

HOUSE BILL No. 1430

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-10-9-3; IC 20-40-23; IC 20-46-10.

Synopsis: Referenda on preschool funding levies. Allows the legislative body of a county and certain cities to adopt a resolution to place a referendum on the ballot to impose a local preschool referendum tax levy (levy) to fund administration of a preschool program and provide tuition and other assistance. Allows a unit to impose a levy if approved by a majority of the voters. Provides that voters may not approve a levy that is imposed for more than eight years. Specifies procedures for the referendum. Provides that a unit that imposes a levy must establish a preschool education program and a local preschool education referendum tax levy fund.

Effective: Upon passage.

Johnson B

January 8, 2026, read first time and referred to Committee on Elections and Apportionment.



Introduced

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

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

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

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

HOUSE BILL No. 1430

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 3-10-9-3, AS AMENDED BY P.L.68-2025,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), if
4 a local public question must be certified to an election board by law,
5 that certification must occur no later than noon:

6 (1) seventy-four (74) days before a primary election if the public
7 question is to be placed on the primary or municipal primary
8 election ballot; or
9 (2) August 1 if the public question is to be placed on the general
10 or municipal election ballot.

11 (b) A referendum or local public question:

12 (1) under IC 20-46-1;
13 (2) under IC 20-46-9; or
14 (3) under **IC 20-46-10**; or
15 (3) (4) under IC 6-1.1-20 for controlled projects;
16 may be placed on the ballot only at a general election. Certification of
17 a local public question under this subsection must occur not later than



1 noon August 1.

2 SECTION 2. IC 20-40-23 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]:

5 **Chapter 23. Preschool Education Program and Fund**

6 **Sec. 1. As used in this chapter, "administrator" means an
7 administrator selected by a unit under section 12 of this chapter.**

8 **Sec. 2. As used in this chapter, "eligible child" refers to an
9 individual who:**

- 10 (1) is at least three (3) years of age and less than five (5) years
11 of age on August 1 of the unit's fiscal year for which a grant
12 is sought under the local preschool education program;
13 (2) is a resident of Indiana or otherwise has legal settlement
14 in Indiana, as determined under IC 20-26-11; and
15 (3) resides within the boundaries of the unit in which a levy
16 under IC 20-46-10 is imposed.

17 **Sec. 3. As used in this chapter, "eligible provider" refers to a
18 provider that is a:**

- 19 (1) child care center licensed under IC 12-17.2-4;
20 (2) child care home licensed under IC 12-17.2-5;
21 (3) child care ministry registered under IC 12-17.2-6;
22 (4) public school, including a charter school; or
23 (5) nonpublic school that is accredited by the state board of
24 education or a national or regional accreditation agency that
25 is recognized by the state board of education;

26 **that meets the standards determined by an administrator under
27 section 13 of this chapter.**

28 **Sec. 4. As used in this chapter, "fund" refers to a local preschool
29 education referendum tax levy fund established under section 10
30 of this chapter.**

31 **Sec. 5. As used in this chapter, "levy" refers to a local preschool
32 education referendum tax levy imposed under IC 20-46-10 for the
33 fund.**

34 **Sec. 6. As used in this chapter, "paths to QUALITY program"
35 has the meaning set forth in IC 12-17.2-2-14.2(b).**

36 **Sec. 7. As used in this chapter, "preschool education program"
37 refers to a local preschool education program established under
38 section 9 of this chapter.**

39 **Sec. 8. As used in this chapter, "unit" means a:**

- 40 (1) county;
41 (2) first class city, as classified under IC 36-4-1-1; or
42 (3) second class city, as classified under IC 36-4-1-1.



1 **Sec. 9. (a) A unit for which a levy is approved under IC 20-46-10
2 shall establish a local preschool education program to provide:**

- 3 (1) tuition assistance to eligible children; and
4 (2) capacity investments, quality improvement, and capacity
5 expansion grants to eligible providers.

6 **(b) The administrator selected under section 12 of this chapter
7 shall administer the preschool education program.**

8 **(c) The preschool education program includes eligible providers
9 in any county in Indiana.**

10 **Sec. 10. (a) A unit for which a levy is approved under
11 IC 20-46-10 shall establish a local preschool education referendum
12 tax levy fund to support the preschool education program.**

13 **(b) A fund established under subsection (a) consists of the
14 following:**

- 15 (1) Revenue from a levy imposed under IC 20-46-10.
16 (2) Interest that accrues from the revenue deposited in the
17 fund.
18 (3) Gifts to the fund.
19 (4) Grants, including grants from private entities.

