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HOUSE BILL No. 1423

Proposed Changes to January 30, 2026 printing by AM142325

DIGEST OF PROPOSED AMENDMENT

IPEC matters. Includes the Indianapolis public education corporation (corporation) in the definition of "public agency" for purposes of the open door law. Removes the charter board as an authorizer for a charter school located within the geographic boundaries of a school city. Changes the composition of the corporation board to include the seven members of the board of school commissioners, and two members appointed by the mayor. Changes the term of office for appointed members of the corporation board from six years to four years. Removes certain provisions concerning school closure by the corporation board. Removes a provision allowing a participating school to opt out of participation in the management and control of school property by the corporation board.

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

HB 1423—LS 7118/DI 110



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1 shall advance to that political subdivision a portion of the taxes
2 collected before the semiannual distribution. The amount advanced
3 may not exceed the lesser of:

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

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

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

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

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

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

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

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

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

41 (3) Any entity which is subject to either:
42 (A) budget review by either the department of local

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1 government finance or the governing body of a county, city,
 2 town, township, or school corporation; or

3 (B) audit by the state board of accounts that is required by
 4 statute, rule, or regulation.

5 (4) Any building corporation of a political subdivision of the
 6 state of Indiana that issues bonds for the purpose of constructing
 7 public facilities.

8 (5) Any advisory commission, committee, or body created by
 9 statute, ordinance, or executive order to advise the governing
 10 body of a public agency, except medical staffs or the committees
 11 of any such staff.

12 (6) The Indiana gaming commission established by IC 4-33,
 13 including any department, division, or office of the commission.

14 (7) The Indiana horse racing commission established by IC 4-31,
 15 including any department, division, or office of the commission.

16 **(8) The Indianapolis public education corporation**
 17 **established by IC 20-25.3-3-1.**

18 (b) "Governing body" means two (2) or more individuals who are
 19 any of the following:

20 (1) A public agency that:

21 (A) is a board, a commission, an authority, a council, a
 22 committee, a body, or other entity; and

23 (B) takes official action on public business.

24 (2) The board, commission, council, or other body of a public
 25 agency which takes official action upon public business.

26 (3) Any committee appointed directly by the governing body or
 27 its presiding officer to which authority to take official action
 28 upon public business has been delegated. However, the
 29 following do not constitute a governing body for purposes of this
 30 chapter:

31 (A) An agent or agents appointed by the governing body to
 32 conduct collective bargaining on behalf of the governing
 33 body.

34 (B) A committee appointed directly by the governing body
 35 or a designee of the governing body:

36 (i) for the sole purpose of receiving information,
 37 deliberating, or making recommendations to the
 38 governing body; and

39 (ii) that has not more than one (1) member of the
 40 governing body as a member.

41 (c) "Meeting" means a gathering of a majority of the governing
 42 body of a public agency for the purpose of taking official action upon

HB 1423—LS 7118/DI 110



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1 public business. It does not include any of the following:

2 (1) Any social or chance gathering not intended to avoid this
3 chapter.

4 (2) Any on-site inspection of any:

5 (A) project;

6 (B) program; or

7 (C) facilities of applicants for incentives or assistance from
8 the governing body.

9 (3) Traveling to and attending meetings of organizations devoted
10 to betterment of government.

11 (4) A caucus.

12 (5) A gathering to discuss an industrial or a commercial prospect
13 that does not include a conclusion as to recommendations,
14 policy, decisions, or final action on the terms of a request or an
15 offer of public financial resources.

16 (6) An orientation of members of the governing body on their
17 role and responsibilities as public officials, but not for any other
18 official action.

19 (7) A gathering for the sole purpose of administering an oath of
20 office to an individual.

21 (8) Collective bargaining discussions that the governing body of
22 a school corporation engages in directly with bargaining
23 adversaries. This subdivision applies only to a governing body
24 that has not appointed an agent or agents to conduct collective
25 bargaining on behalf of the governing body as described in
26 subsection (b)(3).

27 (d) "Official action" means to:

28 (1) receive information;

29 (2) deliberate;

30 (3) make recommendations;

31 (4) establish policy;

32 (5) make decisions; or

33 (6) take final action.

34 (e) "Public business" means any function upon which the public
35 agency is empowered or authorized to take official action.

36 (f) "Executive session" means a meeting from which the public is
37 excluded, except the governing body may admit those persons
38 necessary to carry out its purpose. The governing body may also admit
39 an individual who has been elected to the governing body but has not
40 been sworn in as a member of the governing body.

41 (g) "Final action" means a vote by the governing body on any
42 motion, proposal, resolution, rule, regulation, ordinance, or order.

HB 1423—LS 7118/DI 110



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1 (h) "Caucus" means a gathering of members of a political party or
 2 coalition which is held for purposes of planning political strategy and
 3 holding discussions designed to prepare the members for taking official
 4 action.

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

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

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

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

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

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

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

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

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

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

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

42 (c) If:

HB 1423—LS 7118/DI 110



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1 (1) the assessed valuation of a taxing unit is entirely contained
 2 within a city or town; or
 3 (2) the assessed valuation of a taxing unit is not entirely
 4 contained within a city or town but:
 5 (A) the taxing unit was originally established by the city or
 6 town; or
 7 (B) the majority of the individuals serving on the governing
 8 body of the taxing unit are appointed by the city or town;
 9 the governing body shall submit its proposed budget and property tax
 10 levy to the city or town fiscal body. The proposed budget and levy shall
 11 be submitted to the city or town fiscal body in the manner prescribed
 12 by the department of local government finance before September 2 of
 13 a year.
 14 (d) If subsection (c) does not apply, the governing body of the
 15 taxing unit shall submit its proposed budget and property tax levy to the
 16 county fiscal body in the county where the taxing unit has the most
 17 assessed valuation. The proposed budget and levy shall be submitted
 18 to the county fiscal body in the manner prescribed by the department
 19 of local government finance before September 2 of a year.
 20 (e) The fiscal body of the city, town, or county (whichever applies)
 21 shall review each budget and proposed tax levy and adopt a final
 22 budget and tax levy for the taxing unit. The fiscal body may reduce or
 23 modify but not increase the proposed budget or tax levy.
 24 (f) If a taxing unit fails to file the information required in
 25 subsection (c) or (d), whichever applies, with the appropriate fiscal
 26 body by the time prescribed by this section, when calculating the
 27 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 28 the taxing unit for the ensuing budget year, instead of multiplying the
 29 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)
 30 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
 31 maximum permissible ad valorem property tax levy for the preceding
 32 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
 33 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
 34 maximum permissible ad valorem property tax levy for the preceding
 35 calendar year must instead be multiplied by the result of the following:
 36 STEP ONE: Determine:
 37 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
 38 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
 39 (B) one (1).
 40 STEP TWO: Multiply:
 41 (A) the STEP ONE result; by
 42 (B) eight-tenths (0.8).

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HB 1423—LS 7118/DI 110



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

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

23 STEP ONE: Determine:
 24 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
 25 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
 26 (B) one (1).
 27 STEP TWO: Multiply:
 28 (A) the STEP ONE result; by
 29 (B) eight-tenths (0.8).

30 STEP THREE: Add one (1) to the STEP TWO result.
 31 However, if the city, town, or county files the information as required
 32 in subsection (e) for the budget year immediately following the budget
 33 year for which the formula under this subsection is applied, when
 34 calculating the maximum ad valorem property tax levy under
 35 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
 36 budget year, the unit's maximum permissible ad valorem property tax
 37 levy must be calculated as if the formula under this subsection had not
 38 been applied for the affected budget year.

