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# HOUSE BILL No. 1423

AM142328 has been incorporated into January 30, 2026 printing.

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**Synopsis:** Indianapolis public education corporation.

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Reprinted  
January 30, 2026

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

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

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

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

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## HOUSE BILL No. 1423

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (c) If:

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

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

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

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

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

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

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

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

40 STEP ONE: Determine:

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

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

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

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

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

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

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

15 (1) a school corporation; or

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

18 (c) If:

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

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

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

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

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

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

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

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

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

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

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

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

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

41 STEP FOUR: Determine the lesser of the following:

42 (A) The STEP THREE quotient.

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

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

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

7 (1) The charter board.

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

10 (3) The school city.

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

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

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

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

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

40 **ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION**  
 41 **CORPORATION**

42 **Chapter 1. Scope of Authority**



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

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

15           **Chapter 2. Definitions**

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

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

20 **apply throughout this article.**

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

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

25           **Sec. 4. "Corporation board" refers to the Indianapolis public**  
26 **education corporation board appointed under IC 20-25.3-3-2.**

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

28           **Sec. 6. (a) "Participating school" means the following schools:**

- 29                   (1) **A school maintained by the school city.**
- 30                   (2) **The following that are located within the geographic**  
31 **boundaries of the school city:**
  - 32                           (A) **A participating innovation network school.**
  - 33                           (B) **A participating innovation network charter school.**
  - 34                           (C) **A charter school.**

35           **(b) The term does not include the following:**

- 36                   (1) **An adult high school (as defined in IC 20-24-1-2.3).**
- 37                   (2) **A virtual charter school (as defined in IC 20-24-1-10).**

38           **Sec. 7. "School property" means a building or real property**  
39 **that is:**

- 40                   (1) **leased or owned by the school city or a participating**  
41 **school; and**
- 42                   (2) **located within the geographic boundaries of the school**

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city.

**Chapter 3. Indianapolis Public Education Corporation**

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

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

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

**(1) Three (3) members appointed by the mayor who:**

**(A) are leaders of participating innovation network charter schools or charter schools located within the geographic boundaries of the school city; and**

**(B) are not members of a charter school board of a charter school described in clause (A) who were appointed by the mayor.**

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

**(3) Three (3) members appointed by the mayor who have:**

**(A) expertise in management, capital planning, facilities, transportation, or logistics; or**

**(B) experience in working with vulnerable student populations and communities.**

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

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

**Sec. 3. (a) The term of office of an appointed member of the corporation board is four (4) years. The member's term begins on July 1 after the appointment.**

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

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

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

**(1) leader of a participating innovation network charter school or charter school located within the geographic boundaries of the school city; or**

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

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- 1 the control and direction of the members of the
- 2 corporation board.
- 3 (B) Approve all allowable expenses of the corporation or
- 4 of any employee or consultant, and expenses incidental
- 5 to the operation of the corporation.
- 6 (C) Perform other duties as may be directed by the
- 7 members of the corporation board in carrying out the
- 8 purposes of this article.

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

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

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

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

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

19 (A) One (1) member appointed under section 2(b)(1),  
20 2(b)(2), and 2(b)(3) of this chapter shall each serve until  
21 July 1, 2028.

22 (B) One (1) member:

23 (i) appointed under section 2(b)(1), 2(b)(2), and  
24 2(b)(3) of this chapter; and

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

27 shall each serve until July 1, 2029.

28 (C) One (1) member:

29 (i) appointed under section 2(b)(1), 2(b)(2), and  
30 2(b)(3) of this chapter; and

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

33 shall each serve until July 1, 2030.

34 (b) This section expires January 1, 2031.

35 Chapter 4. General Duties and Powers

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

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

39 (2) Enter into contracts.

