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HOUSE BILL No. 1423

Proposed Changes to January 30, 2026 printing by AM142329

DIGEST OF PROPOSED AMENDMENT

Open door law. Includes the Indianapolis public education corporation (corporation) in the definition of "public agency" for purposes of the open door law. Changes a reference from "consultant" to "contractor."

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

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

1 SECTION 1. IC 5-13-6-3, AS AMENDED BY P.L.166-2014,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) All taxes collected by the county
4 treasurer shall be deposited as one (1) fund in the several depositories
5 selected for the deposit of county funds and, except as provided in
6 subsection (b), remain in the depositories until distributed at the
7 following semiannual distribution made by the county auditor.
8 (b) Every county treasurer who, by virtue of the treasurer's office,
9 is the collector of any taxes for any political subdivision wholly or
10 partly within the county shall, not later than thirty (30) days after
11 receipt of a written request for funds filed with the treasurer by a proper
12 officer of any political subdivision within the county, provide to the
13 county auditor the amount available for distribution, as certified for
14 each semiannual distribution under IC 6-1.1-27-2. The county auditor
15 shall advance to that political subdivision a portion of the taxes
16 collected before the semiannual distribution. The amount advanced
17 may not exceed the lesser of:
18 (1) ninety-five percent (95%) of the total amount collected at the
19 time of the advance; or

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

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

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

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

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

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

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

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

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

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

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

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

42 (4) Any building corporation of a political subdivision of the

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

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- (B) program; or
- (C) facilities of applicants for incentives or assistance from the governing body.
- (3) Traveling to and attending meetings of organizations devoted to betterment of government.
- (4) A caucus.
- (5) A gathering to discuss an industrial or a commercial prospect that does not include a conclusion as to recommendations, policy, decisions, or final action on the terms of a request or an offer of public financial resources.
- (6) An orientation of members of the governing body on their role and responsibilities as public officials, but not for any other official action.
- (7) A gathering for the sole purpose of administering an oath of office to an individual.
- (8) Collective bargaining discussions that the governing body of a school corporation engages in directly with bargaining adversaries. This subdivision applies only to a governing body that has not appointed an agent or agents to conduct collective bargaining on behalf of the governing body as described in subsection (b)(3).
- (d) "Official action" means to:
 - (1) receive information;
 - (2) deliberate;
 - (3) make recommendations;
 - (4) establish policy;
 - (5) make decisions; or
 - (6) take final action.
- (e) "Public business" means any function upon which the public agency is empowered or authorized to take official action.
- (f) "Executive session" means a meeting from which the public is excluded, except the governing body may admit those persons necessary to carry out its purpose. The governing body may also admit an individual who has been elected to the governing body but has not been sworn in as a member of the governing body.
- (g) "Final action" means a vote by the governing body on any motion, proposal, resolution, rule, regulation, ordinance, or order.
- (h) "Caucus" means a gathering of members of a political party or coalition which is held for purposes of planning political strategy and holding discussions designed to prepare the members for taking official action.
- (i) "Deliberate" means a discussion which may reasonably be

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1 expected to result in official action (defined under subsection (d)(3),
 2 (d)(4), (d)(5), or (d)(6)).

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

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

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

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

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

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

24 (1) applies to each governing body of a taxing unit that is not
 25 comprised of a majority of officials who are elected to serve on
 26 the governing body; and

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

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

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

37 (c) If:

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

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

42 (A) the taxing unit was originally established by the city or

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

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

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

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

31 STEP ONE: Determine:

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

34 (B) one (1).

35 STEP TWO: Multiply:

36 (A) the STEP ONE result; by

37 (B) eight-tenths (0.8).

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

39 However, if the taxing unit files the information as required in
 40 subsection (c) or (d), whichever applies, for the budget year
 41 immediately following the budget year for which the formula under this
 42 subsection is applied, when calculating the maximum ad valorem

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

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

18 STEP ONE: Determine:

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

21 (B) one (1).

22 STEP TWO: Multiply:

23 (A) the STEP ONE result; by

24 (B) eight-tenths (0.8).

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

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

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

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

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

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

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

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

7 (1) a school corporation; or

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

10 (c) If:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 STEP FOUR: Determine the lesser of the following:

34 (A) The STEP THREE quotient.

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

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

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

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

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

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

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

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

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

15 STEP FIVE: Determine the lesser of:

16 (A) the STEP FOUR result; or

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

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

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

28 SECTION ~~8~~[9]. IC 20-18-2-14.5 IS ADDED TO THE
 29 INDIANA 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 ~~9~~[10]. IC 20-24-3-20 IS ADDED TO THE
 34 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) Beginning April 1,**
 36 **2026, a charter may not be granted or renewed by an authorizer**
 37 **for a charter school located within the geographic boundaries of**
 38 **the school city (as defined in IC 20-25-2-12) except by one (1) of the**
 39 **following:**

40 (1) The charter board.

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

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

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

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

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

SECTION 1 ~~1~~ [3]. IC 20-25.3 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE 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

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1 purposes of this article. If any other law or rule is inconsistent with
2 this article, this article is controlling as to the administration and
3 management of school property, transportation, and school
4 performance within the geographic boundaries of the school city
5 undertaken under this article.

6 **Chapter 2. Definitions**

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

- 8 (1) this chapter; and
9 (2) except as provided in section 2 of this chapter,
10 IC 20-25-2;
11 apply throughout this article.

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

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

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

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

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

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

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

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

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

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

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

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

- 41 (1) Three (3) members appointed by the mayor who are
42 leaders of participating innovation network charter schools

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

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to serve on the corporation board.

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

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

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

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

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

(b) The executive director:

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

(2) shall do the following:

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

(B) Approve all allowable expenses of the corporation or of any employee or ~~consultant~~ [contractor], and expenses incidental to the operation of the corporation.

(C) Perform other duties as may be directed by the members of the corporation board in carrying out the purposes of this article.