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

HB 1423—LS 7118/DI 110



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

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

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

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

12 (1) a school corporation; or

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

15 (c) If:

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

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

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

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

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

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

40 (e) This subsection applies to a taxing unit not described in
 41 subsection (c) or (d). The governing body of the taxing unit may not
 42 issue bonds or enter into a lease payable in whole or in part from

HB 1423—LS 7118/DI 110



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1 property taxes unless it obtains the approval of the county fiscal body
2 in the county where the taxing unit has the most net assessed valuation.

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

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

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

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

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

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

38 STEP FOUR: Determine the lesser of the following:

39 (A) The STEP THREE quotient.

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

41 (c) Except as provided in subsection (f), a school corporation, **or,**
42 **in the case of a school city (as defined in IC 20-25-2-12), the public**

HB 1423—LS 7118/DI 110



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1 **education corporation**, shall use for its operations fund maximum
 2 levy calculation under IC 20-46-8-1 the maximum levy growth quotient
 3 determined in the last STEP of the following STEPS:
 4 STEP ONE: Determine for each school corporation, the average
 5 annual growth in net assessed value using the three (3) calendar
 6 years immediately preceding the year in which a budget is
 7 adopted under IC 6-1.1-17-5 for the ensuing calendar year.
 8 STEP TWO: Determine the greater of:
 9 (A) zero (0); or
 10 (B) the STEP ONE amount minus the sum of:
 11 (i) the maximum levy growth quotient determined
 12 under subsection (b) minus one (1); plus
 13 (ii) two-hundredths (0.02).
 14 STEP THREE: Determine the lesser of:
 15 (A) the STEP TWO amount; or
 16 (B) four-hundredths (0.04).
 17 STEP FOUR: Determine the sum of:
 18 (A) the STEP THREE amount; plus
 19 (B) the maximum levy growth quotient determined under
 20 subsection (b).
 21 STEP FIVE: Determine the greater of:
 22 (A) the STEP FOUR amount; or
 23 (B) the maximum levy growth quotient determined under
 24 subsection (b).
 25 (d) The budget agency shall provide the maximum levy growth
 26 quotient for the ensuing year to civil taxing units, school corporations,
 27 **the public education corporation (in the case of a school city (as**
 28 **defined in IC 20-25-2-12)),** and the department of local government
 29 finance before July 1 of each year.
 30 (e) This subsection applies only for purposes of determining the
 31 maximum levy growth quotient to be used in determining a civil taxing
 32 unit's maximum permissible ad valorem property tax levy in calendar
 33 years 2024, 2025, and 2026. For purposes of determining the maximum
 34 levy growth quotient in calendar years 2024, 2025, and 2026, instead
 35 of the result determined in the last STEP in subsection (b), the
 36 maximum levy growth quotient is determined in the last STEP of the
 37 following STEPS:
 38 STEP ONE: Determine the result of STEP FOUR of subsection
 39 (b), calculated as if this subsection was not in effect.
 40 STEP TWO: Subtract one (1) from the STEP ONE result.
 41 STEP THREE: Multiply the STEP TWO result by eight-tenths
 42 (0.8).

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HB 1423—LS 7118/DI 110



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

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HB 1423—LS 7118/DI 110



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1 the school city (as defined in IC 20-25-2-12) except by one (1) of the
2 following:

3 ~~← (1) The charter board.~~
4 > (↔ [1]) The executive (as defined in IC 36-1-2-5) of a
5 consolidated city.

6 (↔ [2]) The school city.

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

15 SECTION 1 ↔ [1]. IC 20-25-3-0.5 IS ADDED TO THE
16 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 0.5. The board of
18 commissioners has all of the powers and duties established under
19 this article except for the powers and duties granted to the
20 Indianapolis public education corporation under IC 20-25.3.

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

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

33 SECTION 1 ↔ [3]. IC 20-25.3 IS ADDED TO THE INDIANA
34 CODE AS A NEW ARTICLE TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]:

36 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION**
37 **CORPORATION**

38 **Chapter 1. Scope of Authority**

39 **Sec. 1. The Indianapolis public education corporation exists**
40 **and shall operate for the public purpose of establishing a unified**
41 **student transportation, school property, and school performance**
42 **system within the geographic boundaries of the school city that**



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

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

11 Chapter 2. Definitions

12 Sec. 1. The definitions in:

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

16 apply throughout this article.

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

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

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

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

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

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

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

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

37 Chapter 3. Indianapolis Public Education Corporation

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

42 Sec. 2. (a) The corporation is governed by the Indianapolis

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1 public education corporation board appointed under this section.
 2 (b) The corporation board is comprised of the following nine
 3 (9) members:
 4 ~~← (1) Three (3) members appointed by the mayor who are~~
 5 ~~leaders of participating innovation network charter schools~~
 6 ~~or charter schools located within the geographic boundaries~~
 7 ~~of the school city.~~
 8 ~~— (2) Three (3) members appointed by the mayor who are~~ [(1)
 9 The seven (7)] members of the board of school
 10 commissioners.
 11 ~~(↔) [2] <Three> [Two] (↔) [2]~~ [(2)] members appointed by the
 12 mayor who have:
 13 (A) expertise in management, capital planning, facilities,
 14 transportation, or logistics; or
 15 (B) experience in working with vulnerable student
 16 populations and communities.]
 17 [1] (c) All members of the corporation board must reside within
 18 the geographic boundaries of the school city.
 19 (d) The mayor shall appoint one (1) of the members of the
 20 corporation board as chairperson of the corporation board.
 21 Sec. 3. (a) The term of office of an appointed member of the
 22 corporation board is ~~<six>~~ [four] ~~(↔) [4]~~ years. The member's
 23 term begins on July 1 after the appointment.
 24 (b) Each member holds office for the term of appointment and
 25 continues to serve after expiration of the appointment until a
 26 successor is appointed and qualified. A member is eligible for
 27 reappointment.
 28 (c) If there is a vacancy in the corporation board ~~<↔>~~ [:
 29 (1)] the mayor shall fill the vacancy for the unexpired term ~~<~~
 30 ~~— (d) A vacancy occurs if~~ [of] a member ~~<dies, resigns, changes~~
 31 ~~residence of the county, or ceases to be a:~~
 32 ~~— (1) leader of a participating innovation network charter~~
 33 ~~school or charter school located within the geographic~~
 34 ~~boundaries of the school city; or~~
 35 ~~— (2) member of the board of commissioners.~~
 36 ~~— (e)~~ [described in section 2(b)(2) of this chapter; and
 37 (2) the board of school commissioners shall fill the vacancy
 38 for the unexpired term of a member described in section
 39 2(b)(1) of this chapter in accordance with IC 20-25-3-4(h).
 40 (d)] A member of the corporation board [appointed under
 41 section 2(b)(2) of this chapter] may be removed for cause by the
 42 mayor.

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Sec. 4. (a) A majority of the corporation board members constitutes a quorum for a meeting. The corporation board may act by an affirmative vote of a majority of the corporation board.

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

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

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

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

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

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

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

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

(b) The executive director:

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

(2) shall do the following:

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

(B) Approve all allowable expenses of the corporation or

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of any employee or ~~consultant~~[contractor], and expenses incidental to the operation of the corporation. (C) Perform other duties as may be directed by the members of the corporation board in carrying out the purposes of this article.

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

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

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

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

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

[1] (A) One (1) member appointed under section 2(b)(~~1~~); ~~2(b)(2), and 2(b)(3)~~ of this chapter shall ~~each~~ serve until July 1, 2029.

(B) One (1) member:

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

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

~~shall each serve until July 1, 2030.~~

~~(C) One (1) member:~~

~~(i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3)~~[2] of this chapter; and

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

shall ~~each~~ serve until July 1, 203~~1~~[0]. [1]

[1] (b) This section expires January 1, 2032.

