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# HOUSE BILL No. 1423

Proposed Changes to January 30, 2026 printing by AM142328

## DIGEST OF PROPOSED AMENDMENT

Indianapolis public education corporation. Excludes adult high schools and virtual charter schools. Amends: (1) the terms and membership requirements of the members of the Indianapolis public education corporation board (board); and (2) requirements for the school city and participating schools with regard to the unified transportation plan. Allows the school city to opt out of participation in the management and control of school property by the board. Provides that property tax revenue from a referendum controlled project tax levy that is approved by the voters after March 31, 2026, shall be distributed to the Indianapolis public education corporation. Adds an additional exception to the restrictions regarding contracts. Makes technical corrections.

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

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

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

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

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

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

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

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

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

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

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

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

40 For purposes of this section, an individual who qualifies to be  
41 appointed to a governing body or serves on a governing body because  
42 of the individual's status as an elected official of another taxing unit

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1 shall be treated as an official who was not elected to serve on the  
2 governing body.

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

7 (c) If:

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

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

12 (A) the taxing unit was originally established by the city or  
13 town; or

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

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

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

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

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

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

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1 budget year, the unit's maximum permissible ad valorem property tax  
2 levy must be calculated as if the formula under this subsection had not  
3 been applied for the affected budget year.

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

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

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

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

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

18 (1) a school corporation; or

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

21 (c) If:

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

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

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

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

42 (1) for which a decision or preliminary determination was made

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1 under IC 6-1.1-20 before December 31, 2010; or  
2 (2) that is approved by the city or town fiscal body or the county  
3 fiscal body before December 31, 2010.

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

9 SECTION 5. IC 6-1.1-17-21.5 IS ADDED TO THE INDIANA  
10 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 21.5. After March 31, 2026,**  
11 **the public education corporation has all the powers and shall**  
12 **perform all the duties assigned to the school city (as defined in**  
13 **IC 20-25-2-12) under this chapter related to the fixing and**  
14 **reviewing of budgets, tax rates, and tax levies. However, in**  
15 **exercising its powers and responsibilities under this chapter, the**  
16 **public education corporation shall account for and include any**  
17 **bonds, leases, and other indebtedness incurred or issued under any**  
18 **law by the school city (as defined in IC 20-25-2-12) before April 1,**  
19 **2026.**

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

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

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

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

42 STEP THREE: Divide the STEP TWO result by six (6),

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

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

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1 [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. "Public education**  
 2 **corporation" refers to the Indianapolis public education**  
 3 **corporation established by IC 20-25.3-3-1.**

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

11 (1) The charter board.

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

14 (3) The school city.

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

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

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

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

41 SECTION 12. IC 20-25.3 IS ADDED TO THE INDIANA CODE  
 42 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]:  
**ARTICLE 25.3. INDIANAPOLIS PUBLIC EDUCATION CORPORATION**

**Chapter 1. Scope of Authority**

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

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

**Chapter 2. Definitions**

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

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

**apply throughout this article.**

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

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

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

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

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

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

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

- (1) An adult high school (as defined in IC 20-24-1-2.3).**

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(2) A virtual charter school (as defined in IC 20-24-1-10).  
1 Sec. 7. "School property" means a building or real property  
2 that is:

- 3 (1) leased or owned by the school city or a participating
- 4 school; and
- 5 (2) located within the geographic boundaries of the school
- 6 city.

7 Chapter 3. Indianapolis Public Education Corporation

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

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

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

- 16 1 (1) Three (3) members appointed by the mayor who:
- 17 (A) are leaders of participating innovation network
- 18 charter schools or charter schools located within the
- 19 geographic boundaries of the school city; and
- 20 (B) are not members of a charter school board of a
- 21 charter school described in clause (A) who were
- 22 appointed by the mayor].

23 2 (2) Three (3) members appointed by the mayor who are  
24 members of the board of school commissioners.

- 25 (3) Three (3) members appointed by the mayor who have:
- 26 (A) expertise in management, capital planning, facilities,
- 27 transportation, or logistics; or
- 28 (B) experience in working with vulnerable student
- 29 populations and communities.

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

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

34 Sec. 3. (a) The term of office of an appointed member of the  
35 corporation board is ~~six~~ four (~~6~~ 4) years. The member's  
36 term begins on July 1 after the appointment.

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

41 (c) If there is a vacancy in the corporation board, the mayor  
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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

(2) member of the board of commissioners.

(e) A member of the corporation board may be removed for cause by the mayor.

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

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

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

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

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

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

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

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

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

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

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

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

- (1) The mayor shall appoint members to the corporation board not later than March 31, 2026.**
- (2) The term of each member begins on the date that the member is appointed under subdivision (1).**
- (3) The terms of the members are as follows:**
  - (A) One (1) member appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter shall each serve until July 1, 202~~9~~ [8].**
  - (B) One (1) member:**
    - (i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter; and**
    - (ii) who is not a member described in clause (A) or (C);****shall each serve until July 1, 20~~30~~ [29].**
  - (C) One (1) member:**
    - (i) appointed under section 2(b)(1), 2(b)(2), and 2(b)(3) of this chapter; and**
    - (ii) who is not a member described in clause (A) or (B);****shall each serve until July 1, 203~~4~~ [0].**

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

**Chapter 4. General Duties and Powers**

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

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following:

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

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

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

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purposes of the corporation, including entering into a contract with, as applicable, the school city and each participating school regarding:

- (A) the management and operation of school property;
- (B) [the ]provision of transportation of all students to and from participating schools within the geographic boundaries of the school city; and
- (C) any other matters the corporation board determines is necessary to carry out the purposes of the corporation.

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

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

(11) Acquire personal property or an interest in personal 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

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notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivisions (9) and (10) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 8 of this chapter.