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

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

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

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- 1 **(2) The term of each member begins on the date that the**
- 2 **member is appointed under subdivision (1).**
- 3 **(3) The terms of the members are as follows:**
- 4 **(A) One (1) member appointed under section 2(b)(1),**
- 5 **2(b)(2), and 2(b)(3) of this chapter shall each serve until**
- 6 **July 1, 2029.**
- 7 **(B) One (1) member:**
- 8 **(i) appointed under section 2(b)(1), 2(b)(2), and**
- 9 **2(b)(3) of this chapter; and**
- 10 **(ii) who is not a member described in clause (A) or**
- 11 **(C);**
- 12 **shall each serve until July 1, 2030.**
- 13 **(C) One (1) member:**
- 14 **(i) appointed under section 2(b)(1), 2(b)(2), and**
- 15 **2(b)(3) of this chapter; and**
- 16 **(ii) who is not a member described in clause (A) or**
- 17 **(B);**
- 18 **shall each serve until July 1, 2031.**
- 19 **(b) This section expires January 1, 2032.**

Chapter 4. General Duties and Powers

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

- 23 **(1) Sue and be sued in a court of competent jurisdiction.**
- 24 **(2) Enter into contracts.**
- 25 **(3) Acquire and dispose of real, personal, and mixed**
- 26 **property by deed, purchase, gift, grant, devise, lease,**
- 27 **condemnation, or otherwise.**
- 28 **(4) Make and adopt appropriate regulations, orders, rules,**
- 29 **and resolutions.**
- 30 **(5) Do all things reasonable or necessary to carry out the**
- 31 **work and perform the corporation's duties under this**
- 32 **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:

- 36 **(1) Beginning with the 2028-2029 school year and subject to**
- 37 **section 6(b) of this chapter, control the management and**
- 38 **operation of school property.**
- 39 **(2) Establish, in collaboration with the nonprofit**
- 40 **organization leading the transportation and centralized**
- 41 **school facilities pilot program in Marion County and the**
- 42 **school city, a unified transportation plan in accordance with**

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section 5 of this chapter and, beginning with the 2028-2029 school year, lead and oversee the provision of transportation of all students to and from participating schools within the geographic boundaries of the school city.

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

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

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

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

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

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

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

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access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, or by lease with or without option to purchase, or by lease under IC 20-47-2 or IC 20-47-3.

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

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

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

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

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

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

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

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

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

(21) Regularly conduct assessments of school property.

(22) To exercise any other power and make any expenditure in carrying out the general powers and purposes provided in this article or in carrying out the powers delineated in this

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section which is reasonable from a business or educational standpoint in carrying out purposes of the corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter.

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

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

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

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

This subsection expires July 1, 2028.

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

(b) The school performance framework must:

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- 1 (1) set clear expectation for school performance;
- 2 (2) be based on multiple measures and metrics, including:
 - 3 (A) academic performance measures, including the
 - 4 performance assessment results under IC 20-31-8;
 - 5 (B) student assessment outcomes;
 - 6 (C) student discipline practices;
 - 7 (D) student enrollment;
 - 8 (E) physical condition of school property, including
 - 9 deferred maintenance;
 - 10 (F) short and long term financial health measures;
 - 11 (G) organizational health and governance measures;
 - 12 (H) replication of instructional models that are
 - 13 achieving the best results for students; and
 - 14 (I) any additional measures relevant to student success
 - 15 as determined by the corporation board; and
- 16 (3) include both of the following:
 - 17 (A) A process to close chronically low performing
 - 18 participating schools.
 - 19 (B) A process to close inefficient school buildings.
- 20 (c) Before a participating school may be closed as described in
- 21 subsection (b)(3), the corporation shall:
 - 22 (1) consult with the department; and
 - 23 (2) hold a public hearing within the geographic boundaries
 - 24 of the school city;
- 25 regarding the proposed closure of the participating school.
- 26 (d) Except as provided under subsection (e), a participating
- 27 school may not be closed as described in subsection (b)(3)(A) unless
- 28 the following occurs:
 - 29 (1) If the participating school is a charter school, the
 - 30 authorizer of the participating school approves the closure.
 - 31 (2) If the participating school is not a charter school, the
 - 32 board of school commissioners approves the closure.
- 33 (e) If an authorizer or the board of school commissioners,
- 34 whichever is applicable, does not approve the closure of a
- 35 participating school under subsection (d), the corporation board
- 36 may appeal to the state board to request that the participating
- 37 school be closed. Not later than sixty (60) days after receiving an
- 38 appeal from the corporation board under this subsection, the state
- 39 board shall approve or decline the closure of the participating
- 40 school.
- 41 (f) The corporation board shall submit to the legislative
- 42 council in an electronic format under IC 5-14-6 the following:

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

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

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

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

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

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

(3) Not later than November 30, 2026, submit to the legislative council in an electronic format under IC 5-14-6 a report that includes information regarding the corporation board's progress in completing the 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 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, may elect to opt out of participation in the management and control of school property by the corporation board. If a participating school 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; and

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

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

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

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

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

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

24 (1) this article;

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

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

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

36 Chapter 5. Financial and Administrative Powers and Duties

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

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

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

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

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

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

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

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

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

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

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1 by the voters through the end of the term of the referendum.

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

- 7 (1) an annual property tax levy in the territory of the school
8 city sufficient to pay all obligations of the school city; and
9 (2) an annual property tax levy in the territory of the school
10 city sufficient to pay all obligations of the corporation.

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

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

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

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

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

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

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1 under IC 20-46-9.

2 Chapter 6. Indianapolis Public Education Corporation
3 Operations Fund

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

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

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

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

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

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

22 Chapter 7. Indianapolis Public Education Corporation Debt
23 Service Fund

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

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

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

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

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

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

40 (2) A lease to provide capital construction.

41 (3) Interest on emergency and temporary loans.