Chapter 4. General Duties and Powers

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

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

(2) Enter into contracts.

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

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

(5) Do all things reasonable or necessary to carry out the

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work and perform the corporation's duties under this chapter.

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

(1) Beginning with the 2028-2029 school year ~~and subject to section 6(b) of this chapter~~, control the management and operation of school property.

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

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

(4) Manage a unified enrollment system applicable to all participating school students.

(5) Ensure that, to the extent possible, school property is provided and made available to all participating schools ~~that do not opt out under section 6(b) of this chapter~~ on an equitable basis.

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

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

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

(A) the management and operation of school property;

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

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

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corporation.
(9) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the corporation board considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, or by lease with or without option to purchase, or by lease under IC 20-47-2 or IC 20-47-3.
(10) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements that the corporation owns, as the corporation board considers necessary for school purposes.
(11) Acquire personal property or an interest in personal property as the corporation board considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, and appliances, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivisions (9) and (10) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as

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provided in section 8 of this chapter.
(12) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the corporation board, is not necessary for school purposes to demolish or otherwise dispose of the property if, in the opinion of the corporation board, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.
(13) Contract with or employ staff to execute the corporation's duties.
(14) Fix and pay the salaries of the executive director and any employees of the corporation.
(15) Maintain an office or offices at a place or places within the geographic boundaries of the school city as the corporation board may designate.
(16) To make budgets, to appropriate funds, and to disburse the money, as applicable, of the corporation in accordance with the formula established under subdivision (6). Subject to subsection (c), to borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1. Borrowing by the corporation, when considered in addition to indebtedness of the school city, may not equal an aggregate amount that exceeds the debt limitation described by IC 36-1-15-6 for the school city.
(17) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as the corporation board may consider advisable.
(18) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.
(19) To defend a member of the corporation board or any employee of the corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the corporation, if the corporation board by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or

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HB 1423—LS 7118/DI 110



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1 judgment based on the member's or employee's malfeasance
2 as a member or in employment.

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

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

9 (21) Regularly conduct assessments of school property.

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

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

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

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

- 37 (1) Complete a feasibility study to determine the best
38 approach for managing school property.
39 (2) Not later than November 30, 2026, submit to the
40 legislative council in an electronic format under IC 5-14-6 a
41 report that includes information regarding the corporation
42 board's progress in completing the feasibility study under

HB 1423—LS 7118/DI 110



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

6 This subsection expires July 1, 2028.

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

12 (b) The school performance framework must:

- 13 (1) set clear expectation for school performance;
- 14 (2) be based on multiple measures and metrics, including:
 - 15 (A) academic performance measures, including the
 - 16 performance assessment results under IC 20-31-8;
 - 17 (B) student assessment outcomes;
 - 18 (C) student discipline practices;
 - 19 (D) student enrollment;
 - 20 (E) physical condition of school property, including
 - 21 deferred maintenance;
 - 22 (F) short and long term financial health measures;
 - 23 (G) organizational health and governance measures;
 - 24 (H) replication of instructional models that are
 - 25 achieving the best results for students; and
 - 26 (I) any additional measures relevant to student success
 - 27 as determined by the corporation board; and

28 (3) include both of the following:

- 29 (A) A process to close chronically low performing
- 30 participating schools.
- 31 (B) A process to close inefficient school buildings.

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

- 34 (1) consult with the department; and
- 35 (2) hold a public hearing within the geographic boundaries
- 36 of the school city;

37 regarding the proposed closure of the participating school.

38 ~~← (d) Except as provided under subsection (e), a participating~~
39 ~~school may not be closed as described in subsection (b)(3)(A) unless~~
40 ~~the following occurs:~~

41 ~~— (1) If the participating school is a charter school, the~~
42 ~~authorizer of the participating school approves the closure.~~

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1 ~~— (2) If the participating school is not a charter school, the~~
 2 ~~board of school commissioners approves the closure.~~
 3 ~~— (e) If an authorizer or the board of school commissioners,~~
 4 ~~whichever is applicable, does not approve the closure of a~~
 5 ~~participating school under subsection (d), the corporation board~~
 6 ~~may appeal to the state board to request that the participating~~
 7 ~~school be closed. Not later than sixty (60) days after receiving an~~
 8 ~~appeal from the corporation board under this subsection, the state~~
 9 ~~board shall approve or decline the closure of the participating~~
 10 ~~school.~~

11 > ~~(~~e~~)~~[d] The corporation board shall submit to the legislative
 12 council in an electronic format under IC 5-14-6 the following:

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

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

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

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

25 (1) Establish a unified transportation plan regarding the
 26 provision of transportation of all students to and from
 27 participating schools within the geographic boundaries of the
 28 school city.

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

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

36 (4) Not later than November 30, 2027, submit the unified
 37 transportation plan to the legislative council in an electronic
 38 format under IC 5-14-6.

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

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

42 (1) are required to provide transportation to the students of

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

6 ~~← (b) A participating school that is a charter school, including a~~
 7 ~~participating innovation network charter school, may elect to opt out of~~
 8 ~~participation in the management and control of school property by the~~
 9 ~~corporation board. If a participating school elects to opt out under~~
 10 ~~this subsection, the:~~

11 ~~— (1) corporation board may not manage or control school~~
 12 ~~property owned or leased by the participating school; and~~

13 ~~— (2) participating school may not receive any money that is~~
 14 ~~attributable to the following:~~

15 ~~— (A) A debt service levy under IC 20-46-7.~~

16 ~~— (B) A levy imposed under IC 6-1.1-20 for controlled~~
 17 ~~projects.~~

18 >[] Sec. 7. The corporation is subject to required audits by the
 19 state board of accounts under IC 5-11-1-9.

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

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

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

41 (b) Notwithstanding subsection (a), the school city may
 42 continue to enter into, renew, or extend any contract with respect

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1 to the proceeds of bonds, leases, and other obligations issued or
 2 entered into by the school city before April 1, 2026, pursuant to
 3 IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The
 4 corporation may not impair any such contracts with respect to the
 5 existing proceeds.

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

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

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

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

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

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

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

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

40 **Sec. 5. (a) Except as provided in subsections (b) and (c), after**
 41 **March 31, 2026, the school city may not take any action under the**
 42 **procedures set forth in IC 20-46-1 and instead the corporation**

HB 1423—LS 7118/DI 110



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1 shall assume the powers and duties of the school city under
2 IC 20-46-1 in the territory of the school city.

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

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

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

- 19 (1) an annual property tax levy in the territory of the school
20 city sufficient to pay all obligations of the school city; and
21 (2) an annual property tax levy in the territory of the school
22 city sufficient to pay all obligations of the corporation.

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

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

35 Sec. 7. (a) Except as provided in subsection (b), beginning July
36 1, 2026, the corporation shall assume the powers and duties of the
37 school city to impose a levy under IC 20-46-8. Beginning with the
38 January 1, 2027, assessment date, and for each assessment date
39 thereafter, the corporation shall impose an annual property tax
40 levy in the territory of the school city.

41 (b) Notwithstanding subsection (a), property tax revenue
42 received from a tax levy imposed under IC 20-46-8 for assessment

HB 1423—LS 7118/DI 110



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1 dates after December 31, 2026, shall be distributed to the school
2 city and applicable charter schools in the manner provided under
3 IC 20-46-8.

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

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

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

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

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

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

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

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

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

34 **Chapter 7. Indianapolis Public Education Corporation Debt**
35 **Service Fund**

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

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

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

HB 1423—LS 7118/DI 110



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

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

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

10 **(2)** A lease to provide capital construction.

11 **(3)** Interest on emergency and temporary loans.

