

# SENATE BILL No. 292

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20.3-18.

**Synopsis:** Loans from the common school fund. Reinstates retroactively provisions that apply with regard to an extension of the term of loans or advances from the common school fund for the Gary Community School Corporation, which expired January 1, 2025. Extends the expiration date to January 1, 2028.

**Effective:** January 1, 2025 (retroactive).

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## Spencer

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January 12, 2026, read first time and referred to Committee on Education and Career Development.

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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.

## SENATE BILL No. 292

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 6-1.1-20.3-18 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 18. (a) If**  
4 **the distressed unit appeal board delays or suspends, for a period**  
5 **determined by the board, any payments on loans or advances from**  
6 **the common school fund under section 6.8 of this chapter, the**  
7 **distressed unit appeal board may recommend to the state board of**  
8 **finance that the term of the loans or advances be extended. If the**  
9 **distressed unit appeal board makes a recommendation to extend**  
10 **the term of the loans or advances, the state board of finance may**  
11 **extend the term of the loans or advances for a period of time that**  
12 **is equal to or less than the number of months for which the**  
13 **payments are delayed or suspended.**  
14 **(b) If payments on loans or advances from the common school**  
15 **fund are suspended under section 6.8 of this chapter, the distressed**  
16 **unit appeal board shall require that the school corporation:**  
17 **(1) establish a school improvement fund; and**



(2) transfer to the school improvement fund an amount equal to the payments that are delayed or suspended for calendar year 2020.

(c) A school improvement fund established under subsection (b)(1) may be used only for the following purposes:

(1) Repair, renovation, or other improvements to school buildings and property being used for education purposes as of July 1, 2020.

(2) Demolition of school buildings or other structures on school property in existence as of July 1, 2020.

(d) All expenditures from a school improvement fund established under subsection (b)(1) must be approved by the distressed unit appeal board.

(e) A school corporation may, on an annual basis, levy a tax in the debt service fund equal to the amount that would have been deducted from the distribution of state tuition support for the payment of loans made under section 6.8 of this chapter during calendar year 2020 if the loans had not been suspended. The amount received from a tax under this subsection must be transferred from the debt service fund to the education fund.

(f) With the approval of the distressed unit appeal board, a school corporation may spend other funds of the school corporation for the purposes described in subsection (c) and reimburse the expenditures from a school improvement fund established under subsection (b)(1).

(g) This section expires January 1, 2028.

SECTION 2. An emergency is declared for this act.