42 (4) All debt and other obligations arising out of funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (b) This section:

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- 1 (1) applies to a school corporation only if:
 2 (1) (A) the total student enrollment for in-person instruction
 3 in the school corporation in the current school year is at
 4 least ten percent (10%) less than the student enrollment for
 5 in-person instruction in the school corporation in a school
 6 year that precedes the current school year by five (5); and
 7 (2) (B) the school corporation in the current school year has
 8 more than one (1) school building serving the same grade
 9 level as the school building subject to closure under this
 10 section; **and**
 11 (2) **does not apply to a school city (as defined in**
 12 **IC 20-25-2-12).**
 13 (c) Each school year, the governing body of a school corporation
 14 shall review the usage of school buildings used by the school
 15 corporation to determine whether any school building should be closed
 16 for the ensuing school year and subsequent school years.
 17 (d) A school corporation shall close a school building for the
 18 ensuing school year (and subsequent school years) if:
 19 (1) at any time the school building had been used for classroom
 20 instruction;
 21 (2) in the current school year and the two (2) school years
 22 immediately preceding the current school year the school
 23 building was underutilized for classroom instruction purposes or
 24 other allowable uses specified by this section;
 25 (3) as of the end of the school year before the school building is
 26 required to be closed under this section, the school corporation
 27 was not subject to a transitional plan adopted by the governing
 28 body and approved by the department to use the school building
 29 for an allowable use not later than the next school year after the
 30 school building is otherwise required to be closed under this
 31 section;
 32 (4) in the case of a school building that was used in any part in
 33 the current school year for instructional purposes, the school
 34 corporation has another school building:
 35 (A) with sufficient capacity to take the students using the
 36 school building being considered for closure; and
 37 (B) that does not require more than twenty (20) minutes of
 38 travel time by car or bus from the school building being
 39 considered for closure; and
 40 (5) the school building is not a school building described in
 41 IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or
 42 IC 20-26-7.1-3(d).

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

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

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

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

16 (2) The school corporation demonstrates through facts included
17 in a resolution that the school building is being used and that it
18 is financially prudent to continue to use the school building,
19 considering all community resources, for a distinct student
20 population that reasonably cannot be served through integration
21 with the general school population, such as students attending an
22 alternative education program (as defined in IC 20-30-8-1).
23 However, to be an allowable use under this subdivision, the
24 average number of full-time equivalent students using the school
25 building in a school year for instructional purposes must be at
26 least thirty percent (30%) of:

27 (A) the known classroom design capacity of the school
28 building; or

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

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

36 (3) The school corporation demonstrates through facts included
37 in a resolution that the school building is being used and that it
38 is financially prudent to continue to use the school building,
39 considering all community resources, for administrative or other
40 school offices. However, to be an allowable use under this
41 subdivision, at least fifty percent (50%) of the square footage of
42 the school building must be used for offices, the personnel

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headquartered in the school building must consistently use the space for office purposes, and the occupancy cost of using the school building cannot be more than comparable office space that is available in the school district.

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

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

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

(B) on average, the storage space must be used to capacity and the cost of using the school building for storage must be less than comparable storage space that is available in the school district.

(f) Closure of a school building that is:

(1) owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body; or

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

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

(g) Before filing a petition under subsection (h), a charter school or state educational institution that is interested in a school corporation's school building must give written notice to the school

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1 corporation to determine whether an agreement can be reached
 2 regarding the school corporation making the school building available
 3 for lease or purchase under IC 20-26-7.1.

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

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

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

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

26 (A) is not contesting the petition; or

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

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

31 (k) If the school corporation:

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

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

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

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

41 (m) The department shall make a determination regarding a
 42 petition under subsection (h) not more than one hundred twenty (120)

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1 days after the date that the:

2 (1) petitioner and any intervening party have submitted a reply

3 under subsection (l); or

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

5 (n) A school corporation or another party to the proceeding may

6 file with the state board a petition requesting review of the department's

7 determination. Upon receipt of a petition under this subsection, the

8 state board shall review the department's determination. An appeal to

9 the state board shall be subject to the procedure described in

10 IC 20-26-11-15(b).

11 (o) Upon the issuance of a final unappealable order granting a

12 petition, the school corporation shall make the school building

13 available for lease or purchase in accordance with IC 20-26-7.1.

14 SECTION 1~~4~~⁵. IC 20-26-7-48, AS ADDED BY

15 P.L.189-2023, SECTION 10, IS AMENDED TO READ AS

16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) The

17 following definitions apply throughout this section:

18 (1) "Current school year" refers to a year in which the governing

19 body is required to conduct a review of school building usage

20 under section 47(c) of this chapter.

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

22 this chapter.

23 (b) This section:

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

25 (1) ~~(A)~~ **(A)** the total student enrollment for in-person instruction

26 in the school corporation in the current school year is at

27 least ten percent (10%) less than the student enrollment for

28 in-person instruction in the school corporation in a school

29 year that precedes the current school year by five (5); and

30 ~~(2)~~ **(B)** the school corporation in the current school year has

31 more than one (1) school building serving the same grade

32 level as a school building subject to closure under section

33 47 of this chapter; **and**

34 **(2) does not apply to a school city (as defined in**

35 **IC 20-25-2-12).**

36 (c) Each school corporation shall annually report to the

37 department, in the form and on the schedule specified by the

38 department, the following information:

39 (1) A listing of all buildings owned or leased by the school

40 corporation that were originally designed as a school building.

41 (2) The following information for each building listed in

42 subdivision (1):

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

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

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

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

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

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IC 20-46-1 after May 10, 2023, that includes sharing the revenue from the referendum tax levy in the amounts described in clause (B) with each charter school that:

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) a school city (as defined in IC 20-25-2-12) may not impose the property tax levy or otherwise exercise the powers and duties under this chapter; and**
- (2) the public education corporation shall impose both:**
 - (A) an annual property tax levy in the territory of the 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 1 ~~8~~ [9]. 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**

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1 school city and assumes the powers and duties of the school
2 city under this chapter as set forth in IC 20-25.3-5.

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

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

10 (2) distribute revenue collected from a levy imposed under
11 this chapter to the public education corporation, the school
12 city, and any charter schools as provided in section 11.2 or
13 12 of this chapter, as applicable.