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

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

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

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

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

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

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

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

36 **(2)** "Current school year" refers to a year in which the governing
 37 body is required to conduct a review of school building usage
 38 under subsection (c).

39 **(3)** "Enrollment" refers to the following:

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

HB 1423—LS 7118/DI 110



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

HB 1423—LS 7118/DI 110



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section;

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

- (A) with sufficient capacity to take the students using the school building being considered for closure; and
- (B) that does not require more than twenty (20) minutes of travel time by car or bus from the school building being considered for closure; and

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

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

- (1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) for instructional purposes, averaged over the current school year and the two (2) school years immediately preceding the current school year, is at least fifty percent (50%) of:
 - (A) the known classroom design capacity of the school building; or
 - (B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department.
- (2) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for a distinct student population that reasonably cannot be served through integration with the general school population, such as students attending an alternative education program (as defined in IC 20-30-8-1). However, to be an allowable use under this subdivision, the average number of full-time equivalent students using the school building in a school year for instructional purposes must be at least thirty percent (30%) of:
 - (A) the known classroom design capacity of the school building; or
 - (B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last

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HB 1423—LS 7118/DI 110



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twenty-five (25) years, as validated by records created or maintained by the department; and

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

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

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

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

- (A) the personnel headquartered in the school building must consistently use the office space for office purposes, and the occupancy cost of using the office space, calculated using the costs of operating the school building, cannot be more than comparable office space that is available in the school district; and
- (B) on average, the storage space must be used to capacity and the cost of using the school building for storage must be

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HB 1423—LS 7118/DI 110



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1 less than comparable storage space that is available in the
 2 school district.

3 (f) Closure of a school building that is:
 4 (1) owned by the school corporation or any other entity that is
 5 related in any way to, or created by, the school corporation or the
 6 governing body; or
 7 (2) jointly owned in the same manner by two (2) or more school
 8 corporations;

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

10 (g) Before filing a petition under subsection (h), a charter school
 11 or state educational institution that is interested in a school
 12 corporation's school building must give written notice to the school
 13 corporation to determine whether an agreement can be reached
 14 regarding the school corporation making the school building available
 15 for lease or purchase under IC 20-26-7.1.

16 (h) If an agreement is not reached within forty-five (45) days after
 17 the date that the school corporation receives the notice under
 18 subsection (g), the charter school or state educational institution may
 19 petition the department to initiate or the department on its own may
 20 initiate a proceeding for a determination as to whether a school
 21 building meets the criteria for closure under this section or a covered
 22 school building that is no longer used for classroom instruction by a
 23 school corporation should be made available under IC 20-26-7.1. If a
 24 charter school or state educational institution petitions the department
 25 under this subsection, the charter school or state educational institution
 26 must provide a copy of the petition to the applicable school
 27 corporation.

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

34 (j) Not more than sixty (60) days after receiving notice of a
 35 petition under subsection (h), the school corporation must:
 36 (1) file a response to the petition that notifies the department that
 37 the school corporation:
 38 (A) is not contesting the petition; or
 39 (B) is contesting the petition and states the facts upon which
 40 the school corporation relies in contesting the petition; and
 41 (2) provide a copy of the response to the petitioner and any
 42 intervening party.

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HB 1423—LS 7118/DI 110



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

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- 1 more than one (1) school building serving the same grade
- 2 level as a school building subject to closure under section
- 3 47 of this chapter; **and**
- 4 **(2) does not apply to a school city (as defined in**
- 5 **IC 20-25-2-12).**
- 6 (c) Each school corporation shall annually report to the
- 7 department, in the form and on the schedule specified by the
- 8 department, the following information:
- 9 (1) A listing of all buildings owned or leased by the school
- 10 corporation that were originally designed as a school building.
- 11 (2) The following information for each building listed in
- 12 subdivision (1):
- 13 (A) Designed occupancy, regardless of current use.
- 14 (B) Current use (and percentage of use) for classroom
- 15 instruction, as special use classrooms, as office space, or as
- 16 storage or alternatively the building's status as transitioning
- 17 from one (1) use or combination of uses to another.
- 18 (C) The following information:
- 19 (i) Current average full-time equivalent student
- 20 enrollment for in-person instruction in the school
- 21 building on instructional days (as determined under
- 22 IC 20-30-2) in a school year.
- 23 (ii) Percentage of instructional use.
- 24 (iii) Percentage of use for other purposes.
- 25 (D) Self-evaluation of whether the building qualifies for
- 26 closure under section 47 of this chapter or the school board
- 27 otherwise intends to close the building and the date closure
- 28 will occur (if applicable).
- 29 SECTION 1 ~~6~~ [6](#). IC 20-26-7.1-1, AS AMENDED BY
- 30 P.L.68-2025, SECTION 209, IS AMENDED TO READ AS
- 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes
- 32 of this section, "charter school" does not include a virtual charter
- 33 school or an adult high school.
- 34 (b) This chapter does not apply to the following:
- 35 (1) A school building that since July 1, 2011, is leased or loaned
- 36 by the school corporation that owns the school building to
- 37 another entity, if the entity is not a building corporation or other
- 38 entity that is related in any way to, or created by, the school
- 39 corporation or the governing body.
- 40 (2) A school corporation to which all of the following apply:
- 41 (A) The county auditor distributes revenue after May 10,
- 42 2023, as required under IC 20-46-1-21 or IC 20-46-1-22 to

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HB 1423—LS 7118/DI 110



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

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

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

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

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

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

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

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

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

- (4) A school city (as defined in IC 20-25-2-12).**
- (c) In order for any payment to a charter school to qualify as

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1 sharing of proceeds from a referendum for purposes of exemption from
2 IC 20-26-7.1, the referendum must have been passed with prior notice
3 to voters of all amounts of referendum proceeds to be paid to charter
4 schools. Any claim of exemption based on payment of proceeds from
5 a referendum passed without such notice is void.

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

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

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

24 **(1) a school city (as defined in IC 20-25-2-12) may not impose**
25 **the property tax levy or otherwise exercise the powers and**
26 **duties under this chapter; and**
27 **(2) the public education corporation shall impose both:**
28 **(A) an annual property tax levy in the territory of the**
29 **school city sufficient to pay all obligations of the school**
30 **city; and**
31 **(B) an annual property tax levy in the territory of the**
32 **school city sufficient to pay all obligations of the**
33 **corporation.**

34 **(b) Property tax revenue received from the:**
35 **(1) property tax levy described in subsection (a)(2)(A) shall**
36 **be deposited in the debt service fund established by the**
37 **school city under IC 20-40-9 and used to pay debt service on**
38 **the same terms, for the same period of time, and for the same**
39 **purposes for which the obligation was initially authorized;**
40 **and**
41 **(2) property tax levy described in subsection (a)(2)(B) shall**
42 **be deposited in the public education corporation's debt**

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1 service fund established by IC 20-25-7-3 and used for the
2 purposes of the fund.

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

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

11 (2) the public education corporation shall impose the annual
12 property tax levy under this chapter in the territory of the
13 school city and assumes the powers and duties of the school
14 city under this chapter as set forth in IC 20-25.3-5.

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

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

22 (2) distribute revenue collected from a levy imposed under
23 this chapter to the public education corporation, the school
24 city, and any charter schools as provided in section 11.2 or
25 12 of this chapter, as applicable.

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

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

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

39 (b) For distributions made in:
40 (1) calendar year 2025, and subject to subsection (c); and
41 (2) calendar years 2026 and 2027, and subject to subsections (c),
42 (h), and (i);

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HB 1423—LS 7118/DI 110



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

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

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

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

19 STEP ONE: Determine each charter school that:

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

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

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

31 STEP THREE: Determine the sum of:

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

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

- 39 (A) the applicable STEP TWO amount; divided by
- 40 (B) the STEP THREE amount;
- 41 expressed as a percentage.