20 **(c) The administrator shall administer the fund in accordance
21 with section 11 of this chapter.**

22 **(d) Money in the fund does not revert to the general fund of a
23 unit at the end of the unit's fiscal year.**

24 **Sec. 11. (a) The administrator may use money in the fund only
25 for the following purposes:**

- 26 (1) To provide tuition assistance for an eligible child to attend
27 an eligible provider.
28 (2) To provide payment of the administrative fee described in
29 subsection (c).
30 (3) If money in the fund is available at the end of a unit's fiscal
31 year, money in the fund may be used at the discretion of the
32 administrator for capacity investments, quality improvement,
33 and start up grants to expand capacity that meet the eligibility
34 standards described in this chapter.

35 **(b) Money in the fund may not be used for political advocacy
36 concerning any public question or for expenditures prohibited by
37 IC 35-44.1-1.**

38 **(c) The expenses of administering the fund shall be paid
39 exclusively from money in the fund. However, an administrator
40 may not expend more than three percent (3%) of the total amount
41 deposited into the fund from the referendum levy collections under
42 IC 20-46-10 during the unit's fiscal year to pay for the expenses of**



1 **administering the fund.**

2 **(d) An expenditure may not be made from the fund unless it is**
 3 **in accordance with an appropriation made by the fiscal body of the**
 4 **unit in the manner provided by law.**

5 **Sec. 12. (a) The governing body of a unit shall contract with an**
 6 **administrator to manage the fund in accordance with IC 5-22 or**
 7 **other applicable statutes.**

8 **(b) An administrator selected under subsection (a) must be a**
 9 **nonprofit corporation that:**

10 **(1) is exempt from federal income taxation under Section**
 11 **501(c)(3) of the Internal Revenue Code; and**

12 **(2) is not an eligible provider or affiliated with an eligible**
 13 **provider.**

14 **Sec. 13. (a) Subject to the requirements of this chapter, the**
 15 **administrator selected under section 12 of this chapter shall do the**
 16 **following:**

17 **(1) Determine the educational standards a provider must meet**
 18 **to be considered an eligible provider under this chapter.**

19 **(2) Develop and provide a uniform selection and application**
 20 **process for eligible children and eligible providers to receive**
 21 **tuition assistance.**

22 **(3) Verify the information provided by an eligible child or an**
 23 **eligible provider in an application described in subdivision**
 24 **(1).**

25 **(4) Use federal or state funding, if available, for the purposes**
 26 **described in section 9(a) of this chapter in order to minimize**
 27 **withdrawals from the fund.**

28 **(5) Disburse money for tuition assistance from the fund to an**
 29 **eligible provider on behalf of an eligible child.**

30 **(6) Determine the number of eligible children who may**
 31 **participate in the local prekindergarten program based on**
 32 **available funding and establish a wait list if funding is not**
 33 **sufficient to provide tuition assistance to each eligible child.**

34 **(b) In determining the educational standards described in**
 35 **subsection (a)(1), an administrator shall require an eligible**
 36 **provider to, at a minimum, meet the standards of quality**
 37 **recognized by a Level 3 or Level 4 paths to QUALITY program**
 38 **rating.**

39 **(c) In addition to the standards described in subsection (b), an**
 40 **administrator may also require an eligible provider to meet more**
 41 **rigorous criteria, if the criteria does the following:**

42 **(1) Relates solely to academic readiness, which may include:**



- (A) alignment to state early learning foundations;
 - (B) validated readiness measures;
 - (C) educator learning tied to literacy and numeracy; or
 - (D) evidence based practices.

(2) Applies uniformly to all eligible providers.

(3) Is prospective and published.

(4) Does not conflict with the academic standards described in IC 12-17.2 or IC 20-31-4.1.

Sec. 14. (a) An administrator shall obtain an annual independent financial audit of the preschool program's administrative and tuition assistance payment activities by a certified public accountant in accordance with the guidelines of the state examiner.

(b) The administrator shall:

- (1) submit the audit described in subsection (a) to the state board of accounts for publishing in accordance with IC 5-11; and
 - (2) present the audit described in subsection (a) and other program data at a public meeting of the unit's governing body at least once during the unit's fiscal year.

SECTION 3. IC 20-46-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 10. Local Preschool Referendum Tax Levy

Sec. 1. As used in this chapter, "fund" refers to the local preschool education referendum tax levy fund established under IC 20-40-23-10.

Sec. 2. As used in this chapter, "levy" refers to the property tax levy imposed under this chapter.

Sec. 3. As used in this chapter, "referendum" refers to a referendum under this chapter.