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

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

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

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

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

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

(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

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1 employee of the corporation in any suit arising out of the  
2 performance of the member's or employee's duties for or  
3 employment with, the corporation, if the corporation board  
4 by resolution determined that the action was taken in good  
5 faith. To save any member or employee harmless from any  
6 liability, cost, or damage in connection with the performance,  
7 including the payment of legal fees, except where the  
8 liability, cost, or damage is predicated on or arises out of the  
9 bad faith of the member or employee, or is a claim or  
10 judgment based on the member's or employee's malfeasance  
11 as a member or in employment.

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

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

18 (21) Regularly conduct assessments of school property.

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

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

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

42 (d) The corporation board shall, in collaboration with the

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1 school city and the nonprofit organization leading the  
2 transportation and centralized school facilities pilot program in  
3 Marion County, do the following:

- 4 (1) Complete a feasibility study to determine the best  
5 approach for managing school property.
- 6 (2) Not later than November 30, 2026, submit to the  
7 legislative council in an electronic format under IC 5-14-6 a  
8 report that includes information regarding the corporation  
9 board's progress in completing the feasibility study under  
10 subdivision (1) and report under subdivision (3).
- 11 (3) Not later than November 30, 2027, prepare and submit a  
12 report regarding the feasibility study under subdivision (1)  
13 to the legislative council in an electronic format under  
14 IC 5-14-6.

15 This subsection expires July 1, 2028.

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

- 21 (b) The school performance framework must:
  - 22 (1) set clear expectation for school performance;
  - 23 (2) be based on multiple measures and metrics, including:
    - 24 (A) academic performance measures, including the
    - 25 performance assessment results under IC 20-31-8;
    - 26 (B) student assessment outcomes;
    - 27 (C) student discipline practices;
    - 28 (D) student enrollment;
    - 29 (E) physical condition of school property, including
    - 30 deferred maintenance;
    - 31 (F) short and long term financial health measures;
    - 32 (G) organizational health and governance measures;
    - 33 (H) replication of instructional models that are
    - 34 achieving the best results for students; and
    - 35 (I) any additional measures relevant to student success
    - 36 as determined by the corporation board; and
  - 37 (3) include both of the following:
    - 38 (A) A process to close chronically low performing
    - 39 participating schools.
    - 40 (B) A process to close inefficient school buildings.

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

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

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board's progress in completing the unified transportation plan.

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

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

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

[ ] (1) are required to ~~provide transportation to the students of the school city or participating schools through~~ participate in the unified transportation plan implemented by the corporation board; [ ]

[ ] (2) shall enter into contracts with the corporation board; and

(3) shall comply with any applicable regulations, orders, rules, and resolutions adopted by the corporation board.

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

(1) corporation board may not manage or control school property owned or leased by the participating school or school city; and

(2) participating school or school city may not receive any money that is attributable to the following:

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

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

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

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



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1           Sec. 9. (a) ~~S~~ Except as provided in subsection (c) and  
 2 s] subject to subsection (b), nothing in this article may be construed  
 3 to impair a contract that was entered into before the effective date  
 4 of this article. However, after the effective date of this article, the  
 5 school city or a participating school may not enter into, renew, or  
 6 extend a contract that is not in compliance with:

7           (1) this article;

8           (2) a contract entered into by the school city or participating  
 9 school under this article; or

10           (3) any regulation, order, rule, or resolution adopted by the  
 11 corporation board.

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

19           [ (c) Notwithstanding subsection (a), the school city may enter  
 20 into or renew existing agreements under IC 20-25.7.

21           [ Chapter 5. Financial and Administrative Powers and Duties

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

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

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

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

40           Sec. 4. (a) Except as provided in subsection ~~S~~ (b ~~S~~) and (c ~~S~~),  
 41 after March 31, 2026, the school city may not take any action  
 42 under the procedures set forth in IC 6-1.1-20 and instead the

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1 corporation shall assume the powers and duties of the school city  
 2 under IC 6-1.1-20 in the territory of the school city.<  
 3 — (b) Notwithstanding subsection (a), p> [ P]roperty tax revenue  
 4 received from a referendum <debt service> [controlled project] tax  
 5 levy that is approved by the voters after March 31, 2026, shall be  
 6 distributed to the <school city> [corporation] in the manner  
 7 provided under IC 6-1.1-20.

8 (<e> [b]) A referendum <debt service> [controlled project] tax  
 9 levy that is approved by the voters before April 1, 2026, shall  
 10 continue to be imposed after March 31, 2026, and the school city  
 11 shall continue to use the revenue from the referendum <debt  
 12 service> [ controlled project tax] levy to pay debt service on the  
 13 same terms, for the same period of time, and for the same purposes  
 14 for which it was originally approved by the voters.

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

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

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

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

- 36 (1) an annual property tax levy in the territory of the school  
 37 city sufficient to pay all obligations of the school city; and
- 38 (2) an annual property tax levy in the territory of the school  
 39 city sufficient to pay all obligations of the corporation.

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

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

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

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

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

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

31 Chapter 6. Indianapolis Public Education Corporation  
32 Operations Fund

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

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

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

42 Sec. 4. (a) Any balance in the corporation operations fund may

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1 be invested in the manner provided for investment of money by a  
 2 political subdivision. The net proceeds from the investment become  
 3 a part of the corporation operations fund.

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

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

9 Chapter 7. Indianapolis Public Education Corporation Debt  
 10 Service Fund

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

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

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

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

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

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

27 (2) A lease to provide capital construction.

28 (3) Interest on emergency and temporary loans.

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

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

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

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

42 Sec. 6. (a) Lease rental obligations on account of leases entered

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1 into under IC 20-47-2 or IC 20-47-3 may be paid by a corporation  
2 from the debt service fund.

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

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

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

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

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

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

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

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

25 (ii) are included in the school corporation's fall ADM  
26 count.

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

29 (b) This section:

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

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

36 (2) (B) the school corporation in the current school year has  
37 more than one (1) school building serving the same grade  
38 level as the school building subject to closure under this  
39 section; and

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

42 (c) Each school year, the governing body of a school corporation

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1 shall review the usage of school buildings used by the school  
2 corporation to determine whether any school building should be closed  
3 for the ensuing school year and subsequent school years.