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

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- 1           **(4) Make and adopt appropriate regulations, orders, rules,**
- 2           **and resolutions.**
- 3           **(5) Do all things reasonable or necessary to carry out the**
- 4           **work and perform the corporation's duties under this**
- 5           **chapter.**
- 6           **Sec. 2. (a) In carrying out the purpose of the corporation, the**
- 7           **corporation board is granted all powers necessary or appropriate**
- 8           **to do the following:**
- 9           **(1) Beginning with the 2028-2029 school year and subject to**
- 10           **section 6(b) of this chapter, control the management and**
- 11           **operation of school property.**
- 12           **(2) Establish, in collaboration with the nonprofit**
- 13           **organization leading the transportation and centralized**
- 14           **school facilities pilot program in Marion County and the**
- 15           **school city, a unified transportation plan in accordance with**
- 16           **section 5 of this chapter and, beginning with the 2028-2029**
- 17           **school year, lead and oversee the provision of transportation**
- 18           **of all students to and from participating schools within the**
- 19           **geographic boundaries of the school city.**
- 20           **(3) Develop a single school performance framework in**
- 21           **accordance with section 3 of this chapter that applies to all**
- 22           **participating schools.**
- 23           **(4) Manage a unified enrollment system applicable to all**
- 24           **participating school students.**
- 25           **(5) Ensure that, to the extent possible, school property is**
- 26           **provided and made available to all participating schools that**
- 27           **do not opt out under section 6(b) of this chapter on an**
- 28           **equitable basis.**
- 29           **(6) Develop and implement a formula that provides for the**
- 30           **fair and equitable distribution of property taxes and other**
- 31           **funds to the school city and participating schools.**
- 32           **(7) Track qualitative and quantitative data to monitor**
- 33           **outcomes and publicly report data in a manner prescribed**
- 34           **by the mayor.**
- 35           **(8) Make, execute, and enforce contracts and all other**
- 36           **instruments necessary, convenient, or desirable for the**
- 37           **purposes of the corporation, including entering into a**
- 38           **contract with, as applicable, the school city and each**
- 39           **participating school regarding:**
- 40               **(A) the management and operation of school property;**
- 41               **(B) the provision of transportation of all students to and**
- 42               **from participating schools within the geographic**

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boundaries of the school city; and  
(C) any other matters the corporation board determines is necessary to carry out the purposes of the corporation.

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

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

(11) Acquire personal property or an interest in personal property as the corporation board considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, and appliances, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivisions (9) and (10) and this

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subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 8 of this chapter.

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

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

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

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

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

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

(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,

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1 including the payment of legal fees, except where the  
 2 liability, cost, or damage is predicated on or arises out of the  
 3 bad faith of the member or employee, or is a claim or  
 4 judgment based on the member's or employee's malfeasance  
 5 as a member or in employment.

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

8 (A) to carry out the purposes of the corporation; and

9 (B) that may be designated by an appropriate title such  
 10 as "policy handbook", "bylaws", or "rules and  
 11 regulations".

12 (21) Regularly conduct assessments of school property.

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

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

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

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

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

42 (2) Not later than November 30, 2026, submit to the

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1 legislative council in an electronic format under IC 5-14-6 a  
 2 report that includes information regarding the corporation  
 3 board's progress in completing the feasibility study under  
 4 subdivision (1) and report under subdivision (3).

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

9 This subsection expires July 1, 2028.

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

15 (b) The school performance framework must:

16 (1) set clear expectation for school performance;

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

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

20 (B) student assessment outcomes;

21 (C) student discipline practices;

22 (D) student enrollment;

23 (E) physical condition of school property, including  
 24 deferred maintenance;

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

26 (G) organizational health and governance measures;

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

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

31 (3) include both of the following:

32 (A) A process to close chronically low performing  
 33 participating schools.

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

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

37 (1) consult with the department; and

38 (2) hold a public hearing within the geographic boundaries  
 39 of the school city;

40 regarding the proposed closure of the participating school.

41 (d) Except as provided under subsection (e), a participating  
 42 school may not be closed as described in subsection (b)(3)(A) unless

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

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1 transportation plan beginning in the 2028-2029 school year.

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

- 3 (1) are required to participate in the unified transportation  
4 plan implemented by the corporation board;  
5 (2) shall enter into contracts with the corporation board; and  
6 (3) shall comply with any applicable regulations, orders,  
7 rules, and resolutions adopted by the corporation board.

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

- 14 (1) corporation board may not manage or control school  
15 property owned or leased by the participating school or  
16 school city; and  
17 (2) participating school or school city may not receive any  
18 money that is attributable to the following:  
19 (A) A debt service levy under IC 20-46-7.  
20 (B) A levy imposed under IC 6-1.1-20 for controlled  
21 projects.