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

- 20 (1) Lake County;
- 21 (2) Marion County;
- 22 (3) St. Joseph County; or
- 23 (4) Vanderburgh County.

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

- 27 (b) For distributions made in:
 - 28 (1) calendar year 2025, and subject to subsection (c); and
 - 29 (2) calendar years 2026 and 2027, and subject to subsections (c),
 - 30 (h), and (i);

31 the county auditor shall distribute to each charter school that is eligible
32 for a distribution under subsection (d), and as provided under
33 subsection (f), an amount of revenue received from a tax levy imposed
34 by a school corporation under this chapter that is attributable to the
35 territory of the school corporation that is located within the boundaries
36 of a county listed in subsection (a).

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

- 39 (1) A virtual charter school.
- 40 (2) An adult high school.

41 (d) Not later than March 1, 2025, January 1, 2026, and January 1,
42 2027, the department, in consultation with the department of local

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

7 STEP ONE: Determine each charter school that:
 8 (A) is located in the same county as the school corporation;
 9 and
 10 (B) provides not more than fifty percent (50%) virtual
 11 instruction for its students.

12 STEP TWO: Determine, for each charter school described in
 13 STEP ONE, the number of students who:
 14 (A) have legal settlement within the school corporation;
 15 (B) are currently included in the fall ADM for the charter
 16 school; and
 17 (C) receive not more than fifty percent (50%) virtual
 18 instruction.

19 STEP THREE: Determine the sum of:
 20 (A) the aggregate of the STEP TWO results for all
 21 applicable charter schools; plus
 22 (B) the fall ADM count for the school corporation for
 23 students receiving not more than fifty percent (50%) virtual
 24 instruction.

25 STEP FOUR: For each charter school described in STEP ONE,
 26 determine the result of:
 27 (A) the applicable STEP TWO amount; divided by
 28 (B) the STEP THREE amount;
 29 expressed as a percentage.

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

33 (e) The department shall provide to the county auditor,
 34 immediately after calculation under subsection (d):
 35 (1) each charter school determined under STEP ONE of
 36 subsection (d) and the charter school's corresponding percentage
 37 calculated under STEP FOUR of subsection (d); and
 38 (2) the percentage calculated under STEP FIVE of subsection (d)
 39 for the school corporation.

40 (f) **Except as provided in subsection (j), and** subject to
 41 subsection (i), the county auditor shall distribute to the school
 42 corporation and each applicable charter school the amount determined,

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

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

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

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

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

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

42 (j) **This subsection applies only to distributions of property tax**

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1 revenue in 2026 and to distributions of property tax revenue in
2 2027 to:

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

4 (2) a charter school that:

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

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

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

15 SECTION 2 ~~26~~ [1]. IC 20-46-8-12, AS ADDED BY P.L. 68-2025,
16 SECTION 226, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section applies to
18 revenue collected after December 31, 2027, from a tax levy imposed
19 under this chapter only if the number of students who have legal
20 settlement in a school corporation but attend a charter school,
21 excluding virtual charter schools and adult high schools, and receive
22 not more than fifty percent (50%) virtual instruction, is at least the
23 greater of:

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

25 (2) two percent (2%) of the school corporation's spring ADM
26 count, excluding students who receive more than fifty percent
27 (50%) virtual instruction.

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

30 (1) has legal settlement in a school corporation that imposes a
31 tax levy under this chapter; and

32 (2) receives not more than fifty percent (50%) virtual instruction.

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

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

38 (1) A virtual charter school.

39 (2) An adult high school.

40 (d) Beginning in calendar year 2028, and in each calendar year
41 thereafter, and subject to subsection (j), the county auditor shall
42 distribute to each eligible charter school in the manner provided under

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1 this section an amount of revenue received from a tax levy imposed by
 2 a school corporation under this chapter.

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

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

14 STEP ONE: Determine, for each eligible charter school, the
 15 number of students who:

16 (A) have legal settlement within the school corporation;
 17 (B) are currently included in the fall ADM count for the
 18 charter school; and
 19 (C) receive not more than fifty percent (50%) virtual
 20 instruction.

21 STEP TWO: Determine the sum of:

22 (A) the aggregate of the STEP ONE results for all eligible
 23 charter schools with respect to the school corporation; plus
 24 (B) the fall ADM count for the school corporation for
 25 students receiving not more than fifty percent (50%) virtual
 26 instruction.

27 STEP THREE: For each eligible charter school, determine the
 28 result of:

29 (A) the applicable STEP ONE amount; divided by
 30 (B) the STEP TWO amount;
 31 expressed as a percentage.

32 STEP FOUR: Determine the sum of all the amounts computed
 33 under STEP THREE and subtract the result from one hundred
 34 percent (100%).

35 (g) The department shall provide to the county auditor,
 36 immediately after calculation under subsection (f):

37 (1) each eligible charter school and the eligible charter school's
 38 corresponding percentage calculated under STEP THREE of
 39 subsection (f); and
 40 (2) the percentage calculated under STEP FOUR of subsection
 41 (f) for the school corporation.

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

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1 subsections (j) and (l), the county auditor shall distribute to the school
2 corporation and each eligible charter school the amount determined in
3 the last STEP of the following STEPS:

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

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

10 (A) the sum of:
11 (i) the STEP ONE result; plus
12 (ii) any amount withheld in the previous year under
13 subsection (k); multiplied by

14 (B) the following percentage:
15 (i) In the case of an eligible charter school, the charter
16 school's percentage under STEP THREE of subsection
17 (f).
18 (ii) In the case of the school corporation, the school
19 corporation's percentage under STEP FOUR of
20 subsection (f).

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

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

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

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

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

16 (1) added to the property tax revenue collections (1) as described in
 17 STEP TWO of subsection (h); and
 18 (2) distributed among the school corporation and remaining
 19 eligible charter schools according to subsection (h);
 20 in the calendar year that immediately follows the calendar year in
 21 which the distribution amount was withheld.