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

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

8 (2) in the current school year and the two (2) school years  
9 immediately preceding the current school year the school  
10 building was underutilized for classroom instruction purposes or  
11 other allowable uses specified by this section;

12 (3) as of the end of the school year before the school building is  
13 required to be closed under this section, the school corporation  
14 was not subject to a transitional plan adopted by the governing  
15 body and approved by the department to use the school building  
16 for an allowable use not later than the next school year after the  
17 school building is otherwise required to be closed under this  
18 section;

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

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

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

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

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

33 (1) The number of full-time equivalent students enrolled for  
34 in-person instruction in the school building on instructional days  
35 (as determined under IC 20-30-2) for instructional purposes,  
36 averaged over the current school year and the two (2) school  
37 years immediately preceding the current school year, is at least  
38 fifty percent (50%) of:

39 (A) the known classroom design capacity of the school  
40 building; or

41 (B) if the design capacity is not known, the average  
42 maximum full-time equivalent enrollment in any of the last

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

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1 the school district.

2 (5) The school corporation demonstrates through facts included

3 in a resolution that the school building is being used and that it

4 is financially prudent to continue to use the school building,

5 considering all community resources, for a combination of office

6 space and storage. However, to be an allowable use under this

7 subdivision, at least fifty percent (50%) of the square footage of

8 the school building must be used for a combination of office

9 space and storage and:

10 (A) the personnel headquartered in the school building must

11 consistently use the office space for office purposes, and the

12 occupancy cost of using the office space, calculated using

13 the costs of operating the school building, cannot be more

14 than comparable office space that is available in the school

15 district; and

16 (B) on average, the storage space must be used to capacity

17 and the cost of using the school building for storage must be

18 less than comparable storage space that is available in the

19 school district.

20 (f) Closure of a school building that is:

21 (1) owned by the school corporation or any other entity that is

22 related in any way to, or created by, the school corporation or the

23 governing body; or

24 (2) jointly owned in the same manner by two (2) or more school

25 corporations;

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

27 (g) Before filing a petition under subsection (h), a charter school

28 or state educational institution that is interested in a school

29 corporation's school building must give written notice to the school

30 corporation to determine whether an agreement can be reached

31 regarding the school corporation making the school building available

32 for lease or purchase under IC 20-26-7.1.

33 (h) If an agreement is not reached within forty-five (45) days after

34 the date that the school corporation receives the notice under

35 subsection (g), the charter school or state educational institution may

36 petition the department to initiate or the department on its own may

37 initiate a proceeding for a determination as to whether a school

38 building meets the criteria for closure under this section or a covered

39 school building that is no longer used for classroom instruction by a

40 school corporation should be made available under IC 20-26-7.1. If a

41 charter school or state educational institution petitions the department

42 under this subsection, the charter school or state educational institution

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1 must provide a copy of the petition to the applicable school  
 2 corporation.

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

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

11 (1) file a response to the petition that notifies the department that  
 12 the school corporation:

13 (A) is not contesting the petition; or  
 14 (B) is contesting the petition and states the facts upon which  
 15 the school corporation relies in contesting the petition; and

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

18 (k) If the school corporation:

19 (1) files a response that the school corporation is not contesting  
 20 the petition; or  
 21 (2) fails to submit a timely response under subsection (j);  
 22 the department shall issue an order granting the petition. A petition and  
 23 any response or reply are public documents.

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

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

31 (1) petitioner and any intervening party have submitted a reply  
 32 under subsection (l); or  
 33 (2) time period to reply under subsection (l) has expired.

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

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

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1 SECTION 14. IC 20-26-7-48, AS ADDED BY P.L.189-2023,  
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 48. (a) The following definitions apply  
4 throughout this section:

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

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

10 (b) This section:

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

12 ~~(1)~~ **(A)** the total student enrollment for in-person instruction  
13 in the school corporation in the current school year is at  
14 least ten percent (10%) less than the student enrollment for  
15 in-person instruction in the school corporation in a school  
16 year that precedes the current school year by five (5); and

17 ~~(2)~~ **(B)** the school corporation in the current school year has  
18 more than one (1) school building serving the same grade  
19 level as a school building subject to closure under section  
20 47 of this chapter; **and**

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

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

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

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

30 (A) Designed occupancy, regardless of current use.

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

35 (C) The following information:

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

40 (ii) Percentage of instructional use.

41 (iii) Percentage of use for other purposes.

42 (D) Self-evaluation of whether the building qualifies for

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1 closure under section 47 of this chapter or the school board  
2 otherwise intends to close the building and the date closure  
3 will occur (if applicable).

4 SECTION 15. IC 20-26-7.1-1, AS AMENDED BY P.L.68-2025,  
5 SECTION 209, IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this  
7 section, "charter school" does not include a virtual charter school or an  
8 adult high school.

9 (b) This chapter does not apply to the following:

10 (1) A school building that since July 1, 2011, is leased or loaned  
11 by the school corporation that owns the school building to  
12 another entity, if the entity is not a building corporation or other  
13 entity that is related in any way to, or created by, the school  
14 corporation or the governing body.

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

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

27 (3) A school corporation to which all of the following apply:  
28 (A) The school corporation approves a resolution after May  
29 10, 2023, to impose an operating referendum tax levy under  
30 IC 20-46-1 after May 10, 2023, that includes sharing the  
31 revenue from the referendum tax levy in the amounts  
32 described in clause (B) with each charter school that:

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

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

39 (B) The amount of referendum tax levy revenue that the  
40 school corporation is required to share with each charter  
41 school under the resolution described in clause (A) is equal  
42 to the amount determined applying the applicable formula

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under IC 20-46-1-21 or IC 20-46-1-22.  
(C) The referendum tax levy described in clause (A) is approved by the voters.  
(D) The school corporation distributes the amounts described in clause (B) to each charter school described in clause (A).  
(E) If the school corporation receives revenue from a school safety referendum tax levy under IC 20-46-9, the school corporation shares the revenue from the school safety referendum tax levy with each charter school that:  
(i) a student who resides within the attendance area of the school corporation attends; and  
(ii) elects to participate in the referendum;  
in an amount equal to the amount determined applying the formula under IC 20-46-9-22(d).