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

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

35 **Sec. 9. (a) Except as provided in subsection (c) and subject to**  
36 **subsection (b), nothing in this article may be construed to impair**  
37 **a contract that was entered into before the effective date of this**  
38 **article. However, after the effective date of this article, the school**  
39 **city or a participating school may not enter into, renew, or extend**  
40 **a contract that is not in compliance with:**

- 41 (1) this article;  
42 (2) a contract entered into by the school city or participating

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1 school under this article; or  
 2 (3) any regulation, order, rule, or resolution adopted by the  
 3 corporation board.  
 4 (b) Notwithstanding subsection (a), the school city may  
 5 continue to enter into, renew, or extend any contract with respect  
 6 to the proceeds of bonds, leases, and other obligations issued or  
 7 entered into by the school city before April 1, 2026, pursuant to  
 8 IC 6-1.1-20, IC 20-48-1, IC 20-47-2, and IC 20-47-3. The  
 9 corporation may not impair any such contracts with respect to the  
 10 existing proceeds.  
 11 (c) Notwithstanding subsection (a), the school city may enter  
 12 into or renew existing agreements under IC 20-25.7.  
 13 Chapter 5. Financial and Administrative Powers and Duties  
 14 Sec. 1. (a) Any indebtedness, liabilities, and obligations  
 15 incurred before April 1, 2026, by the school city or any  
 16 participating school, remain the debt, liability, or obligation of the  
 17 school city or participating school and do not become the debt,  
 18 liability, or obligation of and may not be assumed by the  
 19 corporation. The rights of the bondholders remain unchanged.  
 20 (b) Any indebtedness, liabilities, and obligations incurred after  
 21 March 31, 2026, by the corporation are the debt, liability, or  
 22 obligation of the corporation.  
 23 Sec. 2. After March 31, 2026, the school city may not take any  
 24 action under the procedures set forth in IC 5-1 and instead the  
 25 corporation shall assume the powers and duties of the school city  
 26 under IC 5-1.  
 27 Sec. 3. After March 31, 2026, the corporation has all the  
 28 powers and shall perform all the duties assigned to the school city  
 29 under IC 6-1.1-17 related to the fixing and reviewing of budgets,  
 30 tax rates, and tax levies. The school city shall provide records and  
 31 information as necessary for the corporation to carry out its duties.  
 32 Sec. 4. (a) Except as provided in subsection (b), after March  
 33 31, 2026, the school city may not take any action under the  
 34 procedures set forth in IC 6-1.1-20 and instead the corporation  
 35 shall assume the powers and duties of the school city under  
 36 IC 6-1.1-20 in the territory of the school city. Property tax revenue  
 37 received from a referendum controlled project tax levy that is  
 38 approved by the voters after March 31, 2026, shall be distributed  
 39 to the corporation in the manner provided under IC 6-1.1-20.  
 40 (b) A referendum controlled project tax levy that is approved  
 41 by the voters before April 1, 2026, shall continue to be imposed  
 42 after March 31, 2026, and the school city shall continue to use the

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1 revenue from the referendum controlled project tax levy to pay  
2 debt service on the same terms, for the same period of time, and for  
3 the same purposes for which it was originally approved by the  
4 voters.

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

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

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

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

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

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

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

42 **Sec. 7. (a) Except as provided in subsection (b), beginning July**

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1 1, 2026, the corporation shall assume the powers and duties of the  
 2 school city to impose a levy under IC 20-46-8. Beginning with the  
 3 January 1, 2027, assessment date, and for each assessment date  
 4 thereafter, the corporation shall impose an annual property tax  
 5 levy in the territory of the school city.