Sec. 4. As used in this chapter, "resolution to extend a referendum levy" refers to a resolution adopted under section 11 of this chapter to place a referendum on the ballot requesting authority to continue imposing a tax rate, which is the same as or lower than the tax rate previously approved by the voters of the unit.

Sec. 5. As used in this chapter, "unit" means a:

- (1) county;
 - (2) first class city, as classified under IC 36-4-1-1; or
 - (3) second class city, as classified under IC 36-4-1-1.

Sec. 6. A unit may impose a local preschool education



1 referendum tax levy for the local preschool education referendum
 2 tax levy fund under this chapter.

3 **Sec. 7. (a)** Subject to subsection (c), the legislative body of a unit
 4 may adopt a resolution to place a referendum under this chapter
 5 on the ballot if the legislative body determines that a local
 6 preschool education referendum tax levy should be imposed for the
 7 purposes described in IC 20-40-23-9.

8 (b) The legislative body of the unit shall certify a copy of the
 9 resolution to place a referendum on the ballot to the following:

- 10 (1) The department of local government finance, including:
 11 (A) the language for the question required by section 10 of
 12 this chapter, or, in the case of a resolution to extend a
 13 referendum levy, section 12 of this chapter; and
 14 (B) a copy of the revenue spending plan adopted under
 15 subsection (c).

16 The department shall review the language for compliance
 17 with section 10 or 12 of this chapter, whichever is applicable,
 18 and either approve or reject the language. The department
 19 shall send its decision to the legislative body of the unit not
 20 more than ten (10) days after the resolution is submitted to
 21 the department. If the language is approved, the legislative
 22 body of the unit shall certify a copy of the resolution,
 23 including the language for the question and the department's
 24 approval.

- 25 (2) The county fiscal body of the county.
 26 (3) The circuit court clerk of the county.

27 (c) As part of the resolution described in subsection (a), the
 28 legislative body of the unit shall adopt a revenue spending plan for
 29 the proposed referendum tax levy that includes at least the
 30 following:

- 31 (1) An estimate of the amount of annual revenue expected to
 32 be collected if a levy is imposed under this chapter.
 33 (2) The specific purposes for which the revenue collected from
 34 a levy imposed under this chapter will be used.
 35 (3) An estimate of the annual dollar amounts that will be
 36 expended for each purpose described in subdivision (2).
 37 (4) The entity the unit intends to select as the administrator of
 38 the fund and the percentage fee the administrator will receive
 39 under IC 20-40-23-11(c). The percentage fee may not exceed
 40 three percent (3%).
 41 (5) A list of the reporting requirements under IC 20-40-23.
 42 (6) A summary of the education standards the administrator



intends to adopt under IC 20-40-23-13.

(d) The legislative body of a unit shall specify in its proposed budget the unit's revenue spending plan described in subsection (c) and annually present the revenue spending plan at its public hearing on the proposed budget under IC 6-1.1-17-3.

Sec. 8. The voters in a referendum may not approve a levy that is imposed for more than eight (8) years. However, a levy may be reimposed or extended under this chapter.

Sec. 9. A local preschool education referendum tax levy under this chapter may be put into effect only if a majority of the individuals who vote in a referendum that is conducted in accordance with this chapter approves the unit imposing a levy for the ensuing calendar year.

Sec. 10. (a) This section does not apply to a referendum on a resolution certified to the department of local government finance to extend a referendum levy.

(b) The question to be submitted to the voters in the referendum must read as follows:

"Shall _____ (insert the name of the unit) increase property taxes paid to the unit for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding administration of a preschool program and tuition assistance by imposing a property tax rate that does not exceed _____ (insert property tax rate) and results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy)? If this local preschool referendum public question is approved by the voters, for a median residence of _____ (insert the unit's median household assessed value, rounded up to the next fifty thousand dollars (\$50,000)), the property's annual property tax bill would increase by _____ (insert dollar amount, rounded up to the next whole dollar) per year. (If, in the previous five (5) years, the unit has conducted a local preschool referendum public question, the following shall also be included in the ballot language.) The most recent local preschool referendum public question proposed by the unit was held in _____ (insert year) and (insert whether the measure passed or failed).".