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

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

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

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

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

**(1) a school city (as defined in IC 20-25-2-12) may not impose the property tax levy or otherwise exercise the powers and**

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duties under this chapter; and  
(2) the public education corporation shall impose both:  
    (A) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the school city; and  
    (B) an annual property tax levy in the territory of the school city sufficient to pay all obligations of the corporation.

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

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

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

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

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

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1 SECTION 19. IC 20-46-8-11.2, AS AMENDED BY P.L.68-2025,  
2 SECTION 225, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: Sec. 11.2. (a) This section applies  
4 only to revenue collected after June 30, 2024, and before January 1,  
5 2028, from a tax levy imposed under this chapter by a school  
6 corporation located in:

- 7 (1) Lake County;
- 8 (2) Marion County;
- 9 (3) St. Joseph County; or
- 10 (4) Vanderburgh County.

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

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

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

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

- 26 (1) A virtual charter school.
- 27 (2) An adult high school.

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

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

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

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

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incremental property tax levy amount calculated as:

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

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

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

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

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

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

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

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

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

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

29 **(j) This subsection applies only to distributions of property tax  
30 revenue in 2026 and to distributions of property tax revenue in  
31 2027 to:**

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

38 **Before making any distribution under subsection (f), the county**  
39 **auditor shall first distribute to the public education corporation for**  
40 **deposit in the public education corporation operations fund created**  
41 **under IC 20-25.3-6-1 an amount equal to the percentage**  
42 **determined by the Indianapolis public education corporation**

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1 **board under IC 20-25.3-4-2(b).**  
2 SECTION 20. IC 20-46-8-12, AS ADDED BY P.L.68-2025,  
3 SECTION 226, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to  
5 revenue collected after December 31, 2027, from a tax levy imposed  
6 under this chapter only if the number of students who have legal  
7 settlement in a school corporation but attend a charter school,  
8 excluding virtual charter schools and adult high schools, and receive  
9 not more than fifty percent (50%) virtual instruction, is at least the  
10 greater of:  
11 (1) one hundred (100) students; or  
12 (2) two percent (2%) of the school corporation's spring ADM  
13 count, excluding students who receive more than fifty percent  
14 (50%) virtual instruction.  
15 (b) As used in this section, "eligible charter school" means a  
16 charter school attended by a student who:  
17 (1) has legal settlement in a school corporation that imposes a  
18 tax levy under this chapter; and  
19 (2) receives not more than fifty percent (50%) virtual instruction.  
20 However, the term does not include a virtual charter school or an adult  
21 high school.  
22 (c) The following schools are not eligible to receive, and may not  
23 be considered in a calculation made for purposes of, a distribution  
24 under this section:  
25 (1) A virtual charter school.  
26 (2) An adult high school.  
27 (d) Beginning in calendar year 2028, and in each calendar year  
28 thereafter, and subject to subsection (j), the county auditor shall  
29 distribute to each eligible charter school in the manner provided under  
30 this section an amount of revenue received from a tax levy imposed by  
31 a school corporation under this chapter.  
32 (e) For the purposes of the calculations made in this section, each  
33 eligible charter school that has entered into an agreement with a school  
34 corporation to participate as a participating innovation network charter  
35 school under IC 20-25.7-5 is considered to have an ADM that is  
36 separate from the school corporation.  
37 (f) Not later than January 1, 2028, and not later than January 1 of  
38 each year thereafter, the department, in consultation with the  
39 department of local government finance, shall determine, for each  
40 school corporation, the corresponding percentages of revenue received  
41 from the tax levy that must be distributed among the school corporation  
42 and each eligible charter school according to the following formula:

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

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

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

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

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

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

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

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1 subsection (j). Any distribution amount withheld under this subsection  
2 shall be:

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

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

7 in the calendar year that immediately follows the calendar year in  
8 which the distribution amount was withheld.

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

16 (1) For a distribution in 2028, 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) twenty-five hundredths (0.25).

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

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

25 (B) five-tenths (0.5).

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

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

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

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

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

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

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

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

42 **(B) would otherwise receive a share of property tax**



1 revenue from the school city under this section.  
 2 Before making any distribution under subsection (h) or (l), the  
 3 county auditor shall first distribute to the public education  
 4 corporation for deposit in the public education corporation  
 5 operations fund created under IC 20-25.3-6-1 an amount equal to  
 6 the percentage determined by the Indianapolis public corporation  
 7 board under IC 20-25.3-4-2(b).

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

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

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

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

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

38 (1) the school corporation **or public education corporation;** or  
 39 (2) a joint or consolidated school district of which the school  
 40 corporation is a part or to which it contributes;  
 41 for a term not to exceed thirty (30) years.

42 (b) A school corporation **or the public education corporation**

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1 may not enter into a lease under this section unless the governing body  
 2 **or the corporation board**, after investigation, determines that a need  
 3 exists for the school building and that the school corporation **or public**  
 4 **education corporation** cannot provide the necessary funds to pay the  
 5 cost or its proportionate share of the cost of the school building or  
 6 buildings required to meet the present needs.