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

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

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

21 Chapter 6. Indianapolis Public Education Corporation  
 22 Operations Fund

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

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

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

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

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

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

41 Chapter 7. Indianapolis Public Education Corporation Debt  
 42 Service Fund

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1           **Sec. 1. As used in this chapter, "debt service" includes bonds**  
2 **and coupons, civil bond obligations, lease rental contracts, and**  
3 **interest cost on emergency and temporary loans.**  
4           **Sec. 2. As used in this chapter, "fund" refers to a debt service**  
5 **fund established under section 3 of this chapter.**  
6           **Sec. 3. The corporation shall establish a debt service fund for**  
7 **purposes of paying the obligations of the corporation.**  
8           **Sec. 4. (a) The debt service fund shall be used to deposit**  
9 **revenue received from the debt service levy imposed under**  
10 **IC 20-46-7 for the purpose of paying all obligations of the**  
11 **corporation.**  
12           **(b) Money in the debt service fund may be used for payment**  
13 **of the following:**  
14           **(1) All debt and other obligations arising out of funds**  
15 **borrowed or advanced for school buildings when purchased**  
16 **from the proceeds of a bond issue for capital construction.**  
17           **(2) A lease to provide capital construction.**  
18           **(3) Interest on emergency and temporary loans.**  
19           **(4) All debt and other obligations arising out of funds**  
20 **borrowed or advanced for the purchase or lease of school**  
21 **buses when purchased or leased from the proceeds of a bond**  
22 **issue, or from money obtained from a loan made under**  
23 **IC 20-27-4-5, for that purpose.**  
24           **(5) All debt and other obligations arising out of funds**  
25 **borrowed to pay judgments against the corporation.**  
26           **(6) All debt and other obligations arising out of funds**  
27 **borrowed to purchase equipment.**  
28           **Sec. 5. Money in the fund may not be used for payment of debt**  
29 **service, lease payments, or similar obligations for a controlled**  
30 **project that is approved by the voters in a referendum under**  
31 **IC 6-1.1-20.**  
32           **Sec. 6. (a) Lease rental obligations on account of leases entered**  
33 **into under IC 20-47-2 or IC 20-47-3 may be paid by a corporation**  
34 **from the debt service fund.**  
35           **(b) Payments described in subsection (a) must be provided for**  
36 **in the annual budget for the fund from which the payment is made.**  
37           SECTION 13. IC 20-26-7-47, AS AMENDED BY P.L.36-2024,  
38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 UPON PASSAGE]: Sec. 47. (a) The following definitions apply  
40 throughout this section:  
41           (1) "Covered school building" has the meaning set forth in  
42 IC 20-26-7.1-2.1.

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

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

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

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1 consistently use the office space for office purposes, and the  
 2 occupancy cost of using the office space, calculated using  
 3 the costs of operating the school building, cannot be more  
 4 than comparable office space that is available in the school  
 5 district; and  
 6 (B) on average, the storage space must be used to capacity  
 7 and the cost of using the school building for storage must be  
 8 less than comparable storage space that is available in the  
 9 school district.

10 (f) Closure of a school building that is:  
 11 (1) owned by the school corporation or any other entity that is  
 12 related in any way to, or created by, the school corporation or the  
 13 governing body; or  
 14 (2) jointly owned in the same manner by two (2) or more school  
 15 corporations;  
 16 shall be carried out in conformity with IC 20-26-7.1.

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

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

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

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

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

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

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1 by the school corporation that owns the school building to  
2 another entity, if the entity is not a building corporation or other  
3 entity that is related in any way to, or created by, the school  
4 corporation or the governing body.

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

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

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

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

- 29 (B) The amount of referendum tax levy revenue that the
- 30 school corporation is required to share with each charter
- 31 school under the resolution described in clause (A) is equal
- 32 to the amount determined applying the applicable formula
- 33 under IC 20-46-1-21 or IC 20-46-1-22.
- 34 (C) The referendum tax levy described in clause (A) is
- 35 approved by the voters.
- 36 (D) The school corporation distributes the amounts
- 37 described in clause (B) to each charter school described in
- 38 clause (A).
- 39 (E) If the school corporation receives revenue from a school
- 40 safety referendum tax levy under IC 20-46-9, the school
- 41 corporation shares the revenue from the school safety
- 42 referendum tax levy with each charter school that:

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

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

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

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

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

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

- 31 **(1) a school city (as defined in IC 20-25-2-12) may not impose**  
 32 **the property tax levy or otherwise exercise the powers and**  
 33 **duties under this chapter; and**  
 34 **(2) the public education corporation shall impose both:**  
 35 **(A) an annual property tax levy in the territory of the**  
 36 **school city sufficient to pay all obligations of the school**  
 37 **city; and**  
 38 **(B) an annual property tax levy in the territory of the**  
 39 **school city sufficient to pay all obligations of the**  
 40 **corporation.**  
 41 **(b) Property tax revenue received from the:**  
 42 **(1) property tax levy described in subsection (a)(2)(A) shall**

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1 be deposited in the debt service fund established by the  
2 school city under IC 20-40-9 and used to pay debt service on  
3 the same terms, for the same period of time, and for the same  
4 purposes for which the obligation was initially authorized;  
5 and

6 (2) property tax levy described in subsection (a)(2)(B) shall  
7 be deposited in the public education corporation's debt  
8 service fund established by IC 20-25-7-3 and used for the  
9 purposes of the fund.