42 STEP FIVE: Determine the sum of all the amounts computed

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1 under STEP FOUR and subtract the result from one hundred
 2 percent (100%).
 3 (e) The department shall provide to the county auditor,
 4 immediately after calculation under subsection (d):
 5 (1) each charter school determined under STEP ONE of
 6 subsection (d) and the charter school's corresponding percentage
 7 calculated under STEP FOUR of subsection (d); and
 8 (2) the percentage calculated under STEP FIVE of subsection (d)
 9 for the school corporation.
 10 (f) **Except as provided in subsection (j), and** subject to
 11 subsection (i), the county auditor shall distribute to the school
 12 corporation and each applicable charter school the amount determined,
 13 for each settlement period described in IC 6-1.1-27-1, in the last STEP
 14 of the following STEPS:
 15 STEP ONE: For each school corporation, determine a base
 16 property tax levy amount calculated as:
 17 (A) the sum of the school corporation's operations fund
 18 property tax levies that are attributable to the territory of the
 19 school corporation that is located within the boundaries of
 20 a county listed in subsection (a) and collected under this
 21 chapter for the applicable settlement period as described in
 22 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023;
 23 divided by
 24 (B) three (3).
 25 STEP TWO: For each school corporation, determine an
 26 incremental property tax levy amount calculated as:
 27 (A) the school corporation's operations fund property tax
 28 levy collections that are attributable to the territory of the
 29 school corporation that is located within the boundaries of
 30 a county listed in subsection (a) for the applicable
 31 settlement period as described in IC 6-1.1-27-1 in the
 32 current calendar year; minus
 33 (B) the school corporation's base property tax levy
 34 collections determined for the applicable settlement period
 35 as described in IC 6-1.1-27-1 under STEP ONE.
 36 STEP THREE: For the school corporation and each applicable
 37 charter school, determine the result of:
 38 (A) the sum of:
 39 (i) the incremental amount determined under STEP
 40 TWO; plus
 41 (ii) any distribution amount withheld under subsection
 42 (i); multiplied by

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HB 1423—LS 7118/DI 110



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- (B) the following percentage:
 - (i) In the case of an applicable charter school, the charter school's percentage under STEP FOUR of subsection (d).
 - (ii) In the case of the school corporation, the school corporation's percentage under STEP FIVE of subsection (d).

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

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

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

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

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

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HB 1423—LS 7118/DI 110



1 date under subsection (h). Any distribution amount that must be
 2 withheld from distribution to any particular charter school under this
 3 subsection in:

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

8 (2) calendar year 2027 shall be added to the incremental amount
 9 as described in STEP TWO of subsection (f) and distributed
 10 among the school corporation and remaining charter schools
 11 according to subsection (f) in calendar year 2027.

12 **(j) This subsection applies only to distributions of property tax**
 13 **revenue in 2026 and to distributions of property tax revenue in**
 14 **2027 to:**

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

16 (2) a charter school that:

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

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

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

27 SECTION 2-~~1~~^[1]. IC 20-46-8-12, AS ADDED BY P.L.68-2025,
 28 SECTION 226, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to
 30 revenue collected after December 31, 2027, from a tax levy imposed
 31 under this chapter only if the number of students who have legal
 32 settlement in a school corporation but attend a charter school,
 33 excluding virtual charter schools and adult high schools, and receive
 34 not more than fifty percent (50%) virtual instruction, is at least the
 35 greater of:

36 (1) one hundred (100) students; or

37 (2) two percent (2%) of the school corporation's spring ADM
 38 count, excluding students who receive more than fifty percent
 39 (50%) virtual instruction.

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

42 (1) has legal settlement in a school corporation that imposes a

HB 1423—LS 7118/DI 110



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

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1 expressed as a percentage.
 2 STEP FOUR: Determine the sum of all the amounts computed
 3 under STEP THREE and subtract the result from one hundred
 4 percent (100%).
 5 (g) The department shall provide to the county auditor,
 6 immediately after calculation under subsection (f):
 7 (1) each eligible charter school and the eligible charter school's
 8 corresponding percentage calculated under STEP THREE of
 9 subsection (f); and
 10 (2) the percentage calculated under STEP FOUR of subsection
 11 (f) for the school corporation.
 12 (h) **Except as provided in subsection (m), and** subject to
 13 subsections (j) and (l), the county auditor shall distribute to the school
 14 corporation and each eligible charter school the amount determined in
 15 the last STEP of the following STEPS:
 16 STEP ONE: Determine the amount collected in the most recent
 17 installment period by the school corporation from the school
 18 corporation's operations fund levy imposed under this chapter.
 19 STEP TWO: To determine the distribution for the school
 20 corporation and each eligible charter school, determine the result
 21 of:
 22 (A) the sum of:
 23 (i) the STEP ONE result; plus
 24 (ii) any amount withheld in the previous year under
 25 subsection (k); multiplied by
 26 (B) the following percentage:
 27 (i) In the case of an eligible charter school, the charter
 28 school's percentage under STEP THREE of subsection
 29 (f).
 30 (ii) In the case of the school corporation, the school
 31 corporation's percentage under STEP FOUR of
 32 subsection (f).
 33 (i) Not later than August 15, 2027, and not later than August 15 of
 34 each calendar year thereafter, the department shall provide to each
 35 school corporation and each eligible charter school an estimate of the
 36 amount of property tax levy revenue the school corporation and eligible
 37 charter school are expected to receive under this section in the
 38 subsequent calendar year based on the most recent fall ADM count.
 39 (j) Beginning with distributions of property tax revenue under this
 40 section in 2028 and thereafter, in order to receive a distribution under
 41 this section, the governing body of an eligible charter school shall, not
 42 later than October 15, 2027, and not later than October 15 of each

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HB 1423—LS 7118/DI 110



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

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

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

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

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

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

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

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

HB 1423—LS 7118/DI 110



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- 1 (A) the applicable result of STEP TWO of subsection (h)
- 2 for the eligible charter school; multiplied by
- 3 (B) twenty-five hundredths (0.25).
- 4 (2) For a distribution in 2029, the county auditor shall distribute
- 5 an amount for a particular eligible charter school equal to:
- 6 (A) the applicable result of STEP TWO of subsection (h)
- 7 for the eligible charter school; multiplied by
- 8 (B) five-tenths (0.5).
- 9 (3) For a distribution in 2030, the county auditor shall distribute
- 10 an amount for a particular eligible charter school equal to:
- 11 (A) the applicable result of STEP TWO of subsection (h)
- 12 for the eligible charter school; multiplied by
- 13 (B) seventy-five hundredths (0.75).

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

- 20 **(m) This subsection applies only to distributions of revenue to:**
- 21 **(1) a school city (as defined in IC 20-25-2-12); and**
- 22 **(2) a charter school that:**
- 23 **(A) is located in the territory of a school city (as defined**
- 24 **in IC 20-25-2-12); and**
- 25 **(B) would otherwise receive a share of property tax**
- 26 **revenue from the school city under this section.**

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

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

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

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1 **chapter; and**
 2 **(2) distribute revenue collected from a levy imposed under**
 3 **this chapter to the school city and any charter schools as**
 4 **provided in this chapter.**

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

10 SECTION 2 ~~↔~~[4]. IC 20-47-2-3.5 IS ADDED TO THE
 11 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
 13 **"public education corporation" refers to the Indianapolis public**
 14 **education corporation established by IC 20-25.3-3-1.**

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

20 (1) the school corporation **or public education corporation;** or
 21 (2) a joint or consolidated school district of which the school
 22 corporation is a part or to which it contributes;

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

24 (b) A school corporation **or the public education corporation**
 25 may not enter into a lease under this section unless the governing body
 26 **or the corporation board**, after investigation, determines that a need
 27 exists for the school building and that the school corporation **or public**
 28 **education corporation** cannot provide the necessary funds to pay the
 29 cost or its proportionate share of the cost of the school building or
 30 buildings required to meet the present needs.