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

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

16 (2) provide that:

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

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

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

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

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

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

41 (3) upon receipt of any amount of lease rentals exceeding the  
 42 amount described in subdivision (2), apply the excess funds to

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1 the redemption and cancellation of the lessor corporation's  
 2 outstanding securities or loans as soon as may be done.  
 3 SECTION 26. IC 20-47-2-7, AS ADDED BY P.L.2-2006,  
 4 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into  
 6 under this chapter must include the following provisions:  
 7 (1) An option for the school corporation, **or school** corporations,  
 8 **or the public education corporation** to renew the lease for a  
 9 further term on similar conditions.  
 10 (2) An option for the school corporation, **or school** corporations,  
 11 **or public education corporation** to purchase the property  
 12 covered by the lease after six (6) years from the execution of the  
 13 lease and before the expiration of the term of the lease, on the  
 14 date or dates in each year as may be fixed in the lease. The  
 15 purchase price:  
 16 (A) must be equal to the amount required to enable the  
 17 lessor corporation owning the property to liquidate by  
 18 paying all indebtedness, with accrued and unpaid interest,  
 19 redeeming and retiring any stock at par, and paying the  
 20 expenses and charges of liquidation; and  
 21 (B) may not exceed the capital actually invested in the  
 22 property by the lessor corporation represented by  
 23 outstanding securities or existing indebtedness, plus the cost  
 24 of transferring the property and liquidating the lessor  
 25 corporation.  
 26 (b) A lease entered into under this chapter may not provide or be  
 27 construed to provide that a school corporation **or the public education**  
 28 **corporation** is under any obligation to purchase a leased school  
 29 building or buildings, or under any obligation in respect to any  
 30 creditors, shareholders, or other security holders of the lessor  
 31 corporation.  
 32 SECTION 27. IC 20-47-2-10, AS ADDED BY P.L.2-2006,  
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 10. A school corporation, **or**  
 35 **school** corporations, **or the public education corporation** may, in  
 36 anticipation of the acquisition of a site and the construction and  
 37 erection of a school building or buildings, enter into a lease with a  
 38 lessor corporation before the actual acquisition of the site and the  
 39 construction and erection of the building or buildings. However, a lease  
 40 entered into under this section may not provide for the payment of any  
 41 lease rental by the lessee or lessees until the building or buildings are  
 42 ready for occupancy, at which time the stipulated lease rental may

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1 begin. The contractor must furnish to the lessor corporation a bond  
2 satisfactory to the lessor corporation conditioned upon the final  
3 completion of the building or buildings within the period specified in  
4 the contract.

5 SECTION 28. IC 20-47-2-11, AS ADDED BY P.L.2-2006,  
6 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
7 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After the lessor  
8 corporation and the school corporation, ~~or school corporations,~~ **or the**  
9 **public education corporation** have agreed upon the terms and  
10 conditions of a lease proposed to be entered into under this chapter, and  
11 before the final execution of the lease, a notice shall be given by  
12 publication to all persons interested of a hearing or joint hearing to be  
13 held before the governing body or governing bodies of the school  
14 corporation or corporations **or the corporation board** authorized to  
15 approve the lease. The hearing must be not earlier than:

- 16 (1) ten (10) days after publication of the notice, if new  
17 construction is proposed; or
- 18 (2) thirty (30) days after publication of the notice, if  
19 improvement or expansion is proposed.

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

- 21 (1) be published one (1) time in:
  - 22 (A) a newspaper of general circulation printed in the
  - 23 English language in the school corporation;
  - 24 (B) a newspaper described in clause (A) in each school
  - 25 corporation if the proposed lease is a joint lease; or
  - 26 (C) if no such paper is published in the school corporation,
  - 27 in any newspaper of general circulation published in the
  - 28 county;
- 29 (2) name the date, time, and place of the hearing; and
- 30 (3) set forth a brief summary of the principal terms of the lease
- 31 agreed upon, including the:
  - 32 (A) location of the property to be leased;
  - 33 (B) name of the proposed lessor corporation;
  - 34 (C) character of the property to be leased;
  - 35 (D) rental to be paid; and
  - 36 (E) number of years the lease is to be in effect.

37 The cost of publishing the notice shall be borne by the lessor  
38 corporation.

39 (c) The proposed lease, drawings, plans, specifications, and  
40 estimates for the school building or buildings must be available for  
41 inspection by the public during the ten (10) day or thirty (30) day  
42 period described in subsection (a) and at the hearing under section 12

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1 of this chapter.

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

10 (b) Within thirty (30) days following the termination of the  
11 hearing, the governing body or bodies of the school corporation or  
12 corporations **or the corporation board** may by a majority vote of all  
13 members of the governing body or bodies **or corporation board**:

- 14 (1) authorize the execution of the proposed lease as originally  
15 agreed upon; or  
16 (2) make modifications to the proposed lease that are agreed  
17 upon with the lessor corporation.

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

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

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

34 (b) This subsection does not apply to a lease for which a school  
35 corporation **or the public education corporation** after June 30, 2008,  
36 makes a preliminary determination as described in IC 6-1.1-20-3.1 or  
37 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the  
38 case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or  
39 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease  
40 after June 30, 2008. Within thirty (30) days after the publication of  
41 notice under subsection (a), fifty (50) or more taxpayers in the school  
42 corporation or corporations who:

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

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

20 (1) conduct the hearing in the school corporation or corporations,  
 21 in the county where the school corporation or corporations are  
 22 located, or through electronic means; and  
 23 (2) give notice of the hearing to the members of the governing  
 24 body or bodies of the school corporation or corporations **or the**  
 25 **corporation board** and to the first fifty (50) taxpayers who  
 26 signed the petition under subsection (b) by a letter signed by the  
 27 commissioner or deputy commissioner of the department of local  
 28 government finance and enclosed with full prepaid postage  
 29 addressed to the taxpayer petitioners at their usual place of  
 30 residence, at least five (5) days before the hearing.

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

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

39 (1) thirty (30) days after publication of notice of the execution of  
 40 the lease by the governing body or bodies of the school  
 41 corporation or corporations **or the corporation board**; or  
 42 (2) if an appeal is allowed under section 13 of this chapter and

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1 has been taken to the department of local government finance,  
 2 thirty (30) days after the decision of the department of local  
 3 government finance.

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

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

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

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

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

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

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

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

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

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1 by the school corporation **or public education corporation** to  
2 the lessor corporation. However, if the land was acquired by the  
3 school corporation **or public education corporation** within  
4 three (3) years immediately preceding the date of the filing of the  
5 petition with the circuit court, the land may not be sold for an  
6 amount less than the amount paid by the school corporation **or**  
7 **public education corporation** for the land.