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

29 (1) For a distribution in 2028, the county auditor shall distribute
 30 an amount for a particular eligible charter school equal to:
 31 (A) the applicable result of STEP TWO of subsection (h)
 32 for the eligible charter school; multiplied by
 33 (B) twenty-five hundredths (0.25).
 34 (2) For a distribution in 2029, the county auditor shall distribute
 35 an amount for a particular eligible charter school equal to:
 36 (A) the applicable result of STEP TWO of subsection (h)
 37 for the eligible charter school; multiplied by
 38 (B) five-tenths (0.5).
 39 (3) For a distribution in 2030, the county auditor shall distribute
 40 an amount for a particular eligible charter school equal to:
 41 (A) the applicable result of STEP TWO of subsection (h)
 42 for the eligible charter school; multiplied by

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(B) seventy-five hundredths (0.75).
Any amount of property tax revenue collected from the tax levy imposed under this chapter by a particular school corporation that remains after making the distributions according to this subsection shall be distributed to the school corporation and are in addition to the amount distributed to the school corporation under subsection (h) for the applicable year. This subsection expires July 1, 2032.

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

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

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

SECTION 2-4-2[2]. IC 20-46-9-0.5 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 this chapter; and**
 - (2) distribute revenue collected from a levy imposed under this chapter to the school city and any charter schools as provided in this chapter.**

SECTION 2-4-2[3]. IC 20-47-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter, "corporation board" refers to the Indianapolis public education corporation board established by IC 20-25.3-3-2.**

SECTION 2-4-2[4]. IC 20-47-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**

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

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

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

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

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

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

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

28 (2) provide that:

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

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

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

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1 chapter.

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

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

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

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

15 SECTION 2 ~~66~~ [7]. IC 20-47-2-7, AS ADDED BY P.L.2-2006,
16 SECTION 170, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A lease entered into
18 under this chapter must include the following provisions:

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

22 (2) An option for the school corporation, **or school** corporations,
23 **or public education corporation** to purchase the property
24 covered by the lease after six (6) years from the execution of the
25 lease and before the expiration of the term of the lease, on the
26 date or dates in each year as may be fixed in the lease. The
27 purchase price:

28 (A) must be equal to the amount required to enable the
29 lessor corporation owning the property to liquidate by
30 paying all indebtedness, with accrued and unpaid interest,
31 redeeming and retiring any stock at par, and paying the
32 expenses and charges of liquidation; and

33 (B) may not exceed the capital actually invested in the
34 property by the lessor corporation represented by
35 outstanding securities or existing indebtedness, plus the cost
36 of transferring the property and liquidating the lessor
37 corporation.

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

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1 corporation.

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

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

- 28 (1) ten (10) days after publication of the notice, if new
29 construction is proposed; or
30 (2) thirty (30) days after publication of the notice, if
31 improvement or expansion is proposed.
32 (b) The notice required by subsection (a) must:
33 (1) be published one (1) time in:
34 (A) a newspaper of general circulation printed in the
35 English language in the school corporation;
36 (B) a newspaper described in clause (A) in each school
37 corporation if the proposed lease is a joint lease; or
38 (C) if no such paper is published in the school corporation,
39 in any newspaper of general circulation published in the
40 county;
41 (2) name the date, time, and place of the hearing; and
42 (3) set forth a brief summary of the principal terms of the lease

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

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

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

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

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

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

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

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

- 40 (1) a newspaper of general circulation printed in the English
41 language in the school corporation;
- 42 (2) a newspaper described in subdivision (1) in each school

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

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

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

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

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

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

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

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

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

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

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1 (B) two (2) disinterested appraisers licensed under
 2 IC 25-34.1;
 3 who are residents of Indiana to determine the fair market value
 4 of the land. One (1) of the appraisers described in clause (B)
 5 must reside not more than fifty (50) miles from the land.
 6 (2) Upon their appointment, the three (3) appraisers shall
 7 proceed to fix the fair market value of the land and shall report
 8 the amount fixed to the circuit court within two (2) weeks after
 9 their appointment.
 10 (3) The school corporation **or public education corporation**
 11 may sell the land to the lessor corporation for an amount not less
 12 than the amount fixed as the fair market value by the three (3)
 13 appraisers, which shall be paid in cash upon delivery of the deed
 14 by the school corporation **or public education corporation** to
 15 the lessor corporation. However, if the land was acquired by the
 16 school corporation **or public education corporation** within
 17 three (3) years immediately preceding the date of the filing of the
 18 petition with the circuit court, the land may not be sold for an
 19 amount less than the amount paid by the school corporation **or**
 20 **public education corporation** for the land.
 21 SECTION 3 ~~↔~~ [4]. IC 20-47-2-17, AS ADDED BY P.L.2-2006,
 22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) As used in this section,
 24 "bonds" includes bonds, debentures, or other evidences of
 25 indebtedness.
 26 (b) A lessor corporation having outstanding bonds that by their
 27 terms are redeemable before their maturities may issue bonds in the
 28 manner provided by section 16 of this chapter to refund the outstanding
 29 bonds. The refunding bonds may be issued in an amount not exceeding
 30 the sum of:
 31 (1) the principal amount of the outstanding bonds;
 32 (2) any premium required to be paid upon redemption of the
 33 outstanding bonds; and
 34 (3) the estimated expenses to be incurred in connection with the
 35 issuance of the refunding bonds.
 36 (c) The sum of the net interest cost to the lessor corporation of the
 37 refunding bonds plus the premium required to be paid in connection
 38 with the redemption of the outstanding bonds and the estimated
 39 expenses to be incurred in connection with the issuance of the
 40 refunding bonds may not exceed the total interest that would have been
 41 payable by the lessor corporation on the bonds being refunded from the
 42 date of redemption to the maturity of the bonds being refunded. Net

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1 interest cost on the refunding bonds is the amount determined by
2 computing the total interest on all the refunding bonds to their
3 maturities and deducting from that amount the premium bid, if any.