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

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

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

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

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

29 (2) distribute revenue collected from a levy imposed under  
30 this chapter to the public education corporation, the school  
31 city, and any charter schools as provided in section 11.2 or  
32 12 of this chapter, as applicable.

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

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

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

- 4 (b) For distributions made in:  
5 (1) calendar year 2025, and subject to subsection (c); and  
6 (2) calendar years 2026 and 2027, and subject to subsections (c),  
7 (h), and (i);

8 the county auditor shall distribute to each charter school that is eligible  
9 for a distribution under subsection (d), and as provided under  
10 subsection (f), an amount of revenue received from a tax levy imposed  
11 by a school corporation under this chapter that is attributable to the  
12 territory of the school corporation that is located within the boundaries  
13 of a county listed in subsection (a).

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

- 16 (1) A virtual charter school.  
17 (2) An adult high school.

18 (d) Not later than March 1, 2025, January 1, 2026, and January 1,  
19 2027, the department, in consultation with the department of local  
20 government finance, shall determine the corresponding percentages of  
21 revenue received from the tax levy that are attributable to the territory  
22 of the school corporation that is located within the boundaries of a  
23 county listed in subsection (a) and must be distributed among the  
24 school corporation and each eligible charter school according to the  
25 following formula:

26 STEP ONE: Determine each charter school that:  
27 (A) is located in the same county as the school corporation;  
28 and  
29 (B) provides not more than fifty percent (50%) virtual  
30 instruction for its students.

31 STEP TWO: Determine, for each charter school described in  
32 STEP ONE, the number of students who:  
33 (A) have legal settlement within the school corporation;  
34 (B) are currently included in the fall ADM for the charter  
35 school; and  
36 (C) receive not more than fifty percent (50%) virtual  
37 instruction.

38 STEP THREE: Determine the sum of:  
39 (A) the aggregate of the STEP TWO results for all  
40 applicable charter schools; plus  
41 (B) the fall ADM count for the school corporation for  
42 students receiving not more than fifty percent (50%) virtual

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1 instruction.

2 STEP FOUR: For each charter school described in STEP ONE,

3 determine the result of:

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

5 (B) the STEP THREE amount;

6 expressed as a percentage.

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

8 under STEP FOUR and subtract the result from one hundred

9 percent (100%).

10 (e) The department shall provide to the county auditor,

11 immediately after calculation under subsection (d):

12 (1) each charter school determined under STEP ONE of

13 subsection (d) and the charter school's corresponding percentage

14 calculated under STEP FOUR of subsection (d); and

15 (2) the percentage calculated under STEP FIVE of subsection (d)

16 for the school corporation.

17 (f) **Except as provided in subsection (j), and** subject to

18 subsection (i), the county auditor shall distribute to the school

19 corporation and each applicable charter school the amount determined,

20 for each settlement period described in IC 6-1.1-27-1, in the last STEP

21 of the following STEPS:

22 STEP ONE: For each school corporation, determine a base

23 property tax levy amount calculated as:

24 (A) the sum of the school corporation's operations fund

25 property tax levies that are attributable to the territory of the

26 school corporation that is located within the boundaries of

27 a county listed in subsection (a) and collected under this

28 chapter for the applicable settlement period as described in

29 IC 6-1.1-27-1 in calendar years 2021, 2022, and 2023;

30 divided by

31 (B) three (3).

32 STEP TWO: For each school corporation, determine an

33 incremental property tax levy amount calculated as:

34 (A) the school corporation's operations fund property tax

35 levy collections that are attributable to the territory of the

36 school corporation that is located within the boundaries of

37 a county listed in subsection (a) for the applicable

38 settlement period as described in IC 6-1.1-27-1 in the

39 current calendar year; minus

40 (B) the school corporation's base property tax levy

41 collections determined for the applicable settlement period

42 as described in IC 6-1.1-27-1 under STEP ONE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (l) This subsection applies only to distributions under subsection  
 42 (h) in calendar years 2028, 2029, and 2030 to an eligible charter

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

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

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

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

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

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

15 (B) five-tenths (0.5).