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

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

- 18 (1) the principal amount of the outstanding bonds;
- 19 (2) any premium required to be paid upon redemption of the  
20 outstanding bonds; and
- 21 (3) the estimated expenses to be incurred in connection with the  
22 issuance of the refunding bonds.

23 (c) The sum of the net interest cost to the lessor corporation of the  
24 refunding bonds plus the premium required to be paid in connection  
25 with the redemption of the outstanding bonds and the estimated  
26 expenses to be incurred in connection with the issuance of the  
27 refunding bonds may not exceed the total interest that would have been  
28 payable by the lessor corporation on the bonds being refunded from the  
29 date of redemption to the maturity of the bonds being refunded. Net  
30 interest cost on the refunding bonds is the amount determined by  
31 computing the total interest on all the refunding bonds to their  
32 maturities and deducting from that amount the premium bid, if any.

- 33 (d) Refunding bonds issued under this section:
  - 34 (1) are legal and proper investments;
  - 35 (2) are exempt from taxation; and
  - 36 (3) may be sold without registration with or approval of the  
37 securities division of the office of the secretary of state or  
38 securities commissioner;

39 in the same manner, under the same conditions, and subject to the same  
40 limitations as any other bonds issued by lessor corporations under  
41 section 16 of this chapter. However, no proceedings or actions by the  
42 lessee nor approval by any board, commission, or agency are required

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1 in connection with the refunding, and the refunding authorized in this  
2 section does not affect the obligation of the lessee to pay the lease  
3 rental under the lease of the building or buildings.

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

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

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

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

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

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

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

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

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

42 (e) In connection with the issuance of refunding and improvement

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1 bonds, the lessee school corporation, ~~or~~ school corporations, **or public**  
2 **education corporation** may enter into an amendment to the lease with  
3 the lessor corporation providing for:

4 (1) an extension of the time set forth in the lease before the  
5 option of the lessee or lessees to purchase may be exercised to a  
6 time agreed upon between the lessee school corporation, ~~or~~  
7 school corporations, **or public education corporation** and the  
8 lessor corporation;

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

12 (3) increased lease rental payments after the completion of the  
13 improvements.

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

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

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

37 SECTION 36. IC 20-47-2-20, AS AMENDED BY P.L.244-2017,  
38 SECTION 108, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE UPON PASSAGE]: Sec. 20. A school corporation **or the**  
40 **public education corporation** that executes a lease under this chapter  
41 shall annually appropriate from its debt service fund or ~~general fund~~  
42 (~~before January 1, 2019~~) or operations fund (~~after December 31, 2018~~)

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1 an amount sufficient to pay the lease rental required under the lease.  
 2 The appropriation is reviewable by other bodies vested by law with  
 3 such authority to ascertain that the specified amount is sufficient to  
 4 meet the lease rental required under the lease. The first specific  
 5 appropriation shall be made at the first budget period following the  
 6 date of the execution of the lease, and the first annual appropriation  
 7 must be sufficient to pay the estimated amount of the first annual lease  
 8 rental payment to be made under the lease. Thereafter, the annual  
 9 appropriations provided for in this section shall be made, and payments  
 10 shall be made from the debt service fund.

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

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

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

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

41 SECTION 40. IC 20-47-3-1.3 IS ADDED TO THE INDIANA  
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter,**  
 2 **"corporation board" refers to the Indianapolis public education**  
 3 **corporation board** ~~<established by>~~[appointed under]  
 4 **IC 20-25.3-3-2.**  
 5 SECTION 41. IC 20-47-3-1.5 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**  
 8 **"public education corporation" refers to the Indianapolis public**  
 9 **education corporation established by IC 20-25.3-3-1.**  
 10 SECTION 42. IC 20-47-3-3, AS AMENDED BY P.L.233-2015,  
 11 SECTION 305, IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school corporation **or**  
 13 **the public education corporation** may lease a school building or  
 14 buildings for the use of:  
 15 (1) the school corporation **or public education corporation;** or  
 16 (2) a joint or consolidated school district of which the school  
 17 corporation is a part or to which it contributes;  
 18 for a term not to exceed fifty (50) years.  
 19 (b) A school corporation **or the public education corporation**  
 20 may not enter into a lease under this section unless the governing body  
 21 **or corporation board,** after investigation, determines that a need  
 22 exists for the school building.  
 23 (c) If two (2) or more school corporations propose to jointly enter  
 24 into a lease under this section, joint meetings of the governing bodies  
 25 of the school corporations may be held, but action taken at a joint  
 26 meeting is not binding on any of those school corporations unless  
 27 approved by a majority of the governing body of each of those school  
 28 corporations. A lease executed by two (2) or more school corporations  
 29 as joint lessees must:  
 30 (1) set out the amount of the total lease rental to be paid by each  
 31 lessee, which may be as agreed upon; and  
 32 (2) provide that:  
 33 (A) there is no right of occupancy by any lessee unless the  
 34 total rental is paid as stipulated in the lease; and  
 35 (B) all rights of joint lessees under the lease are in  
 36 proportion to the amount of lease rental paid by each lessee.  
 37 SECTION 43. IC 20-47-3-4, AS ADDED BY P.L.2-2006,  
 38 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 39 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, **or**  
 40 **school corporations, or the public education corporation** may enter  
 41 into a lease or lease with option to purchase under this chapter only  
 42 with:

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1 (1) a corporation organized under Indiana law or admitted to do  
 2 business in Indiana; or  
 3 (2) a religious organization (or the organization's agent) that is  
 4 exempt from federal income taxation under Section 501 of the  
 5 Internal Revenue Code.  
 6 SECTION 44. IC 20-47-3-5, AS AMENDED BY P.L.146-2008,  
 7 SECTION 517, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in  
 9 subsections (d) and (e), a lease must provide that the school  
 10 corporation, ~~or school~~ corporations, **or the public education**  
 11 **corporation** have an option to:  
 12 (1) renew the lease for a further term on like conditions; and  
 13 (2) purchase the property covered by the lease;  
 14 with the terms and conditions of the purchase to be specified in the  
 15 lease, subject to the approval of the department of local government  
 16 finance.  
 17 (b) If the option to purchase the property covered by the lease is  
 18 exercised, the school corporation, ~~or school~~ corporations, **or public**  
 19 **education corporation** to procure funds to pay the purchase price, may  
 20 issue and sell bonds under the provisions of the general statute  
 21 governing the issue and sale of bonds of the school corporation, ~~or~~  
 22 **school** corporations, **or public education corporation**. The purchase  
 23 price may not be more than the purchase price set forth in the lease  
 24 plus:  
 25 (1) two percent (2%) of the purchase price as prepayment  
 26 penalty for purchase within the first five (5) years of the lease  
 27 term; or  
 28 (2) one percent (1%) of the purchase price as prepayment  
 29 penalty for purchase in the second five (5) years of the lease  
 30 term;  
 31 and thereafter the purchase shall be without prepayment penalty.  
 32 (c) However:  
 33 (1) if the school corporation, ~~or school~~ corporations, **or the**  
 34 **public education corporation** have not exercised an option to  
 35 purchase the property covered by the lease at the expiration of  
 36 the lease; and  
 37 (2) upon the full discharge and performance by the school  
 38 corporation, ~~or school~~ corporations, **or public education**  
 39 **corporation** of their obligations under the lease;  
 40 the property covered by the lease becomes the absolute property of the  
 41 school corporation, ~~or school~~ corporations, **or public education**  
 42 **corporation**, and the lessor corporation shall execute proper

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1 instruments conveying to the school corporation, ~~or school~~ corporations, **or public education corporation** good and  
2 merchantable title to that property.  
3

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

8 (1) The lease is not required to include on behalf of the school  
9 corporation an option to purchase the property covered by the  
10 lease.

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

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

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

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

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

23 the terms and conditions of the purchase that are specified in the lease  
24 are not subject to the approval of the department of local government  
25 finance.

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

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1 lease, unavoidable delays excepted.  
 2 (b) In the case of a lease for which a school corporation **or the**  
 3 **public education corporation:**  
 4 (1) after June 30, 2008, makes a preliminary determination as  
 5 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as  
 6 described in IC 6-1.1-20-5; or  
 7 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,  
 8 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or  
 9 ordinance authorizing the lease after June 30, 2008;  
 10 the approval of the department of local government finance is not  
 11 required.  
 12 SECTION 46. IC 20-47-3-9, AS ADDED BY P.L.2-2006,  
 13 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor  
 15 corporation and the school corporation, ~~or~~ **school corporations, or**  
 16 **public education corporation** have agreed upon the terms and  
 17 conditions of a lease proposed to be entered into under this chapter, and  
 18 before the final execution of the lease, a notice shall be given by  
 19 publication to all persons interested of a hearing or joint hearing to be  
 20 held before the governing body or governing bodies of the school  
 21 corporations **or the corporation board** authorized to approve the  
 22 lease. The hearing must be not earlier than:  
 23 (1) ten (10) days afer publication of the notice, if new  
 24 construction is proposed; or  
 25 (2) thirty (30) days after publication of the notice, if  
 26 improvement or expansion is proposed.  
 27 (b) The notice required by subsection (a) must:  
 28 (1) be published one (1) time in:  
 29 (A) a newspaper of general circulation printed in the  
 30 English language in the school corporation;  
 31 (B) a newspaper described in clause (A) in each school  
 32 corporation if the proposed lease is a joint lease; or  
 33 (C) if no such paper is published in the school corporation,  
 34 in any newspaper of general circulation published in the  
 35 county;  
 36 (2) name the date, time, and place of the hearing; and  
 37 (3) set forth a brief summary of the principal terms of the lease  
 38 agreed upon, including the:  
 39 (A) location of the property to be leased;  
 40 (B) name of the proposed lessor corporation;  
 41 (C) character of the property to be leased;  
 42 (D) rental to be paid; and

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1 (E) number of years the lease is to be in effect.  
2 The cost of publication of the notice shall be paid by the lessor  
3 corporation.

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

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

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

- 21 (1) authorize the execution of the lease as originally agreed  
22 upon; or
- 23 (2) make modifications to the proposed lease as agreed upon  
24 with the lessor corporation.

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

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

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

41 (b) This subsection does not apply to leases for which a school  
42 corporation **or the public education corporation** after June 30, 2008,

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1 makes a preliminary determination as described in IC 6-1.1-20-3.1 or  
2 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the  
3 case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or  
4 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease  
5 after June 30, 2008. Within thirty (30) days after the publication of  
6 notice under subsection (a), ten (10) or more taxpayers in the school  
7 corporation or corporations who:

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

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

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

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

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

41 SECTION 49. IC 20-47-3-12, AS AMENDED BY P.L.146-2008,  
42 SECTION 520, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: Sec. 12. An action to contest the  
 2 validity of the lease or to enjoin the performance of any of the terms  
 3 and conditions of the lease may not be instituted at any time later than:  
 4 (1) thirty (30) days after publication of notice of the execution of  
 5 the lease by the governing body or bodies of the school  
 6 corporation or corporations **or the corporation board**; or  
 7 (2) if an appeal is allowed under section 11 of this chapter and  
 8 has been taken to the department of local government finance,  
 9 thirty (30) days after the decision of the department of local  
 10 government finance.

11 SECTION 50. IC 20-47-3-13, AS AMENDED BY P.L.113-2006,  
 12 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 UPON PASSAGE]: Sec. 13. (a) **Except as provided in subsection**  
 14 **(b),**  $\leftrightarrow$  [ ]the lessor corporation shall acquire, own, and hold in fee  
 15 simple the land on which a school building or buildings are to be  
 16 erected under this chapter.