- 4 (d) Refunding bonds issued under this section:
 - 5 (1) are legal and proper investments;
 - 6 (2) are exempt from taxation; and
 - 7 (3) may be sold without registration with or approval of the
 - 8 securities division of the office of the secretary of state or
 - 9 securities commissioner;

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

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

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

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

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

- 34 (1) Construction of a school building.
- 35 (2) An addition to a school building owned by a lessor
- 36 corporation or owned by the school corporation **or public**
- 37 **education corporation** to which a lessor corporation has leased
- 38 property under this chapter, and any remodeling incidental to
- 39 that addition.
- 40 (3) Remodeling of or construction of appurtenances to a school
- 41 building owned by a lessor corporation.

42 (c) A lessor corporation having outstanding bonds that by their

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1 terms are redeemable before their maturities may issue bonds in the
2 manner provided under section 16 of this chapter to refund the
3 outstanding bonds and construction of improvements.

- 4 (d) Refunding and improvement bonds issued under this section:
- 5 (1) are legal and proper investments;
- 6 (2) are exempt from taxation; and
- 7 (3) may be sold without registration with or approval of the
- 8 securities division of the office of the secretary of state or the
- 9 securities commissioner;

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

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

- 17 (1) an extension of the time set forth in the lease before the
- 18 option of the lessee or lessees to purchase may be exercised to a
- 19 time agreed upon between the lessee school corporation, ~~or~~
- 20 school corporations, **or public education corporation** and the
- 21 lessor corporation;
- 22 (2) an extension of the term of the lease, not to exceed ten (10)
- 23 years, to include the improvements in the description of the
- 24 leased property; and
- 25 (3) increased lease rental payments after the completion of the
- 26 improvements.

27 (f) No proceedings or actions by the lessee nor approval by any
28 board, commission, or agency are required in connection with a
29 refunding under this section, and the refunding does not affect the
30 obligation of the lessee to pay the lease rental under the lease of the
31 building or buildings. However, all provisions, restrictions, and
32 limitations of this chapter that are not inconsistent with this section,
33 including the petition of school patrons, notice of hearing, hearing,
34 notice of execution, and right to file an objecting petition, apply to an
35 amendment of the lease increasing the lease rental payments as if the
36 amendment were an original lease.

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

40 SECTION 3 ~~↔~~ [6]. IC 20-47-2-19, AS ADDED BY P.L.2-2006,
41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE UPON PASSAGE]: Sec. 19. A school corporation **or the**

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1 **public education corporation** that decides to exercise an option to
 2 purchase a school building under this chapter may issue general
 3 obligation bonds to procure funds to pay the cost of acquisition.
 4 General obligation bonds issued under this section must be authorized,
 5 issued, and sold in the manner provided for the authorization, issuance,
 6 and sale of bonds by school corporations **or the public education**
 7 **corporation** for school building purposes.

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

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

32 SECTION 3-8-9. IC 20-47-2-22, AS ADDED BY P.L.2-2006,
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: Sec. 22. 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, acquired, leased, or purchased under this
 39 chapter, it is not necessary to comply with 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 ~~39~~[40]. IC 20-47-2-23, AS AMENDED BY
 2 P.L.244-2017, SECTION 109, IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Upon the
 4 termination of a lease entered into under this chapter, the lessor
 5 corporation shall return to the school corporation **or the public**
 6 **education corporation** any money held by the lessor corporation that
 7 exceeds the amount needed to retire bonds issued under this chapter
 8 and to dissolve the lessor 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 operations fund.

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

17 SECTION 4~~41~~[2]. IC 20-47-3-1.5 IS ADDED TO THE
 18 INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter,**
 20 **"public education corporation" refers to the Indianapolis public**
 21 **education corporation established by IC 20-25.3-3-1.**

22 SECTION 4~~42~~[3]. IC 20-47-3-3, AS AMENDED BY
 23 P.L.233-2015, SECTION 305, IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A school
 25 corporation **or the public education corporation** may lease a school
 26 building or buildings for the use of:

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

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

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

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

- 42 (1) set out the amount of the total lease rental to be paid by each

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1 lessee, which may be as agreed upon; and
 2 (2) provide that:
 3 (A) there is no right of occupancy by any lessee unless the
 4 total rental is paid as stipulated in the lease; and
 5 (B) all rights of joint lessees under the lease are in
 6 proportion to the amount of lease rental paid by each lessee.
 7 SECTION 4 ~~4~~ [4]. IC 20-47-3-4, AS ADDED BY P.L.2-2006,
 8 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 4. A school corporation, ~~or~~
 10 **school corporations, or the public education corporation** may enter
 11 into a lease or lease with option to purchase under this chapter only
 12 with:
 13 (1) a corporation organized under Indiana law or admitted to do
 14 business in Indiana; or
 15 (2) a religious organization (or the organization's agent) that is
 16 exempt from federal income taxation under Section 501 of the
 17 Internal Revenue Code.
 18 SECTION 4 ~~4~~ [5]. IC 20-47-3-5, AS AMENDED BY
 19 P.L.146-2008, SECTION 517, IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as
 21 provided in subsections (d) and (e), a lease must provide that the school
 22 corporation, ~~or school corporations, or the public education~~
 23 **corporation** have an option to:
 24 (1) renew the lease for a further term on like conditions; and
 25 (2) purchase the property covered by the lease;
 26 with the terms and conditions of the purchase to be specified in the
 27 lease, subject to the approval of the department of local government
 28 finance.
 29 (b) If the option to purchase the property covered by the lease is
 30 exercised, the school corporation, ~~or school corporations, or public~~
 31 **education corporation** to procure funds to pay the purchase price, may
 32 issue and sell bonds under the provisions of the general statute
 33 governing the issue and sale of bonds of the school corporation, ~~or~~
 34 **school corporations, or public education corporation.** The purchase
 35 price may not be more than the purchase price set forth in the lease
 36 plus:
 37 (1) two percent (2%) of the purchase price as prepayment
 38 penalty for purchase within the first five (5) years of the lease
 39 term; or
 40 (2) one percent (1%) of the purchase price as prepayment
 41 penalty for purchase in the second five (5) years of the lease
 42 term;

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1 and thereafter the purchase shall be without prepayment penalty.
 2 (c) However:
 3 (1) if the school corporation, ~~or school~~ corporations, **or the**
 4 **public education corporation** have not exercised an option to
 5 purchase the property covered by the lease at the expiration of
 6 the lease; and
 7 (2) upon the full discharge and performance by the school
 8 corporation, ~~or school~~ corporations, **or public education**
 9 **corporation** of their obligations under the lease;
 10 the property covered by the lease becomes the absolute property of the
 11 school corporation, ~~or school~~ corporations, **or public education**
 12 **corporation**, and the lessor corporation shall execute proper
 13 instruments conveying to the school corporation, ~~or school~~
 14 **corporations, or public education corporation** good and
 15 merchantable title to that property.
 16 (d) The following provisions apply to a school corporation that is
 17 located in Dubois County and enters into a lease with a religious
 18 organization or the organization's agent as authorized under section 4
 19 of this chapter:
 20 (1) The lease is not required to include on behalf of the school
 21 corporation an option to purchase the property covered by the
 22 lease.
 23 (2) The lease must include an option to renew the lease.
 24 (3) The property covered by the lease is not required to become
 25 the absolute property of the school corporation as provided in
 26 subsection (c).
 27 (e) In the case of a lease for which a school corporation **or the**
 28 **public education corporation:**
 29 (1) after June 30, 2008, makes a preliminary determination as
 30 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 31 described in IC 6-1.1-20-5; or
 32 (2) in the case of a lease not subject to IC 6-1.1-20-3.1,
 33 IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or
 34 ordinance authorizing the lease after June 30, 2008;
 35 the terms and conditions of the purchase that are specified in the lease
 36 are not subject to the approval of the department of local government
 37 finance.
 38 SECTION 4 ~~<5>~~ [6]. IC 20-47-3-8, AS AMENDED BY
 39 P.L.146-2008, SECTION 518, IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as
 41 provided in subsection (b), a school corporation, ~~or school~~
 42 corporations, **or the public education corporation** may, in

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

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

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

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

22 the approval of the department of local government finance is not
 23 required.

24 SECTION 4 ~~4~~ [7]. IC 20-47-3-9, AS ADDED BY P.L.2-2006,
 25 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) After the lessor
 27 corporation and the school corporation, **or school** corporations, **or**
 28 **public education corporation** have agreed upon the terms and
 29 conditions of a lease proposed to be entered into under this chapter, and
 30 before the final execution of the lease, a notice shall be given by
 31 publication to all persons interested of a hearing or joint hearing to be
 32 held before the governing body or governing bodies of the school
 33 corporations **or the corporation board** authorized to approve the
 34 lease. The hearing must be not earlier than:

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

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

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

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

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

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

14 The cost of publication of the notice shall be paid by the lessor
15 corporation.

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

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

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

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

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

39 SECTION 4~~8~~⁸[9]. IC 20-47-3-11, AS AMENDED BY
40 P.L.38-2021, SECTION 68, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) If the execution of the
42 lease as originally agreed upon or as modified by agreement is

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1 authorized by the governing body or bodies of the school corporation
2 or corporations **or the corporation board**, the governing body **or**
3 **corporation board** shall give notice of the signing of the lease by
4 publication one (1) time in:

- 5 (1) a newspaper of general circulation printed in the English
- 6 language in the school corporation;
- 7 (2) a newspaper described in subdivision (1) in each school
- 8 corporation if the proposed lease is a joint lease; or
- 9 (3) if no such newspaper is published in the school corporation,
- 10 in any newspaper of general circulation published in the county.

11 (b) This subsection does not apply to leases for which a school
12 corporation **or the public education corporation** after June 30, 2008,
13 makes a preliminary determination as described in IC 6-1.1-20-3.1 or
14 IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the
15 case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or
16 IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease
17 after June 30, 2008. Within thirty (30) days after the publication of
18 notice under subsection (a), ten (10) or more taxpayers in the school
19 corporation or corporations who:

- 20 (1) will be affected by the proposed lease; and
- 21 (2) are of the opinion that:
 - 22 (A) no necessity exists for the execution of the lease; or
 - 23 (B) the proposed rental provided for in the lease is not a fair
 - 24 and reasonable rental;

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

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

- 39 (1) conduct the hearing in the school corporation or corporations,
- 40 in the county where the school corporation or corporations are
- 41 located, or through electronic means; and
- 42 (2) give notice of the hearing to the members of the governing

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1 body or bodies of the school corporation or corporations **or the**
2 **corporation board** and to the first ten (10) taxpayer petitioners
3 upon the petition by a letter signed by the commissioner or
4 deputy commissioner of the department of local government
5 finance, and enclosed with full prepaid postage addressed to the
6 taxpayer petitioners at their usual place of residence, at least five
7 (5) days before the hearing.

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

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

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

24 SECTION 5~~4~~[1]. IC 20-47-3-13, AS AMENDED BY
25 P.L.113-2006, SECTION 16, IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. **(a) Except as**
27 **provided in subsection (b),** [] the lessor corporation shall acquire, own,
28 and hold in fee simple the land on which a school building or buildings
29 are to be erected under this chapter.

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

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

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

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

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

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

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

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

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

37 SECTION 5 ~~↔~~ [3]. IC 20-47-3-15, AS ADDED BY P.L.2-2006,
38 SECTION 170, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE UPON PASSAGE]: Sec. 15. School buildings leased by
40 a lessor corporation entering into a lease with a school corporation, **or**
41 **school corporations, or the public education corporation** under this
42 chapter are exempt from all state, county, and other taxes. However,

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1 the rental payments to a lessor corporation under the terms of such a
2 lease are subject to all applicable taxes under Indiana law.