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

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

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

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

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

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

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

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

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

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

40 SECTION 21. IC 20-46-9-0.5 IS ADDED TO THE INDIANA  
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Subject to subsection**



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

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

6 (1) determine the amounts of revenue to be distributed to the  
 7 school city and any charter schools as provided in this  
 8 chapter; and

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

12 SECTION 22. IC 20-47-2-2.5 IS ADDED TO THE INDIANA  
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter,**  
 15 **"corporation board" refers to the Indianapolis public education**  
 16 **corporation board appointed under IC 20-25.3-3-2.**

17 SECTION 23. IC 20-47-2-3.5 IS ADDED TO THE INDIANA  
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**  
 20 **"public education corporation" refers to the Indianapolis public**  
 21 **education corporation established by IC 20-25.3-3-1.**

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

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

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

31 (b) A school corporation **or the public education corporation**  
 32 may not enter into a lease under this section unless the governing body  
 33 **or the corporation board**, after investigation, determines that a need  
 34 exists for the school building and that the school corporation **or public**  
 35 **education corporation** cannot provide the necessary funds to pay the  
 36 cost or its proportionate share of the cost of the school building or  
 37 buildings required to meet the present needs.

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

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1 corporations. A lease executed by two (2) or more school corporations  
2 as joint lessees must:

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

5 (2) provide that:

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

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

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

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

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

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

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

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

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

41 (2) An option for the school corporation, **or school** corporations,  
42 **or public education corporation** to purchase the property

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

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

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

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

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

36 SECTION 28. IC 20-47-2-11, AS ADDED BY P.L.2-2006,  
37 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
38 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor  
39 corporation and the school corporation, **or school corporations, or the**  
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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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 corporation or corporations **or the corporation board** authorized to  
 4 approve the lease. The hearing must be not earlier than:

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

33 SECTION 29. IC 20-47-2-12, AS ADDED BY P.L.2-2006,  
 34 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE UPON PASSAGE]: Sec. 12. (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) Within thirty (30) days following the termination of the  
 42 hearing, the governing body or bodies of the school corporation or

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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 corporation board**:

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

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

9 SECTION 30. IC 20-47-2-13, AS AMENDED BY P.L.38-2021,  
10 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 UPON PASSAGE]: Sec. 13. (a) If the execution of the lease as  
12 originally agreed upon or as modified by agreement is authorized by  
13 the governing body or bodies of the school corporation or corporations  
14 **or the corporation board**, the governing body **or corporation board**  
15 shall give notice of the signing of the lease by publication one (1) time  
16 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 a lease 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 a lease 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), fifty (50) 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) necessity does not exist for the execution of the lease;  
35 or  
36 (B) the proposed rental provided for in the lease is not a fair  
37 and reasonable rental;

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

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

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

30 (2) if an appeal is allowed under section 13 of this chapter and  
 31 has been taken to the department of local government finance,  
 32 thirty (30) days after the decision of the department of local  
 33 government finance.  
 34

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

41 **(b) The lessor corporation may acquire, own, and hold in fee**  
 42 **simple the land by agreement and conveyance with a school**

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

7 (c) A school corporation **or the public education corporation**  
 8 that proposes to lease such a school building, either alone or jointly  
 9 with another school corporation, and owns the land on which it desires  
 10 that the building or buildings be erected may sell and transfer that land  
 11 to the lessor corporation in fee simple, subject to the following  
 12 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 their appointment, the three (3) appraisers shall  
 25 proceed to fix the fair market value of the land and shall report  
 26 the amount fixed to the circuit court within two (2) weeks after  
 27 their appointment.

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

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

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1 indebtedness.

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

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

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

22 (d) Refunding bonds issued under this section:

- 23 (1) are legal and proper investments;  
24 (2) are exempt from taxation; and  
25 (3) may be sold without registration with or approval of the  
26 securities division of the office of the secretary of state or  
27 securities commissioner;

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

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

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

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1 to a time agreed upon between the lessee school corporation, ~~or~~ school  
 2 corporations, **or public education corporation** and the lessor  
 3 corporation.