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

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

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

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

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

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

41 (2) Upon appointment, the three (3) appraisers shall proceed to  
 42 fix the fair market value of the land and shall report the amount

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

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

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

32 SECTION 53. IC 20-47-3-16, AS ADDED BY P.L.2-2006,  
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 16. This chapter shall be  
 35 construed as being supplemental to all other laws covering the  
 36 acquisition, use, and maintenance of school buildings by school  
 37 corporations **or the public education corporation.** However, as to  
 38 school buildings constructed or leased under this chapter, it is not  
 39 necessary to comply with the provisions of other laws concerning the  
 40 acquisition, use, and maintenance of school buildings by school  
 41 corporations **or the public education corporation** except as  
 42 specifically required in this chapter.

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

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

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

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

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

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

37 SECTION 58. IC 20-47-4-6, AS AMENDED BY P.L.146-2008,  
38 SECTION 521, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A lessor corporation may  
40 acquire and finance an existing school building, other than as provided  
41 in section 5 of this chapter, and lease the existing school building to a  
42 school corporation **or the public education corporation**. A school

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1 corporation **or the public education corporation** shall comply with:

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

3 (2) the petition and remonstrance provisions under IC 6-1.1-20  
4 (if required); and

5 (3) the local public question provisions under IC 6-1.1-20 (if  
6 required).

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

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

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

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

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

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

33 (2) public hearing;

34 (3) notice of execution of lease; and

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

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

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1 school corporation **or public education corporation** for the use of the  
2 building during renovation, remodeling, or expansion.

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

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

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

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

27 SECTION 63. IC 20-48-1-11, AS AMENDED BY P.L.9-2024,  
28 SECTION 403, IS AMENDED TO READ AS FOLLOWS  
29 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) ~~As used in this section;~~

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

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

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

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

42 (A) **A school corporation (as defined in**

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**IC 20-18-2-16(a)).**  
**(B) The Indianapolis public education corporation established by IC 20-25.3-3-1.**

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

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

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

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

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

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- 1 available to the treasurer of state in order for the treasurer of state to
- 2 fulfill the obligations of this subsection.
- 3 (d) Notwithstanding any other law to the contrary, amounts made
- 4 available to the treasurer of state for purposes of subsection (c) shall be
- 5 made from the following sources, in the following amounts, and in the
- 6 following order of priority:
- 7 (1) First, from amounts appropriated by the general assembly for
- 8 the state fiscal year for distribution to the school corporation
- 9 from state funds.
- 10 (2) Second, and to the extent that the amounts described in
- 11 subdivision (1) are insufficient, from any remaining amounts
- 12 appropriated by the general assembly for distribution for tuition
- 13 support in each state fiscal year in excess of the aggregate
- 14 amount of tuition support needed for distribution to school
- 15 corporations in accordance with the schedule set and approved
- 16 in accordance with IC 20-43-2-1.
- 17 (3) Third, and to the extent that the amounts described in
- 18 subdivisions (1) and (2) are insufficient and the general
- 19 assembly has adopted a biennial budget appropriating amounts
- 20 in the immediately succeeding state fiscal year for distribution
- 21 to the school corporation from state funds, then from such fund
- 22 or account, as determined by the state budget director, from
- 23 which fund or account there is appropriated to the treasurer of
- 24 state in the current state fiscal year an amount equal to the lesser
- 25 of:
- 26 (A) the unpaid debt service obligations not paid from
- 27 sources described in subdivisions (1) and (2); or
- 28 (B) the amount appropriated by the general assembly for the
- 29 immediately succeeding state fiscal year for distribution to
- 30 the school corporation from state funds, subject to
- 31 IC 4-13-2-18(i).
- 32 (e) Notwithstanding any other law to the contrary, if any amounts
- 33 are transferred to the treasurer of state under subsection (c), the
- 34 applicable department or agency shall recover those amounts by:
- 35 (1) deducting an amount equal to the transfer from any future
- 36 amounts to be distributed to the school corporation from state
- 37 funds appropriated by the general assembly; and
- 38 (2) transferring any amount deducted under subdivision (1) to
- 39 the treasurer of state for the purpose of allowing the treasurer of
- 40 state to reimburse the fund or account from which the transfer
- 41 was made.
- 42 (f) A reduction of distributions to a school corporation under

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subsection (e) must be made:

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

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

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

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

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

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

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

Except as provided in subsection ~~(e)~~; **(d)**, the city-county legislative body may reduce or modify but not increase a proposed operating and

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1 maintenance budget or tax levy under this section.  
 2 ~~(b)~~ (c) The board of each entity listed in subsection ~~(a)~~ (b) shall,  
 3 after adoption of its proposed budget and tax levies, submit them, along  
 4 with detailed accounts, to the city clerk before September 2.  
 5 ~~(c)~~ (d) The city-county legislative body or, when subsection ~~(d)~~  
 6 (e) ~~<>~~ [ ] applies, the fiscal body of an excluded city or town shall  
 7 review the issuance of bonds of an entity listed in subsection ~~(a)~~ (b).  
 8 Approval of the city-county legislative body or, when subsection ~~(d)~~ (e)  
 9 applies, the fiscal body of an excluded city or town is required for the  
 10 issuance of bonds. The city-county legislative body or the fiscal body  
 11 of an excluded city or town may not reduce or modify a budget or tax  
 12 levy of an entity listed in subsection ~~(a)~~ (b) in a manner that would:  
 13 (1) limit or restrict the rights vested in the entity to fulfill the  
 14 terms of any agreement made with the holders of the entity's  
 15 bonds; or  
 16 (2) in any way impair the rights or remedies of the holders of the  
 17 entity's bonds.  
 18 ~~(d)~~ (e) If the assessed valuation of a taxing unit is entirely  
 19 contained within an excluded city or town (as described in IC 36-3-1-7)  
 20 that is located in a county having a consolidated city, the governing  
 21 body of the taxing unit shall submit its proposed operating and  
 22 maintenance budget and tax levies to the city or town fiscal body for  
 23 approval and not the city-county legislative body. Except as provided  
 24 in subsection ~~<>~~ [ ] ~~(c)~~; (d), the fiscal body of the excluded city or town  
 25 may reduce or modify but not increase a proposed operating and  
 26 maintenance budget or tax levy under this section.  
 27 SECTION 66. **An emergency is declared for this act.**

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DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY