education corporation** have not exercised an option to
3 purchase the property covered by the lease at the expiration of
4 the lease; and

5 (2) upon the full discharge and performance by the school
6 corporation, ~~or school~~ corporations, **or public education**
7 **corporation** of their obligations under the lease;

8 the property covered by the lease becomes the absolute property of the
9 school corporation, ~~or school~~ corporations, **or public education**
10 **corporation**, and the lessor corporation shall execute proper
11 instruments conveying to the school corporation, ~~or school~~
12 corporations, **or public education corporation** good and merchantable
13 title to that property.

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

18 (1) The lease is not required to include on behalf of the school
19 corporation an option to purchase the property covered by the
20 lease.

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

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

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

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

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

33 the terms and conditions of the purchase that are specified in the lease
34 are not subject to the approval of the department of local government
35 finance.

36 SECTION 46. IC 20-47-3-8, AS AMENDED BY P.L.146-2008,
37 SECTION 518, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
39 subsection (b), a school corporation, ~~or school~~ corporations, **or the**
40 **public education corporation** may, in anticipation of the acquisition
41 of a site and the construction and erection of a school building or
42 buildings, and, subject to the approval of the department of local

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

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

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

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

20 the approval of the department of local government finance is not
 21 required.

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

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

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

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

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

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

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

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

12 The cost of publication of the notice shall be paid by the lessor
 13 corporation.

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

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

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

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

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

37 SECTION 49. IC 20-47-3-11, AS AMENDED BY P.L.38-2021,
 38 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 11. (a) If the execution of the lease as
 40 originally agreed upon or as modified by agreement is authorized by
 41 the governing body or bodies of the school corporation or corporations
 42 **or the corporation board**, the governing body **or corporation board**

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

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1 upon the petition by a letter signed by the commissioner or
2 deputy commissioner of the department of local government
3 finance, and enclosed with full prepaid postage addressed to the
4 taxpayer petitioners at their usual place of residence, at least five
5 (5) days before the hearing.

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

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

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

21 SECTION 51. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,
22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 UPON PASSAGE]: Sec. 13. **(a) Except as provided in subsection (b),**
24 the lessor corporation shall acquire, own, and hold in fee simple the
25 land on which a school building or buildings are to be erected under
26 this chapter.

27 **(b) The lessor corporation may acquire, own, and hold in fee**
28 **simple the land by agreement and conveyance with a school**
29 **corporation or with the public education corporation subject to the**
30 **conditions of this section. The lessor corporation may lease such a**
31 **school building directly to the public education corporation or to**
32 **a school corporation. If the lessor corporation leases such a school**
33 **building to a school corporation, the school corporation may assign**
34 **or sublet its lease to the public education corporation.**

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

- 40 (1) Before the sale may take place, the governing body of the
- 41 school corporation **or the corporation board** must file a petition
- 42 with the circuit court of the county in which the school

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1 corporation is located, requesting the appointment of:

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

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

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

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

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

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

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

42 SECTION 54. IC 20-47-3-16, AS ADDED BY P.L.2-2006,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 SECTION 64. IC 20-48-1-11, AS AMENDED BY P.L.9-2024,
 38 SECTION 403, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) ~~As used in this section;~~

40 **The following definitions apply throughout this section:**

- 41 (1) "Debt service obligations" refers to the principal and interest
- 42 payable:

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1 (+) (A) on a school corporation's general obligation bonds
2 and lease rentals under IC 20-47-2 and IC 20-47-3; or
3 (2) (B) to a school corporation's designated paying agent
4 under a written agreement entered into in connection with
5 the issuance of the school corporation's general obligation
6 bonds.

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

10 (A) A school corporation (as defined in
11 IC 20-18-2-16(a)).

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

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

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

26 (1) bond or lease rental levies, or any levies that replace the bond
27 and lease rental levies; and

28 (2) appropriations;
29 that are sufficient to pay the debt service obligations for that next
30 succeeding calendar year.

31 (c) Upon the failure of a school corporation to pay any of the
32 school corporation's debt service obligations when due, the treasurer of
33 state, upon being notified of the failure by a claimant, shall within five
34 (5) days, excluding Saturdays, Sundays, and legal holidays, pay the
35 unpaid debt service obligations that are due from the funds of the state
36 in an amount equal to the amount of the unpaid debt service obligations
37 that are due to the claimant, but only to the extent that amounts
38 described in subsection (d) are available to the treasurer of state to
39 fulfill the requirements of this subsection. Notwithstanding
40 IC 4-13-2-18, IC 20-43-2-1, or any other law, administrative rule,
41 policy, or schedule to the contrary, upon the treasurer of state receiving
42 a request from a claimant as described in this subsection the treasurer

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1 of state shall immediately contact the school corporation and the
 2 claimant to confirm whether the school corporation is unable to make
 3 the required payment on the date on which it is due, and, if confirmed,
 4 the treasurer of state shall provide notice of the request to the budget
 5 director, the state comptroller, and any department or agency of the
 6 state responsible for distributing funds appropriated by the general
 7 assembly for distribution to the school corporation from state funds. A
 8 department or agency of the state shall, not later than three (3) days
 9 after receiving the treasurer of state's notice, excluding Saturdays,
 10 Sundays, or legal holidays, transfer the funds and make the funds
 11 available to the treasurer of state in order for the treasurer of state to
 12 fulfill the obligations of this subsection.

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

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

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

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

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

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

42 (e) Notwithstanding any other law to the contrary, if any amounts

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1 are transferred to the treasurer of state under subsection (c), the
2 applicable department or agency shall recover those amounts by:

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

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

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

12 (1) first, from all funds except state tuition support; and

13 (2) second, from state tuition support.

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

18 **(h) Notwithstanding subsections (e) and (f), beginning April 1,**
19 **2026, and ending June 30, 2027, the reduction of distributions**
20 **under subsections (e) and (f) to pay for debt service obligations**
21 **issued by the Indianapolis public education corporation must be**
22 **made from the reduction of distributions to the school city (as**
23 **defined in IC 20-25-2-12). This subsection expires July 1, 2027.**

24 SECTION 65. IC 20-48-3-0.5 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**
27 **public education corporation may exercise the same powers, duties,**
28 **and responsibilities granted to the school city under this chapter as**
29 **set forth in IC 20-25.3.**

30 SECTION 66. IC 36-3-6-9, AS AMENDED BY P.L.137-2012,
31 SECTION 118, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This section does not**
33 **apply to the Indianapolis public education corporation established**
34 **by IC 20-25.3-3-1.**

35 **(b) Except as provided in subsection (d); (e), the city-county**
36 **legislative body shall review the proposed operating and maintenance**
37 **budgets and tax levies and adopt final operating and maintenance**
38 **budgets and tax levies for each of the following entities in the county:**

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

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

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

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1 (4) A public transportation corporation operating under
2 IC 36-9-4.

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

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

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

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

15 ~~(c)~~ **(d)** The city-county legislative body or, when subsection ~~(d)~~ **(e)**
16 applies, the fiscal body of an excluded city or town shall review the
17 issuance of bonds of an entity listed in subsection ~~(a)~~; **(b)**. Approval of
18 the city-county legislative body or, when subsection ~~(d)~~ **(e)** applies, the
19 fiscal body of an excluded city or town is required for the issuance of
20 bonds. The city-county legislative body or the fiscal body of an
21 excluded city or town may not reduce or modify a budget or tax levy of
22 an entity listed in subsection ~~(a)~~ **(b)** in a manner that would:

23 (1) limit or restrict the rights vested in the entity to fulfill the
24 terms of any agreement made with the holders of the entity's
25 bonds; or

26 (2) in any way impair the rights or remedies of the holders of the
27 entity's bonds.

28 ~~(d)~~ **(e)** If the assessed valuation of a taxing unit is entirely
29 contained within an excluded city or town (as described in IC 36-3-1-7)
30 that is located in a county having a consolidated city, the governing
31 body of the taxing unit shall submit its proposed operating and
32 maintenance budget and tax levies to the city or town fiscal body for
33 approval and not the city-county legislative body. Except as provided
34 in subsection ~~(c)~~; **(d)**, the fiscal body of the excluded city or town may
35 reduce or modify but not increase a proposed operating and
36 maintenance budget or tax levy under this section.

37 SECTION 67. **An emergency is declared for this act.**

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