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

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

40 (2) provide that:

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

HB 1423—LS 7118/DI 110



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1 (B) all rights of joint lessees under the lease are in
 2 proportion to the amount of lease rental paid by each lessee.
 3 SECTION 2-6-6 [6]. IC 20-47-2-6, AS ADDED BY P.L.2-2006,
 4 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A school corporation, **or**
 6 **school** corporations, **or the public education corporation** may enter
 7 into a lease under this chapter only with a corporation organized under
 8 Indiana law solely for the purpose of acquiring a site, erecting a
 9 suitable school building or buildings on that site, leasing the building
 10 or buildings to the school corporation, **or school** corporations, **or**
 11 **public education corporation** collecting the rentals under the lease,
 12 and applying the proceeds of the lease in the manner provided in this
 13 chapter.

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

27 SECTION 2-6-7 [7]. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
 28 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
 30 under this chapter must include the following provisions:

31 (1) An option for the school corporation, **or school** corporations,
 32 **or the public education corporation** to renew the lease for a
 33 further term on similar conditions.
 34 (2) An option for the school corporation, **or school** corporations,
 35 **or public education corporation** to purchase the property
 36 covered by the lease after six (6) years from the execution of the
 37 lease and before the expiration of the term of the lease, on the
 38 date or dates in each year as may be fixed in the lease. The
 39 purchase price:
 40 (A) must be equal to the amount required to enable the
 41 lessor corporation owning the property to liquidate by
 42 paying all indebtedness, with accrued and unpaid interest,

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1 redeeming and retiring any stock at par, and paying the
 2 expenses and charges of liquidation; and
 3 (B) may not exceed the capital actually invested in the
 4 property by the lessor corporation represented by
 5 outstanding securities or existing indebtedness, plus the cost
 6 of transferring the property and liquidating the lessor
 7 corporation.

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

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

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

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

HB 1423—LS 7118/DI 110



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

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

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

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

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

- 38 (1) authorize the execution of the proposed lease as originally
- 39 agreed upon; or
- 40 (2) make modifications to the proposed lease that are agreed
- 41 upon with the lessor corporation.

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

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HB 1423—LS 7118/DI 110



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

2 SECTION 3 ~~6~~ [1]. IC 20-47-2-13, AS AMENDED BY
 3 P.L.38-2021, SECTION 67, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If the execution of the
 5 lease as originally agreed upon or as modified by agreement is
 6 authorized by the governing body or bodies of the school corporation
 7 or corporations **or the corporation board**, the governing body **or**
 8 **corporation board** shall give notice of the signing of the lease by
 9 publication one (1) time in:

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

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

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

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

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

26 (2) are of the opinion that:

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

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

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

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

HB 1423—LS 7118/DI 110



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

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

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

- 22 (1) thirty (30) days after publication of notice of the execution of
- 23 the lease by the governing body or bodies of the school
- 24 corporation or corporations **or the corporation board**; or
- 25 (2) if an appeal is allowed under section 13 of this chapter and
- 26 has been taken to the department of local government finance,
- 27 thirty (30) days after the decision of the department of local
- 28 government finance.

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

35 **(b) The lessor corporation may acquire, own, and hold in fee**
 36 **simple the land by agreement and conveyance with a school**
 37 **corporation or with the public education corporation subject to the**
 38 **conditions of this section. The lessor corporation may lease such a**
 39 **school building directly to the public education corporation or to**
 40 **a school corporation. If the lessor corporation leases such a school**
 41 **building to a school corporation, the school corporation may assign**
 42 **or sublet its lease to the public education corporation.**

HB 1423—LS 7118/DI 110



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1 (c) A school corporation **or the public education corporation**
2 that proposes to lease such a school building, either alone or jointly
3 with another school corporation, and owns the land on which it desires
4 that the building or buildings be erected may sell and transfer that land
5 to the lessor corporation in fee simple, subject to the following
6 conditions:

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

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

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

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

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

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

33 SECTION 3 ~~↔~~ [4]. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
34 SECTION 170, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,
36 "bonds" includes bonds, debentures, or other evidences of
37 indebtedness.

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

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HB 1423—LS 7118/DI 110



1 (1) the principal amount of the outstanding bonds;
 2 (2) any premium required to be paid upon redemption of the
 3 outstanding bonds; and
 4 (3) the estimated expenses to be incurred in connection with the
 5 issuance of the refunding bonds.
 6 (c) The sum of the net interest cost to the lessor corporation of the
 7 refunding bonds plus the premium required to be paid in connection
 8 with the redemption of the outstanding bonds and the estimated
 9 expenses to be incurred in connection with the issuance of the
 10 refunding bonds may not exceed the total interest that would have been
 11 payable by the lessor corporation on the bonds being refunded from the
 12 date of redemption to the maturity of the bonds being refunded. Net
 13 interest cost on the refunding bonds is the amount determined by
 14 computing the total interest on all the refunding bonds to their
 15 maturities and deducting from that amount the premium bid, if any.
 16 (d) Refunding bonds issued under this section:
 17 (1) are legal and proper investments;
 18 (2) are exempt from taxation; and
 19 (3) may be sold without registration with or approval of the
 20 securities division of the office of the secretary of state or
 21 securities commissioner;
 22 in the same manner, under the same conditions, and subject to the same
 23 limitations as any other bonds issued by lessor corporations under
 24 section 16 of this chapter. However, no proceedings or actions by the
 25 lessee nor approval by any board, commission, or agency are required
 26 in connection with the refunding, and the refunding authorized in this
 27 section does not affect the obligation of the lessee to pay the lease
 28 rental under the lease of the building or buildings.
 29 (e) An action to contest the validity of refunding bonds issued
 30 under this section may not be brought after the fifteenth day following
 31 the receipt of bids for the bonds.
 32 (f) In connection with the issuance of refunding bonds, the lessee
 33 school corporation, ~~or~~ school corporations, **or public education**
 34 **corporation** may enter into an amendment to the lease with the lessor
 35 corporation providing for an extension of the time set forth in the lease
 36 before the option of the lessee or lessees to purchase may be exercised
 37 to a time agreed upon between the lessee school corporation, ~~or~~ school
 38 corporations, **or public education corporation** and the lessor
 39 corporation.
 40 SECTION 3 ~~and~~ [5]. IC 20-47-2-18, AS ADDED BY P.L.2-2006,
 41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in this section,