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

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

10 (1) Construction of a school building.

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

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

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

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

23 (1) are legal and proper investments;

24 (2) are exempt from taxation; and

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

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

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

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

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

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

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

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

16 SECTION 35. IC 20-47-2-19, AS ADDED BY P.L.2-2006,  
17 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**  
19 **public education corporation** that decides to exercise an option to  
20 purchase a school building under this chapter may issue general  
21 obligation bonds to procure funds to pay the cost of acquisition.  
22 General obligation bonds issued under this section must be authorized,  
23 issued, and sold in the manner provided for the authorization, issuance,  
24 and sale of bonds by school corporations **or the public education**  
25 **corporation** for school building purposes.

26 SECTION 36. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,  
27 SECTION 108, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**  
29 **public education corporation** that executes a lease under this chapter  
30 shall annually appropriate from its debt service fund or ~~general fund~~  
31 ~~(before January 1, 2019)~~ or operations fund ~~(after December 31, 2018)~~  
32 an amount sufficient to pay the lease rental required under the lease.  
33 The appropriation is reviewable by other bodies vested by law with  
34 such authority to ascertain that the specified amount is sufficient to  
35 meet the lease rental required under the lease. The first specific  
36 appropriation shall be made at the first budget period following the  
37 date of the execution of the lease, and the first annual appropriation  
38 must be sufficient to pay the estimated amount of the first annual lease  
39 rental payment to be made under the lease. Thereafter, the annual  
40 appropriations provided for in this section shall be made, and payments  
41 shall be made from the debt service fund.

42 SECTION 37. IC 20-47-2-21, AS AMENDED BY P.L.79-2017,

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

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

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

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

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

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

40 SECTION 42. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,  
41 SECTION 305, IS AMENDED TO READ AS FOLLOWS  
42 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**

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1 **the public education corporation** may lease a school building or  
2 buildings for the use of:

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

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

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

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

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

20 (2) provide that:

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

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

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

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

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

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

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

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1 (2) purchase the property covered by the lease;  
 2 with the terms and conditions of the purchase to be specified in the  
 3 lease, subject to the approval of the department of local government  
 4 finance.

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

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

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

19 and thereafter the purchase shall be without prepayment penalty.

20 (c) However:

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

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

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

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

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

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

42 (3) The property covered by the lease is not required to become

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1 the absolute property of the school corporation as provided in  
2 subsection (c).

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

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

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

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

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

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

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

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

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

42 SECTION 46. IC 20-47-3-9, AS ADDED BY P.L.2-2006,

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

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

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

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

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

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

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

21 (C) if no such paper is published in the school corporation,  
 22 in any newspaper of general circulation published in the  
 23 county;

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

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

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

28 (B) name of the proposed lessor corporation;

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

30 (D) rental to be paid; and

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

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

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

39 SECTION 47. IC 20-47-3-10, AS ADDED BY P.L.2-2006,  
 40 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) At the hearing, all  
 42 interested persons have a right to be heard upon the necessity for the

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

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

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

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

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

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

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

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

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

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

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

39 (2) are of the opinion that:

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

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

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

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

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

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

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

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

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

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

41 SECTION 50. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,  
 42 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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

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

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

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

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

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

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

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

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

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1 school corporation **or public education corporation** for the  
2 land.

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

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

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

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

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

42 SECTION 55. IC 20-47-4-1, AS ADDED BY P.L.2-2006,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 SECTION 62. IC 20-47-4-10, AS AMENDED BY P.L.244-2017,

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

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

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

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

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

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

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

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

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

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

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

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1 debt service obligations for the next succeeding calendar year, the  
 2 department of local government finance shall establish for each school  
 3 corporation:

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

6 (2) appropriations;

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

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

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

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

40 (2) Second, and to the extent that the amounts described in  
 41 subdivision (1) are insufficient, from any remaining amounts  
 42 appropriated by the general assembly for distribution for tuition

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

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

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

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

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

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

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

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

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

33 (2) second, from state tuition support.

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

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

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1 **defined in IC 20-25-2-12). This subsection expires July 1, 2027.**

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

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

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

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

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

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

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

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

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

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

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

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

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

15 SECTION 66. **An emergency is declared for this act.**

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