Sec. 11. (a) Before the legislative body of a unit may adopt a resolution to extend a referendum levy under this chapter, the legislative body shall conduct a review of the outcomes report and independent financial audit obtained by the administrator under



1 **IC 20-40-23-14 at a public hearing. The public hearing required**
 2 **under this subsection must be held during the calendar year that**
 3 **falls halfway through the term of the initial referendum levy.**

4 **(b) A resolution to extend a referendum levy must be:**

5 **(1) adopted by the legislative body of a unit; and**

6 **(2) approved in a referendum under this chapter;**

7 **before December 31 of the final calendar year in which the unit's**
 8 **previously approved referendum levy is imposed under this**
 9 **chapter.**

10 **Sec. 12. (a) This section applies only to a referendum to allow a**
 11 **unit to extend a referendum levy.**

12 **(b) The question to be submitted to the voters in the referendum**
 13 **must read as follows:**

14 **"Shall _____ (insert the name of the unit) continue to**
 15 **increase property taxes paid to the unit for no more than**
 16 **_____ (insert the number of years immediately following the**
 17 **holding of the referendum) years for the purpose of funding**
 18 **administration of a preschool program and tuition assistance**
 19 **by imposing a property tax rate that does not exceed _____**
 20 **(insert property tax rate) and results in a maximum annual**
 21 **amount that does not exceed _____ (insert maximum amount**
 22 **of annual levy)? If this local preschool referendum public**
 23 **question is NOT approved by the voters, for a median**
 24 **residence of _____ (insert the unit's median household**
 25 **assessed value, rounded up to the next fifty thousand dollars**
 26 **(\$50,000)), the property's annual tax bill would decrease by**
 27 **_____ (insert dollar amount, rounded up to the next whole**
 28 **dollar) per year. If this local preschool referendum public**
 29 **question is approved by the voters, it would be a renewal of**
 30 **the most recent local preschool referendum public question**
 31 **passed in _____ (insert year the original local preschool**
 32 **referendum public question passed) with a property tax rate**
 33 **of _____ (insert property tax rate of the original local**
 34 **preschool referendum public question).".**

35 **(c) The number of years for which a referendum tax levy may**
 36 **be extended if the public question under this section is approved**
 37 **may not exceed eight (8) years.**

38 **Sec. 13. Each year, the county auditor, with cooperation from**
 39 **the department of local government finance, shall determine the**
 40 **tax rate needed to raise the maximum amount of the annual levy**
 41 **for the year as described under section 10 or 12 of this chapter, as**
 42 **applicable, and shall determine all other information needed for**



1 **the ballot language in those sections.**

2 **Sec. 14. The county auditor shall distribute proceeds collected**
 3 **from an allocation area (as defined in IC 6-1.1-21.2-3) that are**
 4 **attributable to property taxes imposed after being approved by the**
 5 **voters in a referendum to the taxing unit for which the referendum**
 6 **was conducted.**

7 **Sec. 15. Each circuit court clerk shall, upon receiving the**
 8 **question certified by the governing body of a unit under this**
 9 **chapter, call a meeting of the county election board to make**
 10 **arrangements for the referendum.**

11 **Sec. 16. The referendum shall be held in the next general**
 12 **election, as provided under IC 3-10-9-3(b), in which all the**
 13 **registered voters who are residents of the unit are entitled to vote**
 14 **after certification of the question. The certification of the question**
 15 **must occur not later than noon August 1.**

16 **Sec. 17. Each county election board shall cause:**

17 **(1) the question certified to the circuit court clerk by the**
 18 **governing body of a unit to be placed on the ballot in the form**
 19 **prescribed by IC 3-10-9-4; and**

20 **(2) an adequate supply of ballots and voting equipment to be**
 21 **delivered to the precinct election board of each precinct in**
 22 **which the referendum is to be held.**

23 **Sec. 18. (a) The individuals entitled to vote in the referendum**
 24 **are all of the registered voters who reside in the territory of the**
 25 **unit.**

26 **(b) An individual who changes residence from a location within**
 27 **a unit to a location outside of the unit less than thirty (30) days**
 28 **before an election under this chapter may not vote on the public**
 29 **question.**

30 **Sec. 19. Each precinct election board shall count the affirmative**
 31 **votes and the negative votes cast in the referendum and shall**
 32 **certify those two (2) totals to the county election board of each**
 33 **county in which the referendum is held. The circuit court clerk of**
 34 **each county shall, immediately after the votes cast in the**
 35 **referendum have been counted, certify the results of the**
 36 **referendum to the department of local government finance. If a**
 37 **majority of the individuals who voted in the referendum voted**
 38 **"yes" on the referendum question:**

39 **(1) the department of local government finance shall promptly**
 40 **notify the unit that the unit is authorized to collect, for the**
 41 **calendar year that next follows the calendar year in which the**
 42 **referendum is held, a levy not greater than the amount**



approved in the referendum;
(2) the levy may be imposed for the number of calendar years approved by the voters following the referendum for the unit in which the referendum is held; and
(3) the unit shall establish a fund under IC 20-40-23-10.