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HB 1423—LS 7118/DI 110



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1 "bonds" means bonds, debentures, or other evidences of indebtedness.
 2 (b) As used in this section, "improvement" or "improvements"
 3 means one (1) or more of the following:
 4 (1) Construction of a school building.
 5 (2) An addition to a school building owned by a lessor
 6 corporation or owned by the school corporation **or public**
 7 **education corporation** to which a lessor corporation has leased
 8 property under this chapter, and any remodeling incidental to
 9 that addition.
 10 (3) Remodeling of or construction of appurtenances to a school
 11 building owned by a lessor corporation.
 12 (c) A lessor corporation having outstanding bonds that by their
 13 terms are redeemable before their maturities may issue bonds in the
 14 manner provided under section 16 of this chapter to refund the
 15 outstanding bonds and construction of improvements.
 16 (d) Refunding and improvement bonds issued under this section:
 17 (1) are legal and proper investments;
 18 (2) are exempt from taxation; and
 19 (3) may be sold without registration with or approval of the
 20 securities division of the office of the secretary of state or the
 21 securities commissioner;
 22 in the same manner, under the same conditions, and subject to the same
 23 limitations as any other bonds issued by lessor corporations under
 24 section 16 of this chapter.
 25 (e) In connection with the issuance of refunding and improvement
 26 bonds, the lessee school corporation, ~~or~~ school corporations, **or public**
 27 **education corporation** may enter into an amendment to the lease with
 28 the lessor corporation providing for:
 29 (1) an extension of the time set forth in the lease before the
 30 option of the lessee or lessees to purchase may be exercised to a
 31 time agreed upon between the lessee school corporation, ~~or~~
 32 school corporations, **or public education corporation** and the
 33 lessor corporation;
 34 (2) an extension of the term of the lease, not to exceed ten (10)
 35 years, to include the improvements in the description of the
 36 leased property; and
 37 (3) increased lease rental payments after the completion of the
 38 improvements.
 39 (f) No proceedings or actions by the lessee nor approval by any
 40 board, commission, or agency are required in connection with a
 41 refunding under this section, and the refunding does not affect the
 42 obligation of the lessee to pay the lease rental under the lease of the

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HB 1423—LS 7118/DI 110



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1 building or buildings. However, all provisions, restrictions, and
2 limitations of this chapter that are not inconsistent with this section,
3 including the petition of school patrons, notice of hearing, hearing,
4 notice of execution, and right to file an objecting petition, apply to an
5 amendment of the lease increasing the lease rental payments as if the
6 amendment were an original lease.

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

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

20 SECTION 3~~6~~[7]. IC 20-47-2-20, AS AMENDED BY
21 P.L.244-2017, SECTION 108, IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. A school
23 corporation **or the public education corporation** that executes a lease
24 under this chapter shall annually appropriate from its debt service fund
25 or ~~general fund (before January 1, 2019)~~ or operations fund (after
26 ~~December 31, 2018~~) an amount sufficient to pay the lease rental
27 required under the lease. The appropriation is reviewable by other
28 bodies vested by law with such authority to ascertain that the specified
29 amount is sufficient to meet the lease rental required under the lease.
30 The first specific appropriation shall be made at the first budget period
31 following the date of the execution of the lease, and the first annual
32 appropriation must be sufficient to pay the estimated amount of the first
33 annual lease rental payment to be made under the lease. Thereafter, the
34 annual appropriations provided for in this section shall be made, and
35 payments shall be made from the debt service fund.

36 SECTION 3~~6~~[8]. IC 20-47-2-21, AS AMENDED BY
37 P.L.79-2017, SECTION 67, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE UPON PASSAGE]: Sec. 21. Property owned by a lessor
39 corporation entering into a lease with a school corporation, ~~or school~~
40 corporations, **or the public education school corporation** under this
41 chapter, and all stock and other securities (including the interest or
42 dividends) issued by a lessor corporation, are exempt from all state,

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HB 1423—LS 7118/DI 110



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1 county, and other taxes, except the financial institutions tax (IC 6-5.5).
 2 SECTION 3 ~~8~~ [9]. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
 3 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: Sec. 22. This chapter shall be
 5 construed as being supplemental to all other laws covering the
 6 acquisition, use, and maintenance of school buildings by school
 7 corporations **or the public education corporation**. However, as to
 8 school buildings constructed, acquired, leased, or purchased under this
 9 chapter, it is not necessary to comply with other laws concerning the
 10 acquisition, use, and maintenance of school buildings by school
 11 corporations **or the public education corporation** except as
 12 specifically required in this chapter.

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

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

24 SECTION 4 ~~10~~ [1]. IC 20-47-3-1.3 IS ADDED TO THE
 25 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter,**
 27 **"corporation board" refers to the Indianapolis public education**
 28 **corporation board established by IC 20-25.3-3-2.**

29 SECTION 4 ~~11~~ [2]. IC 20-47-3-1.5 IS ADDED TO THE
 30 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**
 32 **"public education corporation" refers to the Indianapolis public**
 33 **education corporation established by IC 20-25.3-3-1.**

34 SECTION 4 ~~12~~ [3]. IC 20-47-3-3, AS AMENDED BY
 35 P.L.233-2015, SECTION 305, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school
 37 corporation **or the public education corporation** may lease a school
 38 building or buildings for the use of:

- 39 (1) the school corporation **or public education corporation;** or
- 40 (2) a joint or consolidated school district of which the school
- 41 corporation is a part or to which it contributes;
- 42 for a term not to exceed fifty (50) years.

HB 1423—LS 7118/DI 110



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

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

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

14 (2) provide that:

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

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

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

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

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

30 SECTION 4-4-5. IC 20-47-3-5, AS AMENDED BY
31 P.L.146-2008, SECTION 517, IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as
33 provided in subsections (d) and (e), a lease must provide that the school
34 corporation, **or school corporations, or the public education**
35 **corporation** have an option to:

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

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

38 with the terms and conditions of the purchase to be specified in the
39 lease, subject to the approval of the department of local government
40 finance.

41 (b) If the option to purchase the property covered by the lease is
42 exercised, the school corporation, **or school corporations, or public**

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1 **education corporation** to procure funds to pay the purchase price, may
 2 issue and sell bonds under the provisions of the general statute
 3 governing the issue and sale of bonds of the school corporation, **or**
 4 **school corporations, or public education corporation.** The purchase
 5 price may not be more than the purchase price set forth in the lease
 6 plus:

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

10 (2) one percent (1%) of the purchase price as prepayment
 11 penalty for purchase in the second five (5) years of the lease
 12 term;

13 and thereafter the purchase shall be without prepayment penalty.

14 (c) However:

15 (1) if the school corporation, **or school corporations, or the**
 16 **public education corporation** have not exercised an option to
 17 purchase the property covered by the lease at the expiration of
 18 the lease; and

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

22 the property covered by the lease becomes the absolute property of the
 23 school corporation, **or school corporations, or public education**
 24 **corporation,** and the lessor corporation shall execute proper
 25 instruments conveying to the school corporation, **or school**
 26 **corporations, or public education corporation** good and
 27 merchantable title to that property.

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

32 (1) The lease is not required to include on behalf of the school
 33 corporation an option to purchase the property covered by the
 34 lease.

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

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

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

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

HB 1423—LS 7118/DI 110



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1 described in IC 6-1.1-20-5; or
 2 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
 3 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or
 4 ordinance authorizing the lease after June 30, 2008;
 5 the terms and conditions of the purchase that are specified in the lease
 6 are not subject to the approval of the department of local government
 7 finance.

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

26 (b) In the case of a lease for which a school corporation **or the**
 27 **public education corporation:**
 28 (1) after June 30, 2008, makes a preliminary determination as
 29 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 30 described in IC 6-1.1-20-5; or
 31 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
 32 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or
 33 ordinance authorizing the lease after June 30, 2008;
 34 the approval of the department of local government finance is not
 35 required.

36 SECTION 4~~6~~[7]. IC 20-47-3-9, AS ADDED BY P.L.2-2006,
 37 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor
 39 corporation and the school corporation, **or school corporations, or**
 40 **public education corporation** have agreed upon the terms and
 41 conditions of a lease proposed to be entered into under this chapter, and
 42 before the final execution of the lease, a notice shall be given by

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HB 1423—LS 7118/DI 110



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

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

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

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

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

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

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

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

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

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

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

22 (B) name of the proposed lessor corporation;

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

24 (D) rental to be paid; and

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

26 The cost of publication of the notice shall be paid by the lessor
27 corporation.

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

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

41 (b) Not later than thirty (30) days following the termination of the
42 hearing, the governing body or bodies of the school corporation or

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HB 1423—LS 7118/DI 110



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1 corporations **or the corporation board** may by a majority vote of all
 2 members of the governing body or bodies **or the corporation board**:
 3 (1) authorize the execution of the lease as originally agreed
 4 upon; or
 5 (2) make modifications to the proposed lease as agreed upon
 6 with the lessor corporation.
 7 However, the lease rentals as set out in the published notice may not be
 8 increased.