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

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

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

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

31 SECTION 5~~6~~[7]. IC 20-47-4-3.5 IS ADDED TO THE
32 INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS
33 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter,**
34 **"public education corporation" refers to the Indianapolis public**
35 **education corporation established by IC 20-25.3-3-1.**

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

42 (1) be qualified or formed to acquire, improve, or expand an

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- 1 existing school building;
- 2 (2) acquire, improve, or expand an existing school building;
- 3 (3) finance an existing school building or improved school
- 4 building; and
- 5 (4) lease an existing school building or improved school building
- 6 to a school corporation **or the public education corporation** [
- 7]under applicable law.

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

- 16 (1) IC 20-47-2 or IC 20-47-3;
- 17 (2) the petition and remonstrance provisions under IC 6-1.1-20
- 18 (if required); and
- 19 (3) the local public question provisions under IC 6-1.1-20 (if
- 20 required).

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

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

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

32 SECTION ~~5-9~~[60]. IC 20-47-4-7, AS ADDED BY P.L.2-2006,
 33 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: Sec. 7. A school corporation **or the**
 35 **public education corporation** may not pay a legal or other
 36 professional fee as the result of an exchange or a substitution under
 37 section 5 or 6 of this chapter.

38 SECTION ~~6-8~~[1]. IC 20-47-4-8, AS ADDED BY P.L.2-2006,
 39 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in
 41 subsection (b), the lease or contract of lease of an existing school
 42 building or improved school building to a school corporation **or the**

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1 **public education corporation** as authorized by this chapter must
2 comply with all applicable terms of IC 20-47-2 or IC 20-47-3,
3 including:

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

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

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

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

- 34 (1) new construction of school buildings;
- 35 (2) related site acquisition; and
- 36 (3) related site development.

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

42 SECTION 6↔[4]. IC 20-48-1-11, AS AMENDED BY

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1 P.L.9-2024, SECTION 403, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) ~~As used in this section;~~
 3 **The following definitions apply throughout this section:**
 4 (1) "Debt service obligations" refers to the principal and interest
 5 payable:
 6 (1) (A) on a school corporation's general obligation bonds
 7 and lease rentals under IC 20-47-2 and IC 20-47-3; or
 8 (2) (B) to a school corporation's designated paying agent
 9 under a written agreement entered into in connection with
 10 the issuance of the school corporation's general obligation
 11 bonds.
 12 (2) **Beginning April 1, 2026, and ending June 30, 2027, and**
 13 **subject to subsection (f), "school corporation" means the**
 14 **following:**
 15 (A) **A school corporation (as defined in**
 16 **IC 20-18-2-16(a)).**
 17 (B) **The Indianapolis public education corporation**
 18 **established by IC 20-25.3-3-1.**
 19 **This subdivision expires July 1, 2027.**
 20 (b) Before the end of each calendar year, the department of local
 21 government finance shall review the bond and lease rental levies, or
 22 any levies that replace bond and lease rental levies, of each school
 23 corporation that are payable in the next succeeding calendar year and
 24 the appropriations from the levies from which the school corporation
 25 is to pay the amount, if any, of the school corporation's debt service
 26 obligations for that next succeeding calendar year. If the levies and
 27 appropriations of the school corporation are not sufficient to pay the
 28 debt service obligations for the next succeeding calendar year, the
 29 department of local government finance shall establish for each school
 30 corporation:
 31 (1) bond or lease rental levies, or any levies that replace the bond
 32 and lease rental levies; and
 33 (2) appropriations;
 34 that are sufficient to pay the debt service obligations for that next
 35 succeeding calendar year.
 36 (c) Upon the failure of a school corporation to pay any of the
 37 school corporation's debt service obligations when due, the treasurer of
 38 state, upon being notified of the failure by a claimant, shall within five
 39 (5) days, excluding Saturdays, Sundays, and legal holidays, pay the
 40 unpaid debt service obligations that are due from the funds of the state
 41 in an amount equal to the amount of the unpaid debt service obligations
 42 that are due to the claimant, but only to the extent that amounts

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1 described in subsection (d) are available to the treasurer of state to
 2 fulfill the requirements of this subsection. Notwithstanding
 3 IC 4-13-2-18, IC 20-43-2-1, or any other law, administrative rule,
 4 policy, or schedule to the contrary, upon the treasurer of state receiving
 5 a request from a claimant as described in this subsection the treasurer
 6 of state shall immediately contact the school corporation and the
 7 claimant to confirm whether the school corporation is unable to make
 8 the required payment on the date on which it is due, and, if confirmed,
 9 the treasurer of state shall provide notice of the request to the budget
 10 director, the state comptroller, and any department or agency of the
 11 state responsible for distributing funds appropriated by the general
 12 assembly for distribution to the school corporation from state funds. A
 13 department or agency of the state shall, not later than three (3) days
 14 after receiving the treasurer of state's notice, excluding Saturdays,
 15 Sundays, or legal holidays, transfer the funds and make the funds
 16 available to the treasurer of state in order for the treasurer of state to
 17 fulfill the obligations of this subsection.

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

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

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

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

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

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

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

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

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

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

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

18 (2) second, from state tuition support.

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

23 **(h) Notwithstanding subsections (e) and (f), beginning April 1,**
24 **2026, and ending June 30, 2027, the reduction of distributions**
25 **under subsections (e) and (f) to pay for debt service obligations**
26 **issued by the Indianapolis public education corporation must be**
27 **made from the reduction of distributions to the school city (as**
28 **defined in IC 20-25-2-12). This subsection expires July 1, 2027.**

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

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

40 (b) Except as provided in subsection ~~(d)~~, (e), the city-county
41 legislative body shall review the proposed operating and maintenance
42 budgets and tax levies and adopt final operating and maintenance

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

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

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

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

- 28 (1) limit or restrict the rights vested in the entity to fulfill the
- 29 terms of any agreement made with the holders of the entity's
- 30 bonds; or
- 31 (2) in any way impair the rights or remedies of the holders of the
- 32 entity's bonds.

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

42 SECTION 6 ~~6~~ **[7]. An emergency is declared for this act.**

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