Sec. 20. A unit's levy under this chapter may not be considered in the determination of the unit's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 or any other property tax levy imposed by the unit.

Sec. 21. (a) If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question:

- (1) the unit may not make any levy for its local preschool referendum tax levy fund; and
 - (2) another referendum under this chapter may not be held earlier than:
 - (A) except as provided in clause (B), seven hundred (700) days after the date of the referendum; or
 - (B) three hundred fifty (350) days after the date of the referendum, if a petition that meets the requirements of subsection (b) is submitted to the county auditor.

(b) If a majority of the individuals who voted in the referendum did not vote "yes" on the referendum question, a petition may be submitted to the county auditor to request that the limit under subsection (a)(2)(B) applies to the holding of a subsequent referendum by the unit. If such a petition is submitted to the county auditor and is signed by the lesser of:

- (1) five hundred (500) individuals who are either owners of property within the unit or registered voters residing within the unit; or
 - (2) five percent (5%) of the registered voters residing within the unit;

the limit under subsection (a)(2)(B) applies to the holding of a second referendum by the unit, and the limit under subsection (a)(2)(A) does not apply to the holding of a second referendum by the unit.

Sec. 22. (a) If a referendum is approved by the voters in a unit under this chapter in a calendar year, another referendum may not be placed on the ballot in the unit under this chapter in the following calendar year.

(b) Notwithstanding any other provision of this chapter and in addition to the restriction specified in subsection (a), if a unit imposes in a calendar year a referendum levy approved in a



1 **referendum under this chapter, the unit may not simultaneously**
2 **impose in that calendar year more than one (1) additional**
3 **referendum levy approved in a subsequent referendum under this**
4 **chapter.**

5 **Sec. 23. (a) Except as otherwise provided in this section, during**
6 **the period beginning with the adoption of a resolution by the**
7 **legislative body of a unit to place a referendum under this chapter**
8 **on the ballot and continuing through the day on which the**
9 **referendum is submitted to the voters, the unit may not promote a**
10 **position on the referendum by doing any of the following:**

11 **(1) Using facilities or equipment, including mail and**
12 **messaging systems, owned by the unit to promote a position**
13 **on the referendum, unless equal access to the facilities or**
14 **equipment is given to persons with a position opposite to that**
15 **of the unit.**

16 **(2) Making an expenditure of money from a fund controlled**
17 **by the unit to promote a position on the referendum.**

18 **(3) Using an employee to promote a position on the**
19 **referendum during the employee's normal working hours or**
20 **paid overtime, or otherwise compelling an employee to**
21 **promote a position on the referendum at any time. However,**
22 **if a person described in subsection (c) is advocating for or**
23 **against a position on the referendum or discussing the**
24 **referendum as authorized under subsection (c), an employee**
25 **of the unit may assist the person in presenting information on**
26 **the referendum, if requested to do so by the person described**
27 **in subsection (c).**

28 **However, this section does not prohibit an official or employee of**
29 **the unit from carrying out duties with respect to a referendum that**
30 **are part of the normal and regular conduct of the official's or**
31 **employee's office or agency, including the furnishing of factual**
32 **information regarding the referendum in response to inquiries**
33 **from any person.**

34 **(b) This subsection does not apply to:**

35 **(1) a personal expenditure to promote a position on a local**
36 **public question by an employee of a unit whose employment**
37 **is governed by a collective bargaining contract or an**
38 **employment contract; or**

39 **(2) an expenditure to promote a position on a local public**
40 **question by a person or an organization that has a contract or**
41 **an arrangement (whether formal or informal) with the unit**
42 **solely for the use of the unit's facilities.**



1 **A person or an organization that has a contract or arrangement**
2 **(whether formal or informal) with a unit to provide goods or**
3 **services to the unit may not spend any money to promote a position**
4 **on the referendum. A person or an organization that violates this**
5 **subsection commits a Class A infraction.**

6 **(c) Notwithstanding any other law, a member of the legislative**
7 **body of the unit may at any time:**

8 **(1) personally advocate for or against a position on a**
9 **referendum; or**
10 **(2) discuss the referendum with any individual, group, or**
11 **organization or personally advocate for or against a position**
12 **on a referendum before any individual, group, or**
13 **organization;**

14 **so long as it is not done by using public funds. Advocacy or**
15 **discussion allowed under this subsection is not considered a use of**
16 **public funds.**

17 **Sec. 24. Nothing in this chapter may be construed to create or**
18 **obligate creation of a program administered by the state.**

19 **Sec. 25. The provisions of this chapter are severable.**

20 **SECTION 4. An emergency is declared for this act.**