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

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

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

- 32 (1) will be affected by the proposed lease; and
- 33 (2) are of the opinion that:
 - 34 (A) no necessity exists for the execution of the lease; or
 - 35 (B) the proposed rental provided for in the lease is not a fair
 36 and reasonable rental;

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

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

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HB 1423—LS 7118/DI 110



1 auditor shall immediately certify a copy of the petition and any other
2 data that is necessary to present the questions involved to the
3 department of local government finance. Upon receipt of the certified
4 petition and data, if any, the department of local government finance
5 shall fix a date, time, and place for the hearing of the matter, which
6 may not be less than five (5) nor more than thirty (30) days after receipt
7 of the petition and data, if any. The department of local government
8 finance shall:

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

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

23 SECTION ~~<49>~~[50]. IC 20-47-3-12, AS AMENDED BY
24 P.L.146-2008, SECTION 520, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to
26 contest the validity of the lease or to enjoin the performance of any of
27 the terms and conditions of the lease may not be instituted at any time
28 later than:

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

36 SECTION 5~~<0>~~[1]. IC 20-47-3-13, AS AMENDED BY
37 P.L.113-2006, SECTION 16, IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. **(a) Except as**
39 **provided in subsection (b),**[]the lessor corporation shall acquire, own,
40 and hold in fee simple the land on which a school building or buildings
41 are to be erected under this chapter.

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

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

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

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

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

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

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

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

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

40 SECTION 5 ~~↔~~ [2]. IC 20-47-3-14, AS ADDED BY P.L.2-2006,
41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE UPON PASSAGE]: Sec. 14. A school corporation or the

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HB 1423—LS 7118/DI 110



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1 **public education corporation** that executes a lease under this chapter
2 shall annually appropriate and pay out of the debt service fund an
3 amount sufficient to pay the lease rental required under the lease. The
4 appropriation and rate are reviewable by other bodies vested by law
5 with the authority to determine that the levy is sufficient to raise the
6 amount required to meet the rental required under the lease.

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

15 SECTION 5 ~~↔~~ [4]. IC 20-47-3-16, AS ADDED BY P.L.2-2006,
16 SECTION 170, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be
18 construed as being supplemental to all other laws covering the
19 acquisition, use, and maintenance of school buildings by school
20 corporations **or the public education corporation**. However, as to
21 school buildings constructed or leased under this chapter, it is not
22 necessary to comply with the provisions of other laws concerning the
23 acquisition, use, and maintenance of school buildings by school
24 corporations **or the public education corporation** except as
25 specifically required in this chapter.

26 SECTION 5 ~~↔~~ [5]. IC 20-47-3-18, AS AMENDED BY
27 P.L.244-2017, SECTION 110, IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Upon the
29 termination of a lease entered into under this chapter, the lessor
30 corporation shall return to the school corporation **or public education**
31 **corporation** any money held by the lessor corporation that exceeds the
32 amount needed to retire bonds issued under this chapter and to dissolve
33 the lessor corporation.

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

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

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HB 1423—LS 7118/DI 110



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

6 SECTION 57[8]. IC 20-47-4-5, AS ADDED BY P.L.2-2006,
7 SECTION 170, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 5. A lessor corporation
9 qualified or formed to acquire a site, erect a school building on the site,
10 and lease the school building to a school corporation **or the public**
11 **education corporation** under IC 20-47-2 or IC 20-47-3 may:

- 12 (1) be qualified or formed to acquire, improve, or expand an
- 13 existing school building;
- 14 (2) acquire, improve, or expand an existing school building;
- 15 (3) finance an existing school building or improved school
- 16 building; and
- 17 (4) lease an existing school building or improved school building
- 18 to a school corporation **or the public education corporation**[
- 19]under applicable law.

20 SECTION 58[9]. IC 20-47-4-6, AS AMENDED BY
21 P.L.146-2008, SECTION 521, IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor
23 corporation may acquire and finance an existing school building, other
24 than as provided in section 5 of this chapter, and lease the existing
25 school building to a school corporation **or the public education**
26 **corporation**. A school corporation **or the public education**
27 **corporation** shall comply with:

- 28 (1) IC 20-47-2 or IC 20-47-3;
- 29 (2) the petition and remonstrance provisions under IC 6-1.1-20
- 30 (if required); and
- 31 (3) the local public question provisions under IC 6-1.1-20 (if
- 32 required).

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

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

39 (d) A new school building may be substituted for the existing
40 school building under the lease if the substitution was included in the
41 notices given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new
42 school building must be substituted for the existing school building

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upon completion of the new school building.
SECTION ~~59~~ [60]. IC 20-47-4-7, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the public education corporation** may not pay a legal or other professional fee as the result of an exchange or a substitution under section 5 or 6 of this chapter.

SECTION 6 ~~6~~ [1]. IC 20-47-4-8, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in subsection (b), the lease or contract of lease of an existing school building or improved school building to a school corporation **or the public education corporation** as authorized by this chapter must comply with all applicable terms of IC 20-47-2 or IC 20-47-3, including:

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

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

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

SECTION 6 ~~6~~ [3]. IC 20-47-4-10, AS AMENDED BY P.L.244-2017, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation **or the public education corporation** that sells an existing school building under section 6 of this chapter shall deposit the

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1 proceeds of the sale in the school corporation's **or the public**
2 **education corporation's** operations fund and use the proceeds only
3 for:

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

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

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

16 (1) "Debt service obligations" refers to the principal and interest
17 payable:

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

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

- 27 (A) **A school corporation (as defined in**
28 **IC 20-18-2-16(a)).**
- 29 (B) **The Indianapolis public education corporation**
30 **established by IC 20-25.3-3-1.**

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

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

HB 1423—LS 7118/DI 110



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1 (1) bond or lease rental levies, or any levies that replace the bond
 2 and lease rental levies; and
 3 (2) appropriations;
 4 that are sufficient to pay the debt service obligations for that next
 5 succeeding calendar year.

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

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

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

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

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HB 1423—LS 7118/DI 110



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in accordance with IC 20-43-2-1.
(3) Third, and to the extent that the amounts described in subdivisions (1) and (2) are insufficient and the general assembly has adopted a biennial budget appropriating amounts in the immediately succeeding state fiscal year for distribution to the school corporation from state funds, then from such fund or account, as determined by the state budget director, from which fund or account there is appropriated to the treasurer of state in the current state fiscal year an amount equal to the lesser of:

- (A) the unpaid debt service obligations not paid from sources described in subdivisions (1) and (2); or
- (B) the amount appropriated by the general assembly for the immediately succeeding state fiscal year for distribution to the school corporation from state funds, subject to IC 4-13-2-18(i).

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

- (1) deducting an amount equal to the transfer from any future amounts to be distributed to the school corporation from state funds appropriated by the general assembly; and
- (2) transferring any amount deducted under subdivision (1) to the treasurer of state for the purpose of allowing the treasurer of state to reimburse the fund or account from which the transfer was made.

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

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

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

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

SECTION 64[\[5\]](#). IC 20-48-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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HB 1423—LS 7118/DI 110



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1 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. After March 31, 2026, the**
2 **public education corporation may exercise the same powers, duties,**
3 **and responsibilities granted to the school city under this chapter as**
4 **set forth in IC 20-25.3.**

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

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

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

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

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

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

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

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

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HB 1423—LS 7118/DI 